



31 October 2018

Quarterly Activity Report - Period ending 30 September 2018

Australian natural skin care company Skin Elements Limited (ASX: SKN) (Skin Elements, the Company) is pleased to present its Quarterly Activities Report for the period ending 30 September 2018.

SKNLife Launched - Three New Brands Completed with Soleo Organics Brand Extension

Skin Elements has increased its range of all natural and organic products with the launch of its PapayaActivs range, Complete Esscience range, Elizabeth Jane Natural Cosmetics range and the extension to its internationally award winning Soleo Organics natural sunscreen range:

- Launch of **PapayaActivs** natural therapeutic range with the highest percentage of PapayaActive extract with five new products – eczema cream, psoriasis dermatitis and rashes cream, arthritis cream, wounds and burns cream, and muscle aches and pain cream.
- Launch of the **Complete Esscience** natural skincare range of body and haircare products including complete skincare cream, hydrating facial cream, complete skincare soap, complete skincare bodywash, complete scalpcare shampoo and conditioner, and complete replenishing shampoo and conditioner.
- Launch of **Elizabeth Jane Natural Cosmetics** range with the first four products being age defy renewal cream, snow white brightening essence, delicate eyes rejuvenation gel and intensive recovery night cream.
- **Soleo Organics** 100% natural and organic sunscreen range extension including Baby sensitive, Everyday lite, Everyday lite (ED) coconut, and Face extra sensitive.

Sales Positioned for Growth Momentum

All new products are in progress with manufacturing commenced with our two laboratories Baxter Laboratories in Victoria and Tripak Laboratories in Queensland. The Company has also increased working capital by \$340,000 to underwrite the sales growth.

Skin Elements Executive Chairman Mr Peter Malone noted “With 38 different skincare products developed Skin Elements is positioned for strong sales growth.”

Natural Science by Skin Elements

32 Ord Street, West Perth
Western Australia, 6005
P 08 6311 1900
F 08 6311 1999

www.mcarthurskincare.com
www.soleoorganics.com
www.skinelementslimited.com

Peter Malone
Executive Chairman
Skin Elements Limited
T: +61 439 430 770
E: peter@senatural.com

Media and Investor Inquiries
James Moses
Mandate Corporate
T: +61 420 991 574
E: james@mandatecorporate.com.au

About Skin Elements

Skin Elements is an Australian owned and operated ASX-listed skin care company focused on the development of natural and organic skin care products, as an alternative to current chemical-based products. It has developed a portfolio of products which includes its lead product, the Soléo Organics 100% natural and organic sunscreen, PapayaActivs natural therapeutics, Complete Esscience natural skincare, and the Elizabeth Jane Natural Cosmetics brand. The Company has completed a highly successful test marketing phase in major international markets for Soléo Organics and has regulatory approval with the USA FDA, TGA and other significant regulators. Skin Elements aims to become the number one recognised national and international sunscreen brand.

Further information is available via the Company website: <http://skinelementslimited.com>



Natural Science by Skin Elements

30 Ord Street, West Perth
Western Australia, 6005
P 08 6311 1900
F 08 6311 1999

www.mcarthurskincare.com
www.soleoorganics.com
www.skinelementslimited.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity		
Skin Elements Limited		
ABN		Quarter ended ("current quarter")
90 608 047 794		30 September 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	101	101
1.2	Payments for		
	(a) research and development (note 4)	(516)	(516)
	(b) product manufacturing and operating costs	(66)	(66)
	(c) advertising and marketing	(70)	(70)
	(d) leased assets	(24)	(24)
	(e) staff costs	(187)	(187)
	(f) administration and corporate costs	(158)	(158)
1.3	Dividends received	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(920)	(920)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see note 5)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,043	1,043
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options		-
3.4	Transaction costs related to issues of shares, convertible notes or options	(106)	(106)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	937	937

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	196	196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(920)	(920)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	937	937
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	213	213

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	213	196
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	213	196

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(190)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors remuneration (per the service agreements)		(190)

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other		
	October Placement	340	-
	R&D Tax Rebate	490	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
October Placement: On 4 October 2018 the Company completed a share and option placement raising \$340,000 working capital.			
R&D Tax Rebate: Subsidiary SE Operations Pty Ltd has lodged R& Tax Rebate claim of \$490,000 expected to be received in December 2018 quarter.			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(90)
9.2	Product manufacturing and operating costs	(125)
9.3	Advertising and marketing	(72)
9.4	Leased assets	(25)
9.5	Staff costs	(140)
9.6	Administration and corporate costs	(50)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(502)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company Secretary)
Print name: Craig Piercy

Date: 31 October 2018

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.
2. This quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report with the exception of the additional detail presented in item 1.2 above.
3. The Group comprises parent entity Skin Elements Limited (ACN 608 047 794) and wholly owned subsidiary Skin Elements Operations Pty Ltd (ACN 110 352 424) acquired on 31 December 2016.
4. The Group has undertaken research and development activities as part of its on-going operations. The costs associated with the research and development process have been identified and disclosed separately from the additional cost categories such as lease, staff and administration costs.