

ANAGENICS

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ASX ANNOUNCEMENT

SYDNEY 14 February 2023: Anagenics Limited (AN1)

- **Fully underwritten accelerated non-renounceable pro rata entitlement offer to raise approximately A\$3.2m**
- **Release of Anagenics Limited Financial Results for the Half Year ended 31 December 2022**
- **Appointment of New Non-Executive Director**

Entitlement Offer Highlights:

- Non-Renounceable Entitlement Offer to raise approximately A\$3.2 million, by issuing approximately 144.4m new shares, priced at A\$0.022 per share representing a 2.3% discount to the last traded price on 13 February 2023 and a 16.9% discount to the 30-day VWAP.
- The Non-Renounceable Entitlement Offer is fully underwritten by Hancock & Gore Limited (HNG.ASX). HNG is the major shareholder in AN1 (17.36%)
- The Offer proceeds will be used for future mergers & acquisitions, funding the earn-out payment for the BLC acquisition and growth capital for AN1's existing brands

Financial Results for the Half Year Ended 31 December 2022 Highlights:

- Total Revenue of \$5.8 million, up 19% on 1H FY2022
- Underlying EBITDA loss of \$0.5 million, a reduction of 70% from the 1HFY2022 loss
- Result driven by increased contribution of BLC Cosmetics, realisation of cost saving initiatives and disposal of Advangen Japan
- Further details can be found in the full audited Anagenics Limited Interim Report for the half year ended 31 December 2022 released today.

Appointment of New Non-Executive Director

AN1 is pleased to announce that, subject to finalisation of customary onboarding requirements, Karen Matthews will be joining the Board as a Non-Executive Director. Karen is a business transformation advisor with over 25 years' experience leading business turnaround, change and strategies for business growth. Karen brings dynamic experience from the Beauty & Retail industry working for some of Australia's most iconic retail businesses including Ella Bache, Freedom Furniture and Myer and being recognised with industry awards.

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Entitlement Offer

The Company is pleased to announce that it is undertaking a fully underwritten accelerated pro-rata non-renounceable entitlement offer (**'Entitlement Offer'**) of 1 new fully paid ordinary share in the Company (**'New Share'**) for every 1.3748 ordinary shares in the Company held as at 7.00pm (Sydney time) on Thursday, 16 February 2023 to eligible shareholders with a registered address in Australia or New Zealand at an issue price of \$0.022 per New Share (**'Offer Price'**), to raise approximately A\$3.2 million.

The Offer Price represents a discount of:

- 16.9% to the 30-day VWAP of the Company's shares, calculated as at close of trade on 13 February 2023;
- 2.3% to last trade of the Company's shares on 13 February 2023; and
- 1.32% to TERP¹.

The institutional component of the Entitlement Offer will open on Tuesday, 14 February 2023 and is expected to close on Wednesday, 15 February 2023. The retail component of the Entitlement Offer will open on Tuesday, 21 February 2023 and is expected to close on Monday, 6 March 2023. Please refer to the timetable set out below for further details.

Under the retail component of the Entitlement Offer, eligible retail shareholders that take up their full entitlement will be able to apply for additional New Shares in excess of their entitlement.

Use of proceeds of Entitlement Offer

The Company proposes to use the proceeds from the Entitlement Offer as follows:

Type	Amount ¹
<i>Potential M&A transactions</i> ² – allows AN1 to execute on potential accretive M&A opportunities with a view to integrate into the AN1 platform and scale to provide revenue and profit to consolidated business	A\$1.5 million
<i>BLC deferred consideration</i> ³ – payment of earn-out to Hancock & Gore Limited resulting from BLC's FY22 EBITDA growth, clearing remaining debt-like items from AN1 balance sheet	A\$1.1 million
<i>BLC growth capital</i> – to fund ongoing investment into BLC brands (marketing and inventory) to grow profitable revenue	A\$0.3 million
Expenses of the Entitlement Offer	A\$0.3 million
Total	A\$3.2 million

¹ The Theoretical ex-rights price (**'TERP'**) has been calculated as \$0.0223, and is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP.

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Notes:

1. All amounts are approximate.
2. The Company has not yet identified with certainty whether any such opportunities will proceed or, if so, on what terms.
3. As announced to ASX on 9 December 2022, the Company and HNG agreed to settle the deferred consideration owing by the Company to HNG in respect of the Company's acquisition of BLC through the payment of A\$812,228 cash on 28 February 2023 and the issue of up to 6,950,000 ordinary AN1 shares ('**Tranche 2 Shares**') subject to and following shareholder approval. However, if HNG's voting power in the Company is equal to or exceeds 19.90% on 28 February 2023, none of the Tranche 2 Shares will be issued and the balance of the consideration (being \$243,251) will be paid in cash. HNG and its associates have confirmed they intend to take up all of their entitlement under the Entitlement Offer. Accordingly, based on the timetable below, HNG's voting interests in the Company is expected to exceed 19.90% on 28 February 2023 so it will not be issued any Tranche 2 Shares and the Company will instead pay a total of A\$1,055,479 in full and final satisfaction of the deferred consideration for BLC.

Impact on capital structure and dilution

Based on the current capital structure of the Company, approximately 144,355,072 New Shares will be issued under the Entitlement Offer (subject to rounding of fractional entitlements), equating to approximately 39.5% of all the issued shares in the Company following completion of the Entitlement Offer.

As the Entitlement Offer is non-renounceable, shareholders who do not take up all or part of their entitlement will have their equity interest in the Company diluted.

Impact on control

The Entitlement Offer is being fully underwritten by the Company's largest shareholder, Hancock & Gore Limited (ASX:HNG). The Company and HNG have entered into an underwriting agreement governing the terms of this underwriting. Further details of the material terms of this Underwriting Agreement are set out in the appendix titled '*Underwriting Agreement Summary*' in the presentation lodged with ASX on the date of this announcement.

As a result of the Entitlement Offer and the Underwriting Agreement, HNG's relevant interest in the Company may increase above 20%. Please refer to the notice given by the Company under section 708AA(7) of the Corporations Act on the on the date of this announcement for details of the potential control impacts of the Entitlement Offer and underwriting by HNG.

ASIC has granted relief to enable the exceptions in items 10 and 10A of section 611 of the Corporations Act 2001 (Cth) (as amended by the *ASIC Corporations (Takeovers – Accelerated Rights Issues Instrument 2015/1069)*) ('**Corporations Act**') to be relied upon notwithstanding that:

- the Entitlement Offer will not be extended to foreign shareholders and the conditions of the exception in item 10 of section 611 of the Corporations Act will not be satisfied in relation to foreign Shareholders; and
- the Company will not implement the nominee procedure set out in section 615 of the Corporations Act.

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Timetable

Outlined below is a timetable of relevant events and dates relating to the Entitlement Offer:

Event	Date
Announcement of Entitlement Offer	Tuesday, 14 February 2023
Institutional Entitlement Offer opens	Tuesday, 14 February 2023
Institutional Entitlement Offer closes	Wednesday, 15 February 2023
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 16 February 2023
Record Date for Entitlement Offer (7:00pm Sydney time)	Thursday, 16 February 2023
Despatch of Information Booklet and Entitlement and Acceptance Forms	Tuesday, 21 February 2023
Retail Entitlement Offer opens (9.00am Sydney time)	Tuesday, 21 February 2023
Settlement of New Shares issued under Institutional Entitlement Offer	Thursday, 23 February 2023
Allotment of New Shares issued under Institutional Entitlement Offer	Friday, 24 February 2023
Trading on ASX of New Shares issued under Institutional Entitlement Offer	Monday, 27 February 2023
Retail Entitlement Offer closes (5.00pm Sydney time)	Monday, 6 March 2023
Settlement of New Shares issued under Retail Entitlement Offer	Friday, 10 March 2023
Allotment of New Shares issued under Retail Entitlement Offer	Monday, 13 March 2023
Trading on ASX of New Shares issued under the Retail Entitlement Offer	Tuesday, 14 March 2023
Despatch of holding statements for New Shares to retail holders	Tuesday, 14 March 2023

Note: The timetable above is indicative only and subject to change. The Company reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Retail Entitlement Offer and to accept late applications under the Retail Entitlement Offer (either generally or in particular cases), and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date may have a consequential effect on the issue of New Shares. The Company also reserves the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants. The quotation of New Shares is subject to confirmation from ASX.

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Further information

Further details regarding the Entitlement Offer, including how retail shareholders can apply, will be set out in an information booklet which is anticipated to be lodged with ASX and despatched to eligible shareholders with a registered address in Australia or New Zealand on Tuesday, 21 February 2023. All shareholders are encouraged to consider the information contained in that information booklet and in the investor presentation lodged with ASX on the date of this announcement (including risk factors) before making any investment decision.

If you have any questions about the New Shares being offered, you should contact your stockbroker, accountant or other professional adviser. If you have any questions in relation to your Entitlement or personalised Entitlement and Acceptance Form, please contact the Share Registry on 1300 288 664. Otherwise, please call the Company Secretary on + 61 2 8072 1429 at any time between 8.00am and 5.00pm (AEDT) Monday to Friday.

This announcement has been authorised by the Independent Board Committee.

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Anagenics Limited (ASX: AN1)

Anagenics is a health and beauty-tech business growing shareholder value through the global distribution and sales of its proprietary and licensed brands of differentiated, clinically validated anti-aging solutions. BLC Cosmetics Pty Ltd is Anagenics' wholly owned subsidiary focused on sales and distribution of leading Australian and international brands of cosmetic and wellness products. Advangen Pty Ltd is Anagenics' wholly owned subsidiary engaged in the development and sale of proprietary first in class, best in class, clinically validated products for hair, skin and body. For further information, please see www.anagenics.com, www.evolisproducts.com.au and www.blccosmetics.com.

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