



18 May 2021

Skin Elements issues Collateral Shares to facilitate first tranche of \$20M Equity Funding Facility

Australian natural skin care company, Skin Elements Limited (ASX: SKN) (Skin Elements or the Company), is pleased to announce that it has issued 27,500,000 ordinary fully paid shares to US-based institutional investment group, LDA Capital Limited and LDA Capital LLC (LDA Capital), pursuant to the Company's \$20 million equity funding facility with LDA Capital.

The issue of these shares (Collateral Shares) to LDA Capital will allow Skin Elements on quotation to access the first tranche of funding from the \$20 million facility with LDA Capital.

The funds will be utilised to commence the ramp up of the Company's production, marketing, and sales and distribution plans for its Invisi Shield® sanitising disinfectant (Invisi Shield®) as well its other product lines.

Skin Elements entered into a Put Option Agreement (Agreement) with LDA Capital, under which LDA Capital will provide Skin Elements with up to \$20 million in equity capital over the next 36 months (ASX announcement, 6 April 2021).

Under the Agreement, Skin Elements will issue Collateral Shares to LDA Capital for nil consideration, at intervals and quantum-of-shares of the Company's choosing, over the next 36 months and receive funds, up to \$20 million in total, for the sale of those shares.

Skin Elements is focused on securing commercial-scale distribution agreements for Invisi Shield® in Australia and international markets, and the \$20 million facility with LDA will provide the requisite funding to support the Company's growth plans for Invisi Shield®.

The first step in achieving this objective is to secure requisite regulatory registrations/approvals for the sale and distribution of the product in the markets it seeks to operate in. The Company has submitted an application for Therapeutic Goods Administration (TGA) registration of Invisi Shield® as a hospital grade disinfectant (ASX announcement, 11 November 2020).

Since application submission, it has liaised with the TGA with regard to labelling requirements for Invisi Shield® and on technical aspects of the Invisi Shield® independent testing program, and now anticipates the TGA response to registration application in the near future.

Natural Science by Skin Elements

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Successful registration with the TGA will allow the Company to make more detailed and specific product and label claims in respect of Invisi Shield®, which will pave the way for the roll-out of its commercial-scale sales and distribution plans. Skin Elements plans to embark on these plans immediately upon TGA registration.

Subsequent to successful TGA registration, the Company then plans to apply for registration/approval for Invisi Shield® in the United Kingdom and the European Union. Successful registration/approval in the UK and EU will allow Skin Elements to market and sell Invisi Shield® in these major international markets.

The first tranche of Collateral Shares (27,500,000 shares) is issued under the Company's LR7.1 capacity. In accordance with LR3.10.3, an Appendix 3B will follow.

Full details of the LDA equity funding facility (Agreement) are provided in the ASX announcement of 6 April 2021.

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

END

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About Skin Elements

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 have been sold and distributed across the world. Its flagship products include Invisi-Shield Organics natural alcohol-free sanitiser range, Soléo Organics 100% natural and organic sunscreen, PapayaActivs natural therapeutics skincare, and Elizabeth Jane Natural Cosmetics brand.

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

About LDA Capital

LDA Capital is a global alternative investment group with expertise in complex, cross border transactions worldwide. The LDA team members have dedicated their careers to international and cross border opportunities having collectively executed over 200 transactions in both the public and private markets across 43 countries with aggregate transaction values of over US\$10 billion. For more information please visit: www.ldacap.com; For inquiries please email: info@ldacap.com.

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