

ASX ANNOUNCEMENT

ANAGENICS LIMITED (ASX: AN1) – ACQUISITION OF FACE MEDIGROUP

Strategic acquisition to accelerate Anagenics growth

- **Face MediGroup (FMG) is an existing AN1 customer and the acquisition creates a unique professional beauty platform**
- **53% increase in AN1's pro-forma revenue providing scale and synergy for further operational efficiencies**
- **FMG is a fast-growing business (24% FY23 revenue growth) complementing AN1's improving trajectory and drive towards near-term profitability**
- **FMG founders rolling significant equity into Anagenics scrip and managing its consolidated beauty vertical**
- **AN1 continues to assess material acquisition opportunities to deliver profitability and return on capital targets**

SYDNEY, Tuesday 22, August 2023: Anagenics Limited (AN1) today announced the acquisition of Australian professional skincare and beauty retailer, Face MediGroup (FMG), complementing BLC Cosmetics (BLC), its existing B2B-focused subsidiary. The FMG acquisition gives AN1 a holistic omni retail and wholesale distribution network across Australia and New Zealand's professional beauty market.

The combination of BLC and FMG will drive stronger revenue growth by bringing together both physical and virtual consults as well as a wider range of products:

- FMG provides accredited skin care products for consumers. It has both a physical presence through its Face Mediskin retail store in Bella Vista and a digital presence through its two digital platforms: facemediskin.com.au and prodermal.com.au. It will use BLC's existing exclusive brand distribution arrangements to improve margin outcomes for its eCommerce and retail channels.
- BLC provides an online platform for qualified beauty therapy professionals to access prescribed beauty products from accredited providers. BLC will grow its B2B professional channel, expand its D2C and eCommerce capabilities, while continuing to review future opportunities to expand into physical retail via FMG's retail arm.

Face Medigroup co-founders, Matt and Sarah Perry, will officially join AN1 to lead the new integrated beauty business and will be aligned through AN1 scrip participation.

The purchase of Face MediGroup places AN1 on a pathway to profitable growth with scale to leverage its refined cost base. The FMG acquisition increases AN1 revenue by 53% on multiple high growth revenue streams, unlocks additional gross margin opportunities and cost efficiencies through reduction of operational costs, IT, supply chain and finance efficiencies.

Broad financial and strategic benefits

The acquisition brings commercial and operational benefits:

- FMG is growing: FY23 revenue grew by 24% vs. FY22 despite broader sector headwinds
- Will enable integrated customer coverage: Provides complete wholesale and retail channel coverage across the professional beauty vertical.
- Secures industry talent: retaining people, including the co-founders with AN1 scrip participation, creates continuity, smooth transition and industry expertise.

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- Operational efficiencies: will enable synergies with suppliers, warehousing, and data and insights.
- Access to retail segment: FMG 'bricks & mortar' presence enables BLC to deliver its exclusive and owned brands direct to customer
- Flexibility and agility: wider channel access allows ability to shift channel focus as consumer habits evolve.

Transaction overview

- Deferred cash consideration of AUD\$500,000, payable in 3 tranches;
 - Tranche 1 - \$100,000 payable on completion
 - Tranche 2 - \$100,000 payable 31 December 2023
 - Tranche 3 - \$300,000 payable 31 March 2024
- AUD\$250,000 AN1 scrip issued at the 30 day VWAP prior to completion
- Adoption of shareholder and supplier loans owed by Face Medigroup amounting to approximately AUD\$350,000
- As part of the total purchase, AN1 will forgive a \$150,000 loan owed by FMG
- Conditional Deferred Consideration:
 - AUD\$300,000 cash payable post FY24 subject to BLC Cosmetics (consolidating FMG and founder salaries) achieving FY24 EBITDA of at least AUD\$1,000,000
 - AUD\$300,000 cash payable post FY25 subject to BLC Cosmetics (consolidating FMG and founder salaries) achieving FY25 EBITDA of at least AUD\$2,200,000
- All cash consideration is intended to be funded by AN1 balance sheet
- The acquisition will be completed 5 days after satisfaction of the conditions precedent (CPs) which is anticipated to be around 29 September 2023. The CPs are customary for an acquisition of this nature

Approved for release by the Board of Directors.

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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. For further information, please see www.anagenics.com.

Forward looking statements

This announcement may have forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks that may cause the actual results, performance or achievements of Anagenics to be materially different from the statements in this announcement. Actual results could differ materially depending on factors such as, amongst other, the availability of resources, regulatory environment, the results of marketing and sales activities and competition.