

ANAGENICS

ASX: AN1

Setting the pathway to profitable growth

MARKET ANNOUNCEMENT



Disclaimer

Forward Looking Statement and Disclosures.

This presentation is not making any offer, inducement, solicitation or invitation of any kind by communication of this presentation to the recipient and under no circumstances is it to be construed as, a prospectus or an advertisement.

Without limiting the generality of the foregoing, this presentation is intended to be communicated only to such persons as Anagenics is legally able to send it and who are legally able to receive it in their jurisdiction of residence. If you are not such a person, please return it to Anagenics immediately. Information in this presentation is believed by Anagenics to be fair and accurate but neither Anagenics nor any other person accepts responsibility for such fairness or accuracy. This presentation has not been formally verified. No reliance may, nor should be placed upon the contents of this presentation by any person for any purposes whatsoever. Except where otherwise indicated herein, the information provided in this presentation is based on matters as they exist as of the date of preparation and not as of any future date and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date

hereof. Recipients should not construe the contents of this presentation (or any discussions relating to it) as legal, tax, regulatory, financial, investment, accounting or other advice or as a recommendation by Anagenics or any other person in respect of any matter whatsoever. While Anagenics believes that any projected returns, or other forward-looking statements, included in this presentation relating to pipeline or illustrative investments are based on assumptions and valuation methodologies that are reasonable under the circumstances, the actual realised returns on any such investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in this presentation are based. Accordingly, the actual realised return of any such investments mentioned herein may differ materially from the projected returns indicated herein. Historic experience of any persons associated with Anagenics, and past, targeted or projected performance, is not necessarily indicative of future results and there can be no assurance that any targeted or projected returns will be achieved. The information contained herein, unless otherwise indicated, is subject to change and

Anagenics assumes no obligation to update the information herein. No representation or warranty, express or implied, is or will be given by Anagenics or any of its directors, members, shareholders, partners, officers, employees, consultants, advisers or agents (together, its "Related Persons"), and, without prejudice to any liability for, or remedy in respect of, fraudulent misrepresentation, no responsibility or liability or duty of care is, or will be, accepted by Anagenics or any of its Related Persons as to the fairness, accuracy, completeness, currency, reliability or reasonableness of the information or opinions contained in this presentation, or of any other written or oral information made available to any recipient or its advisers in connection with this presentation. Accordingly, none of Anagenics or its Related Persons shall be liable (save in the case of fraud) for any loss (whether direct, indirect or consequential) or damage suffered by any person as a result of relying on any statement in, or omission from, this presentation. This presentation and the rights and obligations of the recipients arising out of or in connection with it are governed by the laws of Australia, and the courts of Australia shall have exclusive jurisdiction to hear and decide any proceedings relating to any claim or dispute arising from or in connection with this presentation.

Face MediGroup (FMG) purchase rounds out Anagenics' professional beauty vertical strategy in Australia

Anagenics has a clear strategy for profitable growth in the beauty and wellness space through its inorganic pursuit of profitable businesses, delivery of simple customer platforms, and innovation across product and operations.



ANAGENICS' PURCHASE OF FACE MEDIGROUP DELIVERS ON THIS AND DIFFERENTIATES ITSELF WITHIN THE AUSTRALIAN MARKET:



FMG an existing BLC customer to enable immediate synergies



Makes AN1 an integrated retail/wholesale omni channel distributor in the Australian professional channel



FMG bricks & mortar presence enables BLC to deliver brands direct to customer



Demonstrates growth commitment to our employees, customers, vendors and suppliers



Allows future streamlining



Brings innovative talent

ANAGENICS

The Context

Anagenics has laid the foundations for sustainable profitability

NOVEMBER 2021

APRIL 2023

JUNE 2023

JUNE 2023

AUGUST 2023



bhc.
EST. 1974

INORGANIC

Successful transaction and acquisition of BLC Cosmetics



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



Losses reduced by
57%
FY23

PROACTIVELY SOUGHT TO REDUCE LOSSES VIA COST OUT INITIATIVES

Including the divestment of Advangen Japan. FY23 losses reduced by 57% vs. FY22 on an underlying basis



SOUGHT SYNERGIES AND OPERATIONAL EFFICIENCIES

Through consolidation of warehouses and transitioning Advangen LLC to a distributor for Evolis



ACQUISITION OF FACE MEDIGROUP

Providing scale to leverage refined cost base

Australian beauty sector remains resilient

Research reveals the global professional beauty services market will see a

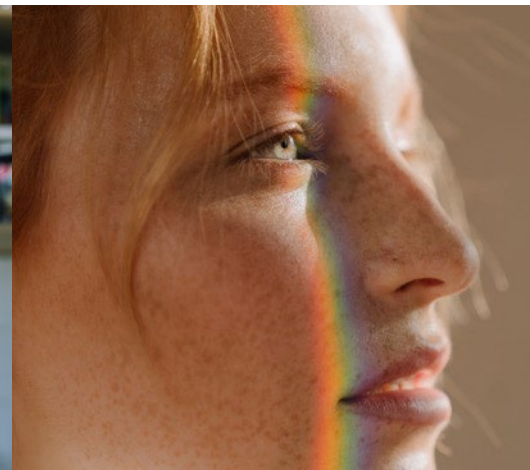
5% rise between 2023-2030

Source: Credence Research



01

Australian property prices stabilised



02

Australia's headline inflation outlook below global levels

IMF April 2023 Quarterly Report



03

Australian interest rates likely to have peaked whilst other markets continue to tighten

July ABS Inflation Data

ANAGENICS

ersonal use only

The Face MediGroup Transaction



Enables Anagenics to further penetrate the Australian professional beauty sector

ACQUISITION

Face MediGroup is growing

+24% **vs**
FY23 Revenue FY22

The acquisition brings commercial and operational benefits

	FY22A			FY23A		
	Face MediGroup	Anagenics	Pro-Forma	Face MediGroup	Anagenics	Pro-Forma
Revenue	3,963	9,235	13,198	4,910	9,320	14,230
Cost of sales	2,546	4,170	6,716	3,389	4,811	8,200
Gross Profit	1,417	5,065	6,482	1,521	4,509	6,030
Gross Margin	36%	55%	49%	31%	48%	42%
Other income	-	1,749	1,749	-	589	589
Total operating expenses	1,539	10,463	12,002	1,932	7,765	9,697
Net Profit	(122)	(3,649)	(3,771)	(411)	(2,669)	(3,078)
EBITDA Adjustments	5	(127)	(122)	8	(80)	(72)
EBITDA	(117)	(3,776)	(3,893)	(403)	(2,697)	(3,100)
Abnormal Adjustments	-	877	877	-	1,086	1,086
Normalised EBITDA	(117)	(2,899)	(3,016)	(403)	(1,661)	(2,064)

FY23A are unaudited at the time of this announcement

ENABLES INTEGRATED CUSTOMER COVERAGE

Provides complete wholesale and retail channel coverage across the professional beauty market

SECURES INDUSTRY TALENT

Retaining people, including Face MediGroup co-founders, creates continuity, smooth transition and industry expertise

OPERATIONAL EFFICIENCIES

Enable synergies with suppliers, warehousing, and data and insights

FLEXIBILITY AND AGILITY

Wider channel access allows ability to shift channel focus as consumer habits evolve

ABSORBING FACE MEDIGROUP'S INFRASTRUCTURE

People, inventory, domain, IP, customer database and liabilities will transfer to AN1

Asset sale deal structure

AN1 SCIP

\$250,000

Issued at the 30 day VWAP prior to completion

DEFERRED CASH CONSIDERATION

\$500,000

Payable in 3 tranches, funded by AN1 balance sheet;
Tranche 1 - \$100,000 payable on completion
Tranche 2 - \$100,000 payable 31 December 2023
Tranche 3 - \$300,000 payable 31 March 2024

LOAN TERMS

\$350,000

Adoption of long-term loans
In addition to adoption of long-term loans, AN1 will forgive the \$150,000 loan it has with FMG

CONDITIONAL DEFERRED CONSIDERATION

\$300,000

Cash payable post FY24 subject to BLC (consolidating FMG and founder salaries) achieving FY24 EBITDA of at least \$1,000,000, funded by AN1 balance sheet

\$300,000

Cash payable post FY25 subject to BLC (consolidating FMG and founder salaries) achieving FY25 EBITDA of at least \$2,200,000, funded by AN1 balance sheet

AN1 TO ACQUIRE ALL ASSETS INCLUDING:



All intellectual property including trademarks, patents, domains, websites and accesses



Leases and associated contracts



Key contracts with suppliers and customers



Consumer database



All inventory held on the Face MediGroup balance sheet



All employees of the Face MediGroup operation

Australia's beauty industry will continue to evolve...

ersonal use only



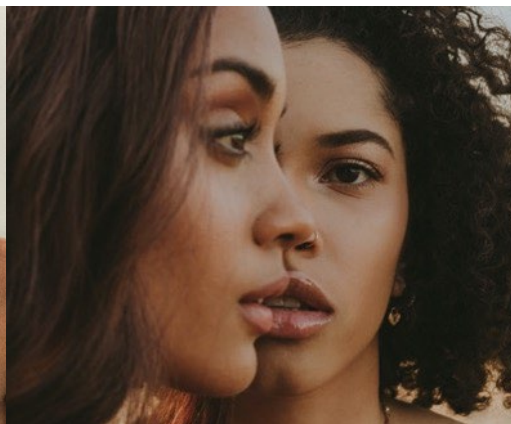
REGULATIONS

for professional products and therapists continues to change



MALE CUSTOMERS

Increasing male customer segment



COMPETITOR LANDSCAPE

Streamlined structures, leveraging professional roots and product access prioritised to avoid over-competitive segments



TECHNOLOGY IS MOVING FAST

Online scheduling, digital payment gateways, social media marketing



INNOVATION

Product, channel, pricing, will determine competitive strength

Anagenics will look to drive the sector's innovation and change

BUILD ON RETAIL PROOF OF CONCEPT



There is an opportunity to build a professional scalable retail brand targeting express treatments with a supporting product offering

BRANDED RETAIL



Review future opportunities to expand into Branded physical retail

REFRESH BLC BRAND



Setting new values and direction post merger with a continued focus on the professional sector

CUSTOMER CHOICE



Provides end consumers and partners with more integrated professional solutions

BUILD EFFICIENCIES



Across branding, marketing and consumer experience

BE A VISIBLE BRAND WITHIN THE PROFESSIONAL SECTOR



Demonstrate leadership its consumers, brands and people, while highlighting our continued support in the sector

Unlock growth opportunities with Anagenics

Contact us today to find out how
you can leverage the opportunity

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

anagenics.com

Sandy Beard
Chairman
p: +61 412 308 263

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