14 February 2023

The Manager
Company Announcements
ASX Limited
Level 5, 20 Bridge Street
SYDNEY NSW 2000

Dear Manager

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Anagenics Limited ACN 111 304 119 ('**Company**') under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* ('**Act**').

The Company announced on 14 February 2023 its intention to undertake a fully underwritten accelerated pro-rata non-renounceable entitlement offer (the '**Entitlement Offer**') of 1 new fully paid ordinary share in the Company ('**New Share**') for every 1.3748 fully paid ordinary shares in the Company held as at 7.00pm (Sydney time) on Thursday, 16 February 2023 to eligible institutional and retail shareholders with a registered address in Australia or New Zealand to raise approximately A$3.2 million (before costs).

A retail entitlement offer booklet will be despatched to eligible retail shareholders on Tuesday, 21 February 2023.

The Company confirms the following:

(a) the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act;

(b) this notice is being given under section 708AA(2)(f) of the Act;

(c) as at the date of this notice, the Company has complied with:

  (i) the provisions of Chapter 2M of the Act as they apply to the Company; and

  (ii) sections 674 and 674A of the Act;

(d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act; and

ANAGENICS LIMITED ACN 111 304 119 ASX I AN1
Suite 204, Level 2, 55 Clarence Street,
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(e) the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the number of New Shares taken up by each eligible shareholder. However, the Company notes the following:

Structure of the Entitlement offer and Underwriting

(i) The number of New Shares which will be issued under the Entitlement Offer is approximately 144,355,072 New Shares (subject to rounding of fractional entitlements) to raise approximately $3.2 million, equating to approximately 39.5% of all the issued shares in the Company following completion of the Entitlement Offer.

(ii) The Company will offer a shortfall oversubscription facility as part of the retail component of the Entitlement Offer. The key terms of the shortfall oversubscription facility will be as follows:

(A) eligible retail shareholders who take up their entitlement in full (but excluding the Underwriters and those persons in respect of the Company who are described in Listing Rule 10.11.1 to 10.11.5) will be able to apply for additional New Shares in the Company in excess of their entitlement ('**Shortfall Application**'), subject to the Act, the ASX Listing Rules and all other applicable laws and regulations; and

(B) to the extent Shortfall Applications exceed the number of New Shares available under the facility, the Company will scale back applications:

(I) having regard to the pro-rata entitlements of the applicants; and

(II) to ensure compliance with the ASX Listing Rules, the Act and all other applicable laws.

(iii) The Entitlement Offer is being fully underwritten by the Company's largest shareholder Hancock & Gore Limited ACN 009 657 961 (ASX:HNG) ('**HNG**' or the '**Underwriter**').

(iv) The key terms of the underwriting agreement between the Company and the Underwriter in connection with the Entitlement Offer are set out in the section titled '*Appendix – Underwriting Agreement Summary*' of the investor presentation released by the Company on 14 February 2023. In summary, subject to any termination rights in the Underwriting Agreement:

(A) entitlements to New Shares for which valid applications are not received before the institutional component of the Entitlement Offer closes will be taken up by the Underwriter; and

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(B) entitlements to New Shares for which valid applications are not received before the retail component of the Entitlement Offer closes will be issued firstly to any eligible retail shareholders who have applied for additional New Shares under the shortfall oversubscription facility, and then any remainder will be taken up by the Underwriter.

Existing interests of the Underwriter

(v) As at the date of this notice, the Underwriter is the Company's largest beneficial shareholder and directly or indirectly holds a relevant interest in 17.36% of the issued shares of the Company, as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Class and number of securities	Percentage of votes[1,2]
Hancock & Gore Limited	Hancock & Gore Limited	Hancock & Gore Limited	32,786,885	14.82%
HNG Investment Management Limited	JP Morgan Nominees as custodian of HNG High Conviction Fund	Equity Trustees as trustee for HNG High Conviction Fund	5,632,548	2.54%
Total				**17.36%**

Notes:

1. *Subject to rounding differences.*

2. *As announced to ASX on 9 December 2022, the Company and the Underwriter agreed to settle the deferred consideration owing by the Company to the Underwriter 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 shares in the Company ('**Tranche 2 Shares**') subject to and following shareholder approval. However, if the Underwriter'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. The Underwriter and its associates will be taking up all of their entitlement under the Entitlement Offer. Accordingly, based on the timetable for the Entitlement Offer, the Underwriter'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. The percentage interests described in this table therefore do not include the 6,950,000 Tranche 2 Shares.*

(vi) The Underwriter is a diversified investment company incorporated under the laws of Australia whose ordinary shares are listed on the ASX. According to its website as at the date of this notice, it invests in small to medium size listed and unlisted businesses with a sustainable competitive advantage and strong growth prospects. It also operates a wholly owned funds management business, HNG

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Investment Management Ltd, which manages HNG High Conviction Limited (ACN 660 009 165).

(vii) As at the date of this notice, the directors of the Underwriter are:

(A) Mr Alexander (Sandy) Beard;

(B) Mr Joseph Constable;

(C) Mr Kevin J Eley;

(D) Mrs Cheryl Hayman; and

(E) Mr Peter Miller.

(viii) As at the date of this notice and based on publicly available information, the following persons hold a substantial (5% or higher) relevant interest in the Underwriter:

(A) the Sery Group holds voting power of approximately 13.09% in the Underwriter;

(B) the Constable Group (being entities associated with Mr Joseph Constable, a director of HNG) holds voting power of approximately 11.40% in the Underwriter;

(C) AD & MP Beard ATF AD & MP Beard Superannuation Fund (being an entity associated with Sandy Beard, a director and the Chairman of HNG) holds voting power of approximately 10.95% in the Underwriter; and

(D) Perennial Value Management Limited (ARSN 22 090 879 904) holds voting power of approximately 7.50% in the Underwriter.

Rationale for a significant shareholder underwriting the Entitlement Offer

(ix) The Company intends to market the Entitlement Offer to existing shareholders to reduce as far as possible the requirement of the Underwriter to underwrite the Offer.

(x) In this regard, the Company considers that the Underwriter's backing of the Company is likely to be seen as a positive, making it more likely that the Company will be able to attract additional take up than would be the case if the Underwriter was not fully underwriting the Offer.

(xi) The Company made the decision to enter into the Underwriting Agreement taking into account all other alternatives, including the availability and cost

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involved in third party underwriting in circumstances where the Underwriter would not be involved in sub-underwriting.

Management of Conflicts of Interest

(xii) As at the date of this notice, two of the Company's four directors have been nominated by the Underwriter to be elected to the Board of the Company, as follows:

(A) Mr Sandy Beard is a non-executive director and the Chair of both the Company and the Underwriter, and holds direct and indirect interests in the ordinary shares and options of both entities; and

(B) Mr Phillip Christopher is a non-executive director of the Company and an investment director at HNG.

(xiii) The Company established an independent Board committee ('**IBC**') comprising two directors who are independent of the Underwriter (being Dr Martin Cross and Mr Scott Greasley), which had full delegated authority in respect of investigating, overseeing and executing the Entitlement Offer, including appointing one or more underwriters and agreeing the terms of any underwriting.

(xiv) To further ensure that any conflicts were appropriately managed, the IBC adopted Conflicted Director Protocols consistent with the principles set out in *Takeovers Panel Guidance Note 19: Insider Participation in Control Transactions* in order to manage potential conflicts and to restrict the involvement of Mr Phillip Christopher and Mr Sandy Beard in decisions of the Company relating to the Entitlement Offer and underwriting. Mr Phillip Christopher and Mr Sandy Beard each agreed to and accepted those protocols.

(xv) The IBC received independent financial advice from of Wentworth Securities Pty Ltd ABN 96 155 409 653 ('**WWS**') (as transaction agent of the Entitlement Offer) on the structure of the Entitlement Offer, and negotiated and agreed the terms of underwriting by the Underwriter independently of the Underwriter.

Impact of Entitlement Offer and Underwriting on Control of the Company

(xvi) The Underwriter has confirmed to the Company that it and its associates will take up their full entitlement to New Shares under the Entitlement Offer.

(xvii) The number of New Shares that will be required to be taken up by the Underwriter, and therefore the increase in the Underwriter's relevant interest in the voting shares of the Company as a result of the Entitlement Offer and associated underwriting, will depend on how many New Shares are taken up

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under the Entitlement Offer (including under the oversubscription facility) by persons other than the Underwriter and its associates.

(xviii) However, the number of voting shares in which the Underwriter has a relevant interest may exceed 20% of the issued shares of the Company. The table below sets out the Underwriter's relevant interests in the Company following completion of the Entitlement Offer under several scenarios:

Event	No. Shares in which the Underwriter holds a relevant interest[1,2,3,5]	Voting power of the Underwriter[1,2,3,5]
100% take up[4] by Eligible Shareholders (other than the Underwriter and its associates)	66,364,904	18.15%
75% take up[4] by Eligible Shareholders (other than the Underwriter and its associates)	95,467,304	26.11%
50% take up[4] by Eligible Shareholders (other than the Underwriter and its associates)	124,569,704	34.07%
25% take up[4] by Eligible Shareholders (other than the Underwriter and its associates)	153,672,105	42.03%
0% take up[4] by Eligible Shareholders (other than the Underwriter and its associates)	182,774,505	49.99%

Notes:

1. *Excludes the 6,950,000 Tranche 2 Shares, which are not expected to be issued to the Underwriter – refer to note 2 on page 3 above.*
2. *Assumes the Underwriting Agreement is not terminated prior to settlement of any aspect of the Entitlement Offer, and the Underwriter complies with its obligations under the Underwriting Agreement.*
3. *Assumes no amount is sub-underwritten.*
4. *Calculated on the basis of 1 New Share per 1.3748 Existing Shares held at the Record Date, excluding the entitlements of ineligible Shareholders.*
5. *Subject to rounding.*

(xix) The Company understands that, to the extent the Underwriter's relevant interests in the Company exceed 20%, the Underwriter intends to rely on the exception to section 606 of the Act set out in item 10A of section 611 of the Act. ASIC has granted relief to enable the exceptions in items 10 and 10A of section 611 of the Corporations Act to be relied upon notwithstanding that:

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(A) 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

(B) the Company will not implement the nominee procedure set out in section 615 of the Corporations Act.

(xx) If the relevant interest of the Underwriter increases to more than 25% following completion of the Entitlement Offer, the Underwriter would have a sufficient voting interest to block any special resolution on which it is entitled to vote at a general meeting of the Company, whether under its constitution, the Act or otherwise (including, for example, the implementation of a takeover of the Company by way of a scheme of arrangement).

Intentions of the Underwriter if it obtains effective control over the Company

(xxi) The Underwriter has confirmed to the Company that, if it increases its influence in the Company as a result of the Entitlement Offer and associated underwriting:

(A) it has no present intention to:

(I) change the business of the Company;

(II) inject further capital into the Company;

(III) make any changes regarding the future employment of present employees of the Company;

(IV) transfer any assets between the Company and the Underwriter or its associates;

(V) redeploy the fixed assets of the Company; or

(VI) significantly changes the financial or dividend distribution policies of the Company; and

(B) it intends to:

(I) execute the Company's strategy as previously disclosed to the market and support the long-term ambitions of the Company; and

(II) assist the Company and its management team with business transformation required to achieve profitability and positive cashflow in the near term, including through M&A

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transactions, capital management initiatives and ongoing strategic advice.

Yours sincerely

Dr Martin Cross
IBC Chair

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