

ANAGENICS

ASX ANNOUNCEMENT

ANAGENICS LIMITED (ASX: AN1) – Q1 FY25 ACTIVITY REPORT

SYDNEY, 31 October 2024

Commentary on Q1 FY25 performance

The Company is pleased to update shareholders on Q1 FY25 performance.

Cash receipts from customers and other income for the quarter were \$2.1M (Q1 FY24: \$2.4M) Net operating cash outflow of \$928K (Q1 FY24: outflow of \$700k).

Total cash payments made to suppliers and employees in Q1 FY24 were approximately \$2.9M (Q1 FY24: \$3.1M). These payments related primarily to inventory purchases, staff costs and digital advertising spend.

As announced previously, the Board continues to work on a revised business model that it believes can, with cost restructuring and the removal of legacy expenses and liabilities, deliver modest profitability on reduced revenue and business structure.

More cost savings benefits are expected to flow through from Q2 FY25 onwards and the business is expected to become profitable and cashflow positive from November 2024 onwards.

Approved for release by the Board of Directors.

Hemant Amin

Company Secretary
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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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity
ANAGENICS LIMITED
ABN
69 111 304 119
Quarter ended ("current quarter")
30 September 2024

Consolidated statement of cash flows	Current quarter (3 months) \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,067	2,067
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,610)	(1,610)
(c) advertising and marketing	(224)	(224)
(d) leased assets	-	-
(e) staff and director costs	(705)	(705)
(f) administration and corporate costs	(455)	(455)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes (paid) / refunded	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(928)	(928)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities (net)	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities (net)	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings & leasing	(105)	(105)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(105)	(105)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,624	1,624
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(928)	(928)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(105)	(105)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	589	589

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	447	447
5.2	Call deposits	142	142
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	589	589

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	116
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	
	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(928)
8.2 Cash and cash equivalents at quarter end (item 4.6)	589
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	589
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.63
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

No, it does not expect the same level of net operating outflows. The company is currently undergoing an extensive restructuring program in order to bring the business back to profitability. Restructuring workstreams include:

- Divestment of the loss making Face MediGroup
- Head count has reduced from 20 to 9
- Directors fees suspended
- Replacement of IT & ERP systems & services to more cost effective providers
- Reduction in general overhead costs including insurances & administration expenses
- In the process of exiting offices at 55 Clarence St, Sydney
- Secured \$340,000 of short term funding on 4 October 2024
- Total cost reductions are expected to exceed \$1.5 million on an annualised basis excluding the loss making Face MediGroup

The Company's progress with these restructuring workstreams continues. However, once these measures are complete the Company expects the business to become profitable and cashflow positive, from as early as November 2024 onwards.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Over and above the comments in 8.6.1 the company intends to raise capital in the near term. Discussions are ongoing with multiple parties and the company is confident this will lead to a successful outcome.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes is does based on the comments in 8.6.1 and 8.6.2

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024.....

Authorised by: **Board of Directors – Anagenics Limited**.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.