

ANAGENICS

ASX: AN1

# Growing a portfolio of innovative health, beauty, and wellness brands

---

February 2024 Equity Capital Raise



---

# Disclaimer

**This presentation is dated 7 February 2024 should be read in conjunction with, and subject to, all information previously released to the market by Anagenics Limited (“Company”). This presentation is not intended to be comprehensive or provide all information required by investors to make an informed decision on any investment in the Company.**

In preparing this presentation, the Company did not take into account the investment objectives, financial situation and particular needs of any particular investor. The information in this presentation is general only and does not constitute personal investment advice. Investors should assess their own personal financial circumstances and consider talking to a financial adviser before making any investment decision.

Certain statements in this presentation constitute forward looking statements which are based on information available to the Company as at the date of this presentation. Such forward

looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

While reasonable care has been taken in relation to the preparation of this presentation, none of the Company, its related entities, or their respective directors, officers, employees, contractors or agents accepts responsibility for any loss or damage resulting from the use of or reliance on this presentation by any person and, to the maximum extent permitted by law, all such loss and damage is expressly disclaimed.

No representation or warranty, express or implied, is made or given by or on behalf of the Company, its related entities, or their respective directors, officers, employees, contractors or agents about the accuracy, completeness or fairness of any information

or opinions contained in this presentation.

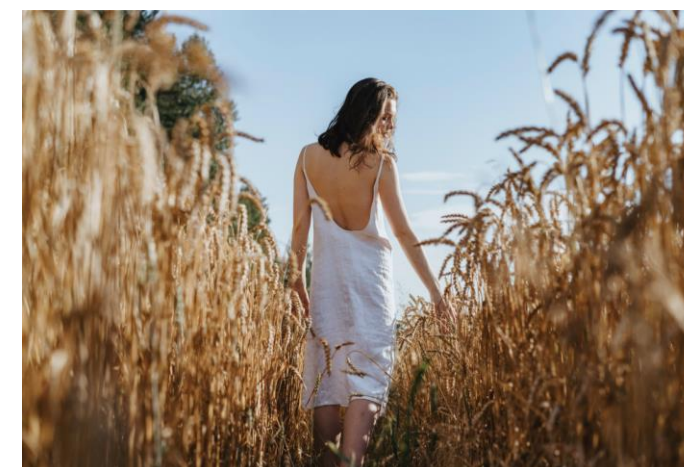
Any opinions contained in this presentation reflect the Company’s position at the date of this presentation based on information then known to the Company and are subject to change.

This presentation is not a prospectus, investment statement or disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Company has not, and will not, register the offer of any shares under the US Securities Act of 1933. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and any such restrictions should be observed.

All intellectual property, proprietary and other rights and interests in this presentation are owned by the Company.


# Executive Summary

<p><b>Company Overview</b></p>	<ul style="list-style-type: none"> <li>Anagenics Limited (Anagenics, AN1, the Company) is a portfolio of innovative health, beauty, and wellness brands aiming to grow shareholder value through M&amp;A and profitable organic growth</li> </ul>
<p><b>Operational Highlights</b></p>	<ul style="list-style-type: none"> <li>Several cost savings initiatives over FY23 helped to reduce operating costs by 27% on FY22 and improving operating cash flows by 30%, following integration of the BLC Cosmetics acquisition</li> <li>Acquisition of Face MediGroup in October 2023 enables the Company to further penetrate the Australian professional beauty sector, delivering a 53% increase in the Company’s pro-forma revenue for FY23, and a platform for further scale and synergies to drive operational efficiencies</li> <li>Appointment of Scott Greasley (CEO), Matthew Dudek (CFO) and Karen Matthews (non-executive Director) in FY23 to significantly deepen the executive management team, with Karen Matthews taking on a strategic role to grow profitable revenue within the Beauty vertical.</li> </ul>
<p><b>Financial Highlights</b></p>	<ul style="list-style-type: none"> <li>Anagenics Pro-forma FY23 revenue (assuming full year contribution from Face MediGroup) was approximately \$14m</li> <li>M&amp;A continuing to build scale, with H1 FY24 revenue growth of +16% compared to FY23</li> <li>Focus is on cost control and margin optimization given current risks to consumer demand</li> <li>Anagenics achieved 43% reduction in underlying EBITDA loss from FY22 to FY23. Approximately \$1 million annualised cost savings actioned following the Face MediGroup acquisition to bridge the gap to breakeven</li> </ul>
<p><b>Capital Raising Overview</b></p>	<ul style="list-style-type: none"> <li>The Company is raising approximately A\$1.3 million via a two-tranche Placement</li> <li>A second tranche (subject to shareholder approval) of approximately \$0.7 million has been committed by the Company’s directors/management and substantial shareholder Hancock &amp; Gore Ltd</li> </ul>
<p><b>Use of Funds and Ongoing Strategy</b></p>	<ul style="list-style-type: none"> <li>Proceeds will be used to fund integration and cost-out initiatives associated with the acquisition</li> <li>Additionally, capital raised will be put towards earnings accretive acquisition opportunities, of which the Company is already well progressed in its discussions with several potential targets</li> </ul>



# A desirable portfolio serving defined channels & markets

Underpinned by profitable, trusted, and validated leading brands



32 employees

**\$14m<sup>^</sup>**

Total revenue & other income

up 54%\*

---

**\$7m**

eComm sales (50% of revenue)

**2**

Completed M&A transactions – uspa & FMG

<sup>^</sup>FY23 Proforma incl. Face MediGroup  
 \*On a AN1 reported basis

## PARTNERSHIPS



**1,110**

Accounts across ANZ

**4**

Channels of distribution  
Wholesale, Clinic, D2C, Marketplace

## ADDITIONAL VALUE STREAMS

- Lynamid licensing agreement for 35 patents. Royalties payable to Anagenics post commercialisation
- Earn out entitlements from Japan post divestment of Advangan Japan

## IP, FORMULAS, AND OWNED TRADEMARKS

- **USPA**  
Worldwide trademark and formulations owned
- **Evolis**  
Worldwide trademark owned
- 7 patents protecting hair loss treatment with a variety of plant derived monoterpenes
- 7 non-commercialised patents protecting hair loss treatment with midkine protein

## TEAM EXPERIENCE

- Samsung
- Boardriders
- Ella Bache
- Alceon Group
- Showpony
- CVC limited
- Woolworths
- ModelCo
- KPMG
- Net-a-Porter

KEY BRANDS

**THALGO**  
LA BEAUTÉ MARINE

**USPA**

HydroPeptide®

**[comfort zone]**  
conscious skin science

**PRIORI**  
ADAPTIVE SKINCARE

**INIKA**  
ORGANIC

**évolis**

WHAT EXPERIENCE IS BEHIND ANAGENICS?

Right team at right time  
– strong operational &  
M&A experience.

Why now? Beauty and  
wellness industry is ripe  
for accretive M&A.

AN1's portfolio  
approach is focused on  
investment returns  
rather than unprofitable  
revenue growth and  
brand collection.



**Scott Greasley** | CEO & MD  
M&A and transformation leader  
with global experience



**Matthew Dudek** | CFO & Company Secretary  
Strategic, financial and commercial experience  
spanning corporates and agile companies



**Kate Hamilton** | eCommerce Manager  
Digital and online expert, with  
enterprise organisational experience



**Sandy Beard** | Chairman  
Proven Chair, investment and  
management executive with a track  
record of driving shareholder returns



**Karen Matthews** | Non-Exec. Director  
Beauty & retail industry senior executive  
with transformation & management  
experience



**Dr Dominic Burg** | COO  
PhD and experienced scientist  
with sharp operational capabilities



**Phillip Christopher** | Non-Exec. Director  
Investment and private equity tactician across  
the consumer and ecommerce segments



**Matt Perry** | GM BLC Cosmetics  
Senior commercial retail & consumer  
brands executive, with enterprise  
organization experience



**Hayley May** | Head of Sales  
Industry sales and brand experience,  
relevant to beauty industry

# Anagenics has laid the foundations for sustainable profitability

APRIL 2023

JUNE 2023

SEPTEMBER 2023

DECEMBER 2023

H1 FY 2024



## TALENT

Appointed new CEO Scott Greasley who brings 15 years of building and integrating market-leading profitable businesses both pre and post M&A activity



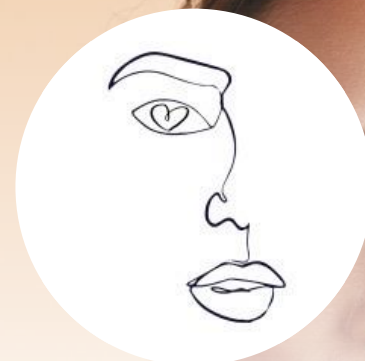
Underlying EBITDA<sup>1</sup> improved

**+43%**

FY23 vs FY22

## PROACTIVELY SOUGHT TO REDUCE LOSSES VIA COST OUT INITIATIVES

The excludes the loss on disposal of the Advangen Japan \$0.9m



## ACQUISITION OF FACE MEDIGROUP

Providing scale to leverage refined cost base post integration with \$1m of annualised savings across combined cost base

H1 Revenue Growth

**+16%**

H1 FY24 vs FY23

## CONTINUED GROWTH

Growth via M&A – Face MediGroup 1 quarter contribution to H1 FY24, to annualise going forward. Focus is on profitable sales and margin optimisation



## INTERGRATION CONTINUES

H1 FY24 underlying EBITDA includes onboarding of Face MediGroup in Q2 prior to integration restructure. Additional cost out initiatives planned for H2.

# Strategic Initiatives

## Anagenics is working to accelerate:

- Streamlining and simplifying its operational platform
- Launching its integrated Beauty strategy
- Synergistic M&A to continue redefining and leveraging cost base
- Expanding new verticals in portfolio approach



### STREAMLINING

The business has identified a further \$1m of annualised cost out savings, through initiatives across shared service, sales, operations and warehousing. Further savings will be targeted and a lean cost base to build upon with M&A and organic investment



### INTEGRATED BEAUTY VERTICAL

By integrating Face MediGroup into BLC, the beauty business now has 3 channels of distribution – wholesale, ecommerce and clinic. This provides a greater value proposition for owned high margin brands and M&A



### SYNERGISTIC M&A

Sourcing synergistic M&A opportunities remains a key priority, to maximise operating leverage on our cost base. AN1 has assessed over 30 potential transactions in the last 12 months and is focused on doing the right deals rather than any deal



### NEW VERTICALS

AN1 is broadening its horizons in taking a portfolio approach across health, beauty, wellness and adjacencies. Eventually AN1 may also explore realising assets if more natural owners arise to continue growing AN1 shareholder value.

# Road to Profitability

Following management restructure in FY2023, Anagenics focus has been on cost reduction and profitable sales.

Progress has been slower than anticipated however the acquisitions of BLC and Face MediGroup have provided scale to reset the cost base.

Given macroeconomic uncertainty Anagenics current focus is on additional cost-out to accelerate profitability.

	Half Year Unaudited					
	(\$'000) FY2024 H1	(\$'000) FY2023	(\$'000) FY2022	(\$'000) FY2021	(\$'000) FY2020	(\$'000) FY2019
<b>Revenue &amp; Other Income</b>	6,344	9,909	10,004	6,820	8,548	8,347
<b>EBITDA – Underlying<sup>1</sup></b>	(1,070)	(1,661)	(2,899)	(2,715)	(3,739)	(3,590)
<b>Loss After Income Tax</b>	(1,347)	(2,667)	(3,649)	(3,387)	(4,907)	(5,910)

Includes initial revenue and EBITDA losses from Face MediGroup acquisition prior to integration restructure in January 2024 – annualised \$1m cost-out

<sup>1</sup>EBITDA underlying is defined as net profit before interest, tax, depreciation and amortisation, further adjusted by removing foreign exchange/losses and individually material revenue/expenses items that are considered abnormal, non-recurring and typically non-cash in nature. Underlying EBITDA represents the true performance of the business.



ASX: AN1

# Placement Details

---

2024 Capital Raising Presentation



# Capital Raising Overview

Offer Structure	<ul style="list-style-type: none"> <li>▪ A two-tranche placement (“<b>Placement Offer</b>”) of A\$1.3 million comprising:             <ul style="list-style-type: none"> <li>▪ First tranche of the placement to raise up to A\$0.6 million under the Company’s ASX Listing Rule 7.1 and Listing Rule 7.1A share placement capacity</li> <li>▪ Subject to shareholder approval at an upcoming general meeting, a proposed second tranche of the placement to directors and substantial shareholder Hancock &amp; Gore Ltd to raise approximately A\$0.7 million</li> <li>▪ Approximately 82.5 million new fully paid ASX Listed ordinary shares in AN1 will be issued from the Placement Offer (with the second tranche subject to shareholder approval)</li> </ul> </li> </ul>
Use of Funds	<ul style="list-style-type: none"> <li>▪ Working capital to fund further integration cost out initiatives</li> <li>▪ Explore potential M&amp;A transactions</li> <li>▪ Costs of the Placement Offer</li> </ul>
Offer Price	<ul style="list-style-type: none"> <li>▪ All shares under the Placement Offer will be issued at a fixed price of A\$0.016 per New Share (“<b>Offer Price</b>”)</li> <li>▪ The Offer Price of A\$0.016 is equal to the last closing price per share on 2<sup>nd</sup> February 2024</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>▪ New Shares issued will rank equally in all respects with existing AN1 ordinary shares (“<b>Shares</b>”) on ASX</li> </ul>
Lead Manager and Bookrunner	<ul style="list-style-type: none"> <li>▪ Bell Potter Securities Limited</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>▪ The Offer is not underwritten</li> </ul>
Pre-Commitments	<ul style="list-style-type: none"> <li>▪ Pre-commitments totalling A\$0.7 million have been secured from Hancock &amp; Gore Ltd and several Directors of the Company, with their participation subject to shareholder approval at a general meeting.</li> </ul>

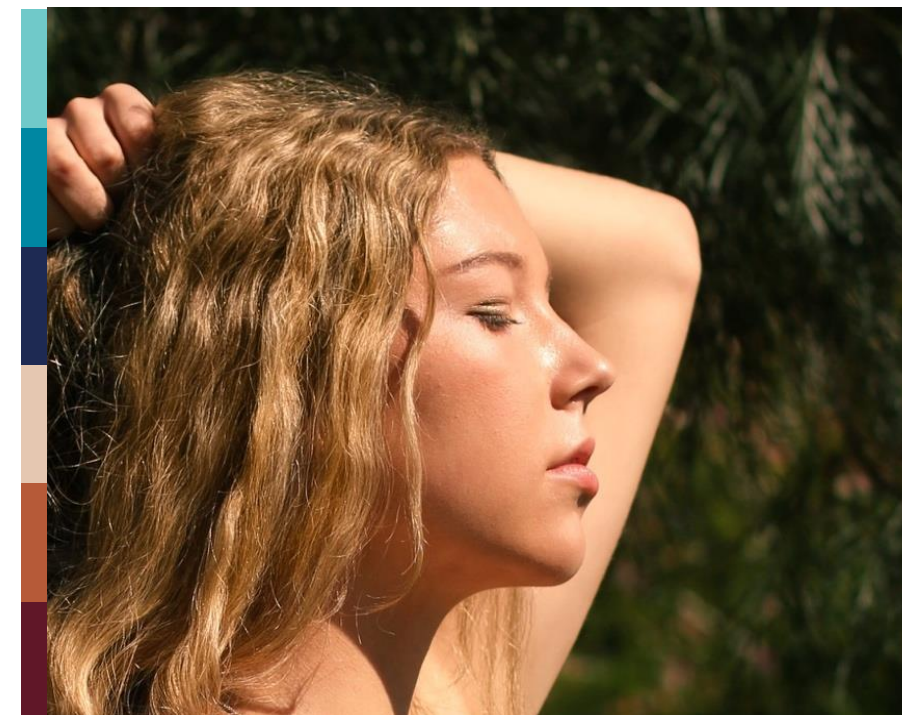
# Sources and Uses of Funds

Sources of Funds	(A\$m)	% of Total
Proceeds from Placement – Tranche 1	\$0.6m	48.9%
Proceeds from Placement – Tranche 2 <sup>1</sup>	\$0.7m	51.1%
<b>Total sources</b>	<b>\$1.3m</b>	<b>100.0%</b>

Proposed Use of Funds <sup>2</sup>	(A\$m)	% of Total
Cost-out initiatives and integration of previous acquisitions	\$0.2m	15.4%
Proceeds for future M&A opportunities	\$0.8m	61.5%
Working Capital	\$0.2m	15.4%
Costs associated with the Offer	\$0.1m	7.7%
<b>Total uses</b>	<b>\$1.3m</b>	<b>100.0%</b>

## CAPITAL INITIATIVES & CAPITAL REQUIRED

- Working capital to fund further integration cost out initiatives
- Potential M&A transactions



<sup>1</sup> Proposed use of funds is indicative only

<sup>2</sup> Tranche 2 is subject to shareholder approval. If shareholder approval is not obtained and tranche 2 is not completed, the proceeds for future M&A opportunities and working capital will be scaled back pro-rata and based on funds raised from tranche 1 only

# Indicative Placement Timetable

DATE	EVENT
Monday, 5 February 2024	Trading halt, Announcement of two-tranche Placement
Tuesday, 6 February 2024	Launch of Offer and Investor Presentation
Wednesday, 7 February 2024	Announce completion of Tranche 1 of Placement and trading halt lifted
Wednesday, 14 February 2024	Settlement of New Shares under Tranche 1
Thursday, 15 February 2024	Allotment of New Shares under Tranche 1
Friday, 16 February 2024	Quotation and trading of New Shares under Tranche 1
Friday, 23 February 2024	Dispatch Notice of EGM to shareholders
Tuesday, 2 April 2024	EGM to ratify issue of Tranche 1 Shares and approve issue of Shares under Tranche 2
Wednesday, 3 April 2024	Settlement of New Shares under Tranche 2 of the Placement
Thursday, 4 April 2024	Allotment of New Shares under Tranche 2
Friday, 5 April 2024	Quotation and trading of New Shares under Tranche 2

*This timetable is indicative only and subject to change without notice, subject to the ASX Listing Rules, Corporations Act and other applicable laws. All dates and times are Sydney time.*

# Pro Forma Capital Structure

Issued share capital	No. of securities (pre-equity raising)	%	Securities proposed to be issued in Placement Offer <sup>1</sup>	No. of securities (post-equity raising)	% (on an undiluted basis)
<b>Fully paid ordinary shares</b>					
Hancock & Gore Ltd and associates	173,294,690	45.75%	40,937,500	214,232,190	46.44%
Other Investors	205,483,170	54.25%	41,605,000	247,088,170	53.56%
<b>Total fully paid ordinary shares on Issue</b>	<b>378,777,860</b>	<b>100.00%</b>	<b>82,542,500</b>	<b>461,320,360</b>	<b>100.00%</b>
<b>Other Securities</b>					
Options	20,635,000			20,635,000	
Performance rights	10,000,000			10,000,000	

<sup>1</sup>The proposed issue of tranche 2 of the placement to Hancock & Gore Ltd and directors of the Company is subject to shareholder approval. Further details of the dilutionary effect of tranche 2 of the Placement and the issue to Hancock & Gore Ltd (and its associates) will be included in the notice of meeting to be sent to shareholders to seek approval for tranche 2 of the Placement.

# Key Risks

This section discusses some of the key risks associated with any investment in Anagenics which may affect the value of its shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Anagenics. Before investing in Anagenics, you should be aware that an investment in Anagenics has a number of risks, some of which are specific to Anagenics and some of which relate to listed securities generally, and many of which are beyond the control of Anagenics.

Before investing in Anagenics, you should consider whether this investment is suitable for you.

Potential investors should carefully review publicly available information on Anagenics (such as that available on its website and ASX, and in particular previous Anagenics regulatory announcements, annual reports and periodic disclosures), carefully consider their personal circumstances (including the ability to lose all or a portion of their investment) and consult their professional advisers before making an investment decision. Many of the risks highlighted in this section may be heightened due to the current and potential future impact of COVID-19 global geopolitical uncertainties. Additional risks and uncertainties that Anagenics is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Anagenics' operating and financial performance.

## GENERAL RISKS

### Market generally

There are general risks associated with investments in equity capital such as Anagenics shares. The trading price of shares in Anagenics may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors which may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates and the rate of inflation;
- changes in government regulation and policies;
- announcement of new technologies;
- geo-political instability, including international hostilities and acts of terrorism;
- demand for and supply of Anagenics shares;
- operating results of Anagenics that may vary from expectations of securities analysts and investors;
- changes in market valuations of other media companies; and
- future issues of Anagenics shares.

In particular, the share prices for many companies have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company specific influences referred to above, such as the general state of the economy, investor uncertainty, political instability and global hostilities and tensions. Such fluctuations may materially adversely impact the market price of shares in Anagenics.

# Key Risks

## SPECIFIC INVESTMENT RISKS

### Future capital needs and additional funding

Anagenics' continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise funds for operations and growth activities and to service, repay and refinance debts as they fall due. Existing funds (including the funds raised under the Placement Offer) may not be sufficient for expenditure that might be required for new or existing projects. There can be no guarantee that Anagenics will be able to raise sufficient funding on acceptable terms or at all. To the extent Anagenics does require funding for its future capital needs, the availability and terms of such funding are uncertain and may be less favourable to Anagenics than anticipated, which may negatively impact its future profitability and financial flexibility. Funding terms may also place restrictions on the manner in which Anagenics conducts its business and impose limitations on its ability to execute on its business plan and growth strategies.

Tranche 2 of the Placement is subject to shareholder approval. If shareholder approval is not obtained, Anagenics will have reduced funds available to implement its target objectives.

### Future acquisitions

In undertaking its business, from time to time Anagenics may pursue strategic acquisitions and other growth initiatives. To finance such future acquisitions, Anagenics may incur indebtedness or seek to raise additional capital. Such actions and the terms on which such funding could be obtained may have a material adverse impact on Anagenics' financial position.

To the extent that Anagenics grows through acquisition, it will face operational and financial risks commonly encountered with such a strategy, including but not limited to, continuity or assimilation of the operations and personnel of the acquired business, dissipation of management resources and impairment of relationships with employees and customers of the acquired businesses as a result of changes in ownership and management. In addition, depending on the type of transaction, it may take a substantial period of time to completely realise an acquisition's full benefit or synergies. In addition, while Anagenics has and will conduct due diligence enquiries in relation to any past and future acquisitions, it is possible that one or more material issues or liabilities may not have been or may not be identified, or are of an amount that is greater than expected, and that the standard protections (in the form of representations, warranties and indemnities) negotiated by Anagenics prior to the relevant acquisition are inadequate in the circumstances. Such issues or liabilities could adversely affect Anagenics' financial performance and position and future prospects, or could result in litigation.

### Operational business risks

In the performance of its business, Anagenics may be subject to conditions or operational risks, some of which are beyond its control, that can reduce sales of its products and/or increase costs of both current and future operations. These conditions or operational risks include, but are not limited to: lack of systemisation or standardisation within the business, changes in legislative requirements, variation in timing of regulatory approvals, environmental or climatic conditions including floods, fire, major cyclone, earthquake or other natural disasters, equipment failures, unexpected maintenance, technical problems, accidents leading to injury or death or property damage (whether suffered by Anagenics, its personnel, its customers or third parties), information technology system failures, lease renewals, damage by third parties, inadequate or inefficient operating systems, systems security breaches, site loss or damage, industrial disruption, supply chain risks (including increased cost, delivery times and supply certainty) and adverse regulatory action. An inability to secure ongoing supply of goods and services at prices assumed within targets could potentially impact the results of Anagenics' operations. A prolonged and unplanned interruption to Anagenics' operations could significantly impact its financial performance. In addition, there is a risk that Anagenics will not be able to respond adequately or in a timely manner to any business disruption, which could have an adverse effect on it, including through loss of revenue, reputational damage, regulatory, legal and financial exposure or loss of customers.

### Legal claims

Anagenics is exposed to, and may be involved in, potential legal and other claims or disputes from time to time in the course of its businesses with its contractors, shareholders, sub-contractors, employees, former employees, government agencies or regulators, end-consumers, customers, vendors or suppliers and other parties. Such legal and other claims or disputes may include (but are not limited to) potential class actions, contractual disputes, property damage claims, personal liability claims, products and services liability claims or contractual and statutory penalties for failure to fulfil statutory and contractual obligations in relation to the quality of products and services, as well as governmental enquiries and investigations with respect to its operations. Litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, Anagenics. They can also take up significant time and attention from management and the Board. Accordingly, Anagenics' involvement in litigation and disputes could have an adverse impact on its financial position and performance. In addition, regulatory actions, disputes and other legal claims may result in fines, penalties and other sanctions, as well as other costs and expenses (including adviser costs in defending or responding to the relevant claim and settlement payments).

ANAGENICS

# Unlock growth opportunities with Anagenics

Authorised for release to the ASX by AN1 Board of Directors

Anagenics Limited  
Suite 204, Level 2  
55 Clarence Street  
Sydney, NSW, 2000

[info@anagenics.com](mailto:info@anagenics.com)

[anagenics.com](http://anagenics.com)

Scott Greasley  
CEO & Managing Director  
p: +61 473 152 598