



21 December 2020

Skin Elements signs Australasian Distribution Agreement for Natural Skincare Product Range

Australian natural skin care company Skin Elements Limited (ASX: SKN) (Skin Elements, the Company) is pleased to announce that it has entered into a distribution agreement with West Coast Naturals Pty Ltd (**West Coast Naturals**) for the online marketing and sales of Skin Elements' SE Formula range of all organic health care and beauty products (**Distribution Agreement**).

West Coast Naturals is an Australasia natural and organic health e-commerce business specialising in taking all natural and organic health brands direct to consumers through its e-commerce platform - www.westcoastnaturals.com.au.

West Coast Naturals will offer Skin Elements an end to end e-commerce solution and access to West Coast Naturals' digital platform currently in development to build more meaningful scale for Skin Elements' SE Formula brand portfolio across Australia and Asia.

West Coast Naturals was founded in December 2020 by experienced sales and marketing specialist Ms Amanda Strachan in Perth, Western Australia. The business is the culmination of a five year development program to build out an e-commerce platform to take a range of curated all Australian natural health and beauty products directly to consumers globally, with a particular focus on South East Asia. Further details on West Coast Naturals is set out in the About West Coast Naturals section of this announcement.

Skin Elements Limited was contacted by West Coast Naturals following increased awareness of Skin Elements' SE Formula range of organic health care and beauty products that could potential benefit from access to West Coast Naturals' target market.

The collaboration will initially target three priority markets of Australia, Singapore and Hong Kong.

The key terms of the Distribution Agreement are as follows:

- Non exclusive right to market and sell Skin Elements' SE Formula product range including Invisi Shield sanitiser, Soleo Organics natural sunscreen, and PapayaActivs natural therapeutic skincare through West Coast Naturals e-commerce platform.
- The Agreement is for an initial term of three years.
- There is no minimum sales commitment in the first twelve months. Skin Elements and West Coast Naturals will negotiate and agree minimum sales commitments for the second and third twelve month periods.

Natural Science by Skin Elements

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- West Coast Naturals is required to pay 50% of the product price for an order upon placing the order, and the balance of the product price (50%) for an order prior to the date of shipment or delivery of the order.
- West Coast Naturals is also responsible for all costs, expenses and charges incurred as the distributor in performing its obligations under the Agreement.
- All Intellectual Property Rights in relation to Skin Elements' SE Formula products remain the property of Skin Elements.
- Skin Elements may terminate the Agreement with immediate effect if West Coast Natural breaches any provision of the Agreement that cannot be remedied. Skin Elements may also terminate the Agreement if West Coast Natural breaches any provision of the Agreement that is capable of remedy and West Coast Natural does not remedy that breach within 30 days.
- In addition to terms and conditions outlined in this announcement, the Agreement is subject to standard terms, conditions and warranties typical of a contract of this type.

As part of its negotiation and due diligence process, Skin Elements was able to review the proposed development program for West Coast Naturals e-commerce platform, and third party information such as government databases.

Skin Elements notes that West Coast Naturals has only recently been established and has not yet achieved sales through its e-commerce platform which is currently in development. Investors should be aware that there can be no guarantee that Skin Elements will achieve increased sales through this Distribution Agreement.

Skin Elements Executive Chairman, Mr Peter Malone, said: *"The distribution agreement with West Coast Naturals provides Skin Elements with further opportunity to expand our presence in Australia and Asia, which show strong demand for organic and toxin free health and beauty products."*

West Coast Naturals founder, Ms Amanda Strachan, said: *"As a mother and an executive, I am passionate about providing products that are natural, safe, and sustainable to other women, children and the market broadly. We are excited to partner with Skin Elements for the distribution of their unique all natural products and believe our experienced sales team and market reach to over 4.6 billion potential customers will deliver strong sales results for Skin Elements."*

This announcement is approved by the Board of Directors of Skin Elements Limited.

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About Skin Elements

Established in 2005, Skin Elements is an award winning Australian owned and operated ASX-listed skin care company focused on the development of natural and organic skin care products. Skin Elements innovative approach to organic chemical free products has enabled the creation of a portfolio of products that has been sold and distributed across the world. Its flagship products include the Invisi-Shield® natural organic alcohol-free sanitiser and disinfectant range, the Soléo Organics 100% natural and organic sunscreen, PapayaActivs natural therapeutics skincare, and the Elizabeth Jane Natural Cosmetics brand.

About West Coast Naturals

West Coast Naturals was established in December 2020 by experienced sales and marketing specialist Ms Amanda Strachan and experienced business and corporate advisor Mr Peter Bird in Perth, Western Australia, to develop and provide end-to-end direct-to-consumer e-commerce solutions for consumer brand owners, in addition to stand-alone digital services, including hosting, studio content and translation.

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

