

**Appendix 4E**  
**Preliminary Final Report**

<b>Details of reporting period</b>	
<b>Name of Entity</b>	Anagenics Limited
<b>ABN</b>	69 111 304 119
<b>Reporting period</b>	For the year ended 30 June 2024
<b>Previous period</b>	For the year ended 30 June 2023

<b>Results for announcement to the market</b>				
<b>Financial Results</b>			<b>Jun-24</b>	<b>Jun-23</b>
			\$	\$
Revenue and other income from ordinary activities (continuing operations)	Up	13.0%	10,962,054	9,702,640
Revenue and other income from ordinary activities (discontinued operations)	Down	-100.0%	-	206,814
<b>Total revenue and other income from ordinary activities</b>	<b>Up</b>	<b>10.6%</b>	<b>10,962,054</b>	<b>9,909,454</b>
Operating loss after tax from continuing operations	Up	332.6%	-7,535,212	-1,741,694
Operating loss after tax from discontinued operations	Down	-77.4%	-208,994	-925,456
<b>Total operating loss after tax</b>	<b>Up</b>	<b>190.4%</b>	<b>-7,744,206</b>	<b>-2,667,150</b>
<b>Loss for the year attributable to the owners of Anagenics Limited</b>	<b>Up</b>	<b>234.5%</b>	<b>-7,753,844</b>	<b>-2,317,703</b>

<b>Dividends</b>
There were no dividends paid, recommended or declared during the current financial period.

<b>Net tangible assets</b>	<b>Jun-24</b>	<b>Jun-23</b>
<b>Net tangible assets per ordinary share (cents)</b>	<b>0.09</b>	<b>1.31</b>

## ANAGENICS LIMITED

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Loss of control over entities	
<b>Name of entity:</b>	<b>Advangen Incorporated (Japan)</b>
<b>Date control lost:</b>	<b>31 July 2022</b>
Contribution from entity to the Group's profit/(loss) from ordinary activities before income tax during the period	-\$208,994
Loss from ordinary activities before income tax of the controlled entity whilst controlled during the whole of the previous period	-\$30,250

### Audit qualification or review

The financial statements are in the process of being audited. The audit report will not be modified but will contain an emphasis of matter stating that at balance date a material uncertainty exists casting significant doubt on the Group's ability to continue as a going concern.

Major shareholder, Hancock & Gore Limited, has noted its intention to financially and operationally support Anagenics Limited in the short term if required.

### Attachments

The operating results, review of operations and preliminary financial report of Anagenics Limited for the year ended 30 June 2024 are attached.

### Other explanatory notes

Meaningful sales growth (+11% yr on yr) was achieved during the year both organically, and as a result of the acquisition of FMG. Significant effort was put into reducing inventory levels, normalising liabilities and a return to ordering high rate of sale product and improving cashflows. Concurrently rationalisation of the product portfolio and a need to respond to competitive activity in the FaceMedi e-commerce marketplace, reduced overall gross margin levels. The integration and commercial benefits of FMG was more challenging than envisaged and necessitated significant restructuring of the business, cash impacts and a series of impairments taken against intangibles and other assets.

In spite of the acquisition of FMG and restructuring undertaken, the business has not yet achieved a sustainable level of profitability, and this remains the key focus of management and the Board for the near term.

As a result of the inability to achieve operating profit objectives, significant intangible and other asset impairments have been incurred as at the end of the financial year resulting in a total operating loss after tax loss of \$7,744,206 (2023: \$2,667,150). This result includes a write down of certain assets, namely - goodwill on both the BLC and FMG businesses (\$2,870,028); lease right of use (ROU) (\$101,436); fixed assets (\$412,302) and additional stock provisioning on slow moving / obsolete stock to net realisable value (\$502,154).

The underlying EBITDA loss for the Group, normalised for these and other business restructuring costs, totalled \$2,865,285 loss (2023: \$1,660,930 loss). Net cash used in operating activities was consistent on prior year with net cash outflows of \$1,738,321 (2023: \$1,758,914 outflow). Closing cash and cash equivalent on hand of \$1,653,925 (2023: \$2,567,061). As part of the Group's immediate priority to maximise cash through its working capital strategy, it has also successfully negotiated a vendor buy back for excess stock on hand. This strategy is expected to realise additional proceeds of approximately \$0.3M by the end of Q1FY25.

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The results above, reflect the needed restructuring of the business to achieve simplification and sustainability. The Board and major shareholders remain committed to the objective and FY25 year will see further restructuring, simplification and refinement of strategy.

Signed



Director: .....  
Alexander (Sandy) Beard

Dated: 30 August 2024

# **Anagenics Limited**

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## **Preliminary Final Report – Appendix 4E**

**For the Year Ended 30 June 2024**

**ANAGENICS LIMITED**

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**Consolidated Statement of Financial Performance and Other Comprehensive Income  
For the Year Ended 30 June 2024**

	Note	2024	2023
		\$	\$
<b>Revenue from continuing operations</b>	<b>1</b>	<b>10,803,168</b>	<b>9,113,414</b>
Cost of goods sold		(6,441,886)	(4,701,911)
Gross profit		4,361,282	4,411,503
Other income		158,886	589,226
Net fair value gain on deferred consideration liability		-	44,521
Selling and distribution expenses		(1,644,097)	(1,252,047)
Research and development expenses		(8,676)	(21,193)
Administrative and employment expenses		(4,751,310)	(4,163,517)
Bad debt expense		26,308	(80,509)
Impairment of assets	4	(3,367,162)	-
Distribution, freight, and postage expenses		(938,830)	(493,700)
Legal fees		(109,051)	(166,351)
Depreciation and amortisation		(616,265)	(359,825)
Other operating expenses		(579,979)	(210,088)
Finance costs		(66,318)	(31,844)
<b>Loss before income tax expense from continuing operations</b>		<b>(7,535,212)</b>	<b>(1,733,824)</b>
Income tax expense		-	(7,870)
<b>Loss after income tax from continuing operations</b>		<b>(7,535,212)</b>	<b>(1,741,694)</b>
<b>Loss after income tax from discontinued operations</b>		<b>(208,994)</b>	<b>(925,456)</b>
<b>Loss after income tax for the year</b>		<b>(7,744,206)</b>	<b>(2,667,150)</b>
<i>Other comprehensive income / (loss), net of income tax</i>			
Exchange differences on translating foreign controlled entities		(9,638)	(107,978)
Reclassification adjustment of foreign currency translation reserve		-	457,425
<b>Total comprehensive income / (loss) for the year</b>		<b>(7,753,844)</b>	<b>(2,317,703)</b>
<i>Total comprehensive income / (loss) for the year attributable to:</i>			
Continuing operations		(7,544,850)	(1,392,247)
Discontinued operations		(208,994)	(925,456)
<b>Owners of Anagenics Limited</b>		<b>(7,753,844)</b>	<b>(2,317,703)</b>
Earnings per share for profit / (loss) from continuing operations attributable to the owners of Anagenics Limited:			
Basic earnings per share (cents)		(1.89)	(0.65)
Diluted earnings per share (cents)		(1.89)	(0.65)
Earnings per share for profit / (loss) from discontinued operations attributable to the owners of Anagenics Limited:			
Basic earnings per share (cents)		(0.06)	(0.35)
Diluted earnings per share (cents)		(0.06)	(0.35)
Earnings per share for profit / (loss) attributable to the owners of Anagenics Limited:			
<b>Basic earnings per share (cents)</b>	<b>3</b>	<b>(1.95)</b>	<b>(1.00)</b>
<b>Diluted earnings per share (cents)</b>	<b>3</b>	<b>(1.95)</b>	<b>(1.00)</b>

**Consolidated Statement of Financial Position**  
**As at 30 June 2024**

	Note	2024	2023
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,623,925	2,567,061
Trade and other receivables		651,492	1,044,791
Inventories		1,476,409	2,395,666
Contingent consideration receivable		14,069	48,145
Other assets		319,903	191,744
<b>TOTAL CURRENT ASSETS</b>		<b>4,085,798</b>	<b>6,247,407</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		51,366	179,250
Right of use assets		360,233	657,075
Intangibles	4	1,952,431	3,448,446
Contingent consideration receivable		-	579,945
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,364,030</b>	<b>4,864,716</b>
<b>TOTAL ASSETS</b>		<b>6,449,828</b>	<b>11,112,123</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,329,396	1,230,413
Loans and borrowings		270,000	-
Lease liabilities		201,132	194,360
Provisions		228,930	288,522
Deferred consideration payable		400,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,429,458</b>	<b>1,713,295</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		301,512	459,971
Provisions		9,004	43,423
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>310,516</b>	<b>503,394</b>
<b>TOTAL LIABILITIES</b>		<b>3,739,974</b>	<b>2,216,689</b>
<b>NET ASSETS</b>		<b>2,709,854</b>	<b>8,895,434</b>
<b>EQUITY</b>			
Issued capital	5	66,831,186	65,357,145
Reserves		(59,584)	106,827
Accumulated losses		(64,061,748)	(56,568,538)
<b>TOTAL EQUITY</b>		<b>2,709,854</b>	<b>8,895,434</b>

**Consolidated Statement of Changes in Equity  
For the Year Ended 30 June 2024**

	Note	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>		<b>65,357,145</b>	<b>269,217</b>	<b>(162,390)</b>	<b>(56,568,538)</b>	<b>8,895,434</b>
Reclassification of Share-based payments - lapse of share options		-	(250,996)	-	250,996	-
<b>Balance at 1 July 2023 - restated</b>		<b>65,357,145</b>	<b>18,221</b>	<b>(162,390)</b>	<b>(56,317,542)</b>	<b>8,895,434</b>
<b>Loss for the year after tax</b>		-	-	-	<b>(7,744,206)</b>	<b>(7,744,206)</b>
Exchange differences on translating foreign controlled entities		-	-	(9,638)	-	<b>(9,638)</b>
<b>Total comprehensive income / (loss) for the year</b>		-	-	<b>(9,638)</b>	<b>(7,744,206)</b>	<b>(7,753,844)</b>
<i>Transactions with equity holders</i>						
Share-based payments - vesting charge		40,944	111,790	-	-	<b>152,734</b>
Share-based payments - lapse of share options		-	(17,567)	-	-	<b>(17,567)</b>
Contributions of equity, net of transaction costs		1,433,097	-	-	-	<b>1,433,097</b>
<b>Balance at 30 June 2024</b>	<b>5</b>	<b>66,831,186</b>	<b>112,444</b>	<b>(172,028)</b>	<b>(64,061,748)</b>	<b>2,709,854</b>

**Consolidated Statement of Changes in Equity  
For the Year Ended 30 June 2023**

	Note	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>		<b>62,435,064</b>	<b>267,761</b>	<b>(511,837)</b>	<b>(53,901,388)</b>	<b>8,289,600</b>
<b>Loss for the year after tax</b>		-	-	-	<b>(2,667,150)</b>	<b>(2,667,150)</b>
Exchange differences on translating foreign controlled entities		-	-	(107,978)	-	<b>(107,978)</b>
Reclassification adjustment of foreign currency translation reserve		-	-	457,425	-	<b>457,425</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>62,435,064</b>	<b>267,761</b>	<b>(162,390)</b>	<b>(56,568,538)</b>	<b>5,971,897</b>
<i>Transactions with equity holders</i>						
Share-based payments - vesting charge		8,750	1,456	-	-	<b>10,206</b>
Shares issued – net of transaction costs		2,913,331	-	-	-	<b>2,913,331</b>
<b>Balance at 30 June 2023</b>	<b>5</b>	<b>65,357,145</b>	<b>269,217</b>	<b>(162,390)</b>	<b>(56,568,538)</b>	<b>8,895,434</b>



**Consolidated Statement of Cash Flows**  
**For the Year Ended 30 June 2024**

	Note	2024	2023
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers (inclusive of GST)		12,000,770	10,299,129
Payments to suppliers and employees (inclusive of GST)		(14,384,369)	(12,418,685)
Interest received		20,593	22,268
Income tax refunded / (paid)		6,534	(7,788)
Receipts from royalties and other income		405,026	-
Grant income and other benefits from government		213,125	346,162
<b>Net cash used in operating activities</b>	<b>6</b>	<b>(1,738,321)</b>	<b>(1,758,914)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of plant and equipment		(97,903)	(45,373)
Proceeds from sale of businesses		-	211,876
Payments for the purchase of business (net of cash acquired)		(100,000)	(1,055,470)
Payments made to other entities		-	(619,784)
<b>Net cash used in investing activities</b>		<b>(197,903)</b>	<b>(1,508,751)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of shares		1,361,623	3,176,424
Share issue costs		(149,270)	(271,426)
Repayment of borrowings		-	(20,338)
Repayment of leasing liabilities		(189,871)	(322,455)
Finance costs		(28,764)	(21,572)
<b>Net cash provided by financing activities</b>		<b>993,718</b>	<b>2,540,633</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(942,506)</b>	<b>(727,032)</b>
Cash and cash equivalents at beginning of financial year		2,567,061	3,284,852
Effect of exchange rate changes on cash and cash equivalents		(630)	9,241
<b>Cash and cash equivalents at end of financial year</b>		<b>1,623,925</b>	<b>2,567,061</b>

## ANAGENICS LIMITED

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### SEGMENT INFORMATION

During the period the chief operating decision maker (being the board) determined that the group now operates in one operating segment, namely “Consumer and Health” primarily throughout Australia and New Zealand. Historically, the Group was organised into two segments based principally on differences in products provided. These being “Anagenics Corporate” the Group’s head office support function and two subsidiary companies, Advangen Pty Limited (consumer health product development and sales) and BLC Cosmetics Pty Limited – “Consumer and Health”. Had this reporting continued, the following segment results would have been reported:

2024	Anagenics Corporate	Consumer & Health	Group Total
	\$	\$	\$
<b>Sales to external customers – Continuing operations</b>	-	10,803,168	10,803,168
<b>Sales to external customers – Discontinued operations</b>	-	-	-
Other income	52,460	84,159	136,619
Interest revenue	22,267	-	22,267
Cost of goods sold	-	(6,441,886)	(6,441,886)
Selling and distribution expenses	(1,672)	(1,634,061)	(1,635,733)
Administrative and employment expenses	(806,716)	(3,407,643)	(4,214,359)
Research and development expenses	-	(3,268)	(3,268)
Legal fees	-	(58,027)	(58,027)
Bad debt expense	-	26,308	26,308
Impairment of assets	-	(3,367,162)	(3,367,162)
Distribution, freight, and postage expenses	-	(931,182)	(931,182)
Other operating expenses	-	(613,460)	(613,460)
<b>Segment operating profit/(loss)</b>	<b>(733,661)</b>	<b>(5,543,054)</b>	<b>(6,276,715)</b>
<i>Corporate costs and unallocated items</i>			
Administrative and employment expenses			28,092
Directors' remuneration			(395,568)
Share-based payment compensation			(53,279)
Depreciation and amortisation			(616,265)
Gain on deferred consideration liability			-
Other corporate and unallocated costs			(364,153)
Finance costs			(66,318)
<b>Profit / (loss) before income tax expense</b>			<b>(7,744,206)</b>
Income tax expense			-
<b>Profit / (loss) after income tax expense</b>			<b>(7,744,206)</b>
<b>Total assets</b>	<b>2,133,071</b>	<b>4,316,757</b>	<b>6,449,828</b>
<b>Total liabilities</b>	<b>1,255,928</b>	<b>2,484,046</b>	<b>3,739,974</b>
<b>Total intercompany assets / (liabilities)</b>	<b>28,862,257</b>	<b>(28,862,257)</b>	<b>-</b>

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**SEGMENT INFORMATION (CONTINUED)**

<b>2023</b>	<b>Anagenics Corporate</b>	<b>Consumer &amp; Health</b>	<b>Group Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Sales to external customers – Continuing operations</b>	-	<b>9,113,414</b>	<b>9,113,414</b>
<b>Sales to external customers – Discontinued operations</b>	-	<b>206,814</b>	<b>206,814</b>
Other income	-	566,957	566,957
Interest revenue	22,269	-	22,269
Cost of goods sold	-	(4,812,340)	(4,812,340)
Selling and distribution expenses	(23,835)	(1,214,854)	(1,238,689)
Administrative and employment expenses	(984,849)	(2,594,943)	(3,579,792)
Research and development expenses	-	(11,718)	(11,718)
Loss on disposal of subsidiary	-	(895,207)	(895,207)
Legal fees	-	(6,429)	(6,429)
Impairment of receivables	-	(77,053)	(77,053)
Distribution, freight, and postage expenses	-	(517,755)	(517,755)
Other operating expenses	(2,058)	(43,743)	(45,801)
Segment operating profit/(loss)	(988,473)	(286,857)	(1,275,330)
<i>Corporate costs and unallocated items</i>			
Administrative and employment expenses			(145,327)
Directors' remuneration			(434,700)
Share-based payment compensation			(1,456)
Depreciation and amortisation			(359,825)
Gain on deferred consideration liability			44,521
Other corporate and unallocated costs			(453,840)
Finance costs			(33,323)
<b>Profit / (loss) before income tax expense</b>			<b>(2,659,280)</b>
Income tax expense			(7,870)
<b>Profit / (loss) after income tax expense</b>			<b>(2,667,150)</b>
<b>Total assets</b>	<b>3,194,961</b>	<b>7,917,162</b>	<b>11,112,123</b>
<b>Total liabilities</b>	<b>769,188</b>	<b>1,447,501</b>	<b>2,216,689</b>
<b>Total intercompany assets / (liabilities)</b>	<b>28,347,324</b>	<b>(28,347,324)</b>	<b>-</b>

## 1. REVENUE FROM CUSTOMERS

	2024	2023
	\$	\$
<b>From continuing operations</b>		
Sale of goods transferred at a point in time	10,803,168	9,113,414
<b>Total revenue from contracts with customers</b>	<b>10,803,168</b>	<b>9,113,414</b>
The disaggregation of revenue from contracts with customers is as follows:		
Major product lines		
- Skincare and anti-aging cosmetics	10,055,899	7,528,553
- Haircare and ingestible supplements	583,669	1,355,080
- Equipment	163,600	229,781
<b>Total revenue from contracts with customers</b>	<b>10,803,168</b>	<b>9,113,414</b>
Geographic regions		
- Australia / New Zealand	10,697,462	8,908,369
- Other	105,706	205,045
	<b>10,803,168</b>	<b>9,113,414</b>

## 2. BUSINESS COMBINATIONS

### Business acquisition

On 29 September 2023, Anagenics Limited acquired the assets and liabilities of FaceMedi Group ("FMG") an online ecommerce market place business. It has both a physical presence through its Face Mediskin retail store in Sydney, Australia and a strong digital presence through its two main digital platforms: facemediskin.com.au and prodermal.com.au.

FMG contributed total revenue of \$2,396,544 to the consolidated entity for the 9 month period ending 30 June 2024. Had the acquisition occurred on 1 July 2023, the revenue contribution is estimated to have been \$3,508,338. Total one-off incidental costs associated with the FMG acquisition were \$57,692 and were recognised as an expense in the period.

The total estimated fair value of this business on acquisition was \$952,632. Under the asset sale agreement, the purchase consideration was payable in cash on completion (\$100,000), scrip on acquisition (\$302,632) and included a deferred cash consideration component of \$400,000. This non contingent liability is due and payable within 12 months from acquisition. As part of the total purchase price, the Group also agreed to forgive a loan outstanding of \$150,000 which was provided to the vendor in the prior financial year.

In addition, under a conditional earnout arrangement, a payment (\$300,000) must be paid if, by the end of the first earn out period, the EBITDA for the financial year ended 30 June 2024 is more than \$1,000,000. Similarly, an additional payment (\$300,000) must be paid if, by the end of the second earn out period, the EBITDA for the financial year ended 30 June 2025 is more than \$2,200,000. Based on the information available at reporting date, none of the agreed earn out performance hurdles were met in financial 2024 and will unlikely be achieved in financial 2025 also. Therefore, the contingent deferred consideration component (totalling \$600,000) has not been recognised at balance date.

As part of the net assets acquired, Anagenics also assumed FMG's loan liabilities totalling \$270,000. Under the asset sale agreement these loans are unsecured interest only loans accruing monthly at 10% per annum and due to paid within 12 months of acquisition.

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### 2. BUSINESS COMBINATIONS (continued)

The total intangible assets acquired on purchase of FMG was estimated on acquisition to be \$1,244,967. This represents the expected future cashflows and synergies from merging of the two businesses and creating a profitable, market leading anti-aging health and beauty tech company with premium products sold across multiple channels.

Details of FMG's assets, liabilities and goodwill acquired on acquisition are further detailed as follows:

	<b>Value on Acquisition \$</b>
Inventories	319,826
Plant and equipment	571,699
Trade payables	(870,713)
Employee benefits	(15,785)
Provisions	(27,362)
Loans	<u>(270,000)</u>
Net liabilities acquired	(292,335)
Intangible assets acquired on acquisition	<u>1,244,967</u>
Acquisition-date fair value of the total consideration	<u><u>952,632</u></u>
Representing:	
Cash paid on acquisition	100,000
Loan forgiven	150,000
Share issuance	302,632
Deferred cash consideration payable	<u>400,000</u>
	<u><u>952,632</u></u>

Subsequently, the directors critically assessed the fair values of the intangible assets acquired including the residual value of any goodwill (representing the excess of purchase consideration over the final net fair values of identifiable assets and liabilities acquired). Based on this assessment it was concluded that the recoverability of the carrying value of FMG goodwill at balance date was remote and unlikely. The directors therefore concluded to fully impair the goodwill at 30 June 2024 – refer Note 4 Intangibles and Impairment.

#### Discontinued operations

In the prior financial year 2023, the Consolidated entity entered a non-binding term sheet to divest its wholly-owned Japanese subsidiary (Advangen Inc – “ADV Japan”) to TK Holdings LLC, an entity related to the former directors of ADV Japan. The sale of ADV Japan was completed on 31 July 2022. Under the agreed terms of the sale, Anagenics Limited received cash consideration on completion of JPY 20.0M (\$211,876) with additional deferred consideration under an “earn out” arrangement, calculated based on revenue and net profit (with minimums) for the financial years 2026 to 2037 (inclusive).

Subsequently, in the current reporting period 2024, the Group renegotiated a portion of the earnout relating to the Joju brand, collecting in cash \$405,026 in June 2024. On the basis of uncertainty, the Board also resolved to impair the remaining carrying value of the earnout receivable (\$579,867). The net result in the 2024 profit and loss was an expense of \$208,994 (discontinued operations).

Anagenics will continue to retain entitlement to the remaining future earnout, which is further supported by a conditional registered security agreement under written by intangible assets being the trademarks for key Japanese brand (Lexilis).

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**3. EARNINGS PER SHARE**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>		
Basic and diluted earnings per share (in cents)	(1.89)	(0.65)
Reconciliation of earnings to profit or loss from continuing operations		
Loss for the year attributable to the owners of Anagenics Limited	(7,535,212)	(1,741,694)
Basic and diluted earnings per share are identical since outstanding options of 21,435,000 (2023: 5,635,000) are all "out of the money" at 30 June 2024.		
<b>Discontinued operations</b>		
Basic and diluted earnings per share (in cents)	(0.06)	(0.35)
Reconciliation of earnings to profit or loss from discontinued operations		
Loss for the year attributable to the owners of Anagenics Limited	(208,994)	(925,456)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used in calculating basic and dilutive earnings per share	398,976,712	265,950,463

**4. INTANGIBLES AND IMPAIRMENT**

<b>2024</b>	<b>Patents and Trademarks</b>	<b>Goodwill</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
At net realisable value	1,440	1,950,991	<b>1,952,431</b>
<b>2023</b>			
	Patents and Trademarks	Goodwill	Total
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At net realisable value</b>	<b>1,440</b>	<b>3,447,006</b>	<b>3,448,446</b>

Goodwill relates to Anagenics' acquisition of BLC Cosmetics Pty Limited in October 2021 and the FMG business assets and liabilities in September 2023.

**4. INTANGIBLES AND IMPAIRMENT (Continued)**

As at 30 June 2024 the directors reviewed the carrying values of assets and liabilities that were included in the Consumer and Health segment. Given the continuation of losses, together with a continued reduction of the Group's overall market capitalisation, the directors considered that an impairment trigger existed.

Firstly, the directors considered the intangible assets acquired as part of the acquisition of FMG (Note 2 – Business Combinations). Based upon trading loss result of FMG post-acquisition, the directors conducted a discounted cashflow analysis of the business. On the results of this discounted cashflow analysis, an impairment charge was raised for FMG equalling \$1,629,019 and comprising of:

- Acquired intangible assets (goodwill) - \$1,374,013
- Acquired plant and equipment - \$255,006

The directors also examined the performance of the BLC Cosmetics cash-generating unit and similarly conducted a discounted cashflow analysis. Based upon the results of this discounted cashflow analysis, an impairment charge was raised for FMG equalling \$1,738,143 and comprising of:

- Acquired intangible assets (goodwill) - \$1,496,015
- Acquired plant and equipment - \$140,692
- Right of use (ROU) leased asset - \$101,436

The key inputs used in the derivation of the aforesaid discounted cashflow analyses based on the following assumptions by business acquired:

<b>FMG</b>	<b>2024</b>
Sales volume (% compound annual growth rate)	19%
Budgeted gross margin (%)	65%
Other operating costs (% revenue)	51%
Long term growth rate (%)	2.5%
Pre-tax discount rate (%)	14.9%

<b>BLC</b>	<b>2024</b>	<b>2023</b>
Sales volume (% compound annual growth rate)	18%	10%
Budgeted gross margin (%)	52%	53%
Other operating costs (% revenue)	30%	46%
Long term growth rate (%)	2.5%	2.5%
Pre-tax discount rate (%)	14.9%	12.5%

These calculations use cash flow projections based on financial budgets approved by management covering a five-year forward-looking horizon. Cash flows beyond this period are extrapolated using the estimated growth rates which are considered consistent with forecasts and industry standards in which the business operates.

**5. ISSUED CAPITAL**

Ordinary shares	Issue price	2024	2023	2024	2023
	\$	No.	No.	\$	\$
<b>At the beginning of the year</b>		<b>365,619,965</b>	<b>221,021,303</b>	<b>65,357,145</b>	<b>62,435,064</b>
Shares issued – January 2021	0.11	-	-	-	8,750
Shares issued – December 2022	0.03	-	245,098	-	8,333
Shares issued – February 2023	0.02	-	27,948,803	-	615,520
Shares issued – March 2023	0.02	-	116,404,761	-	2,560,904
Shares issued – October 2023	0.02	13,157,895	-	302,632	-
Shares issued – February 2024	0.02	40,355,000	-	645,680	-
Shares issued – April 2024	0.02	42,187,500	-	675,000	-
Shares issue costs		-	-	(149,271)	(271,426)
<b>At the end of the year</b>		<b>461,320,360</b>	<b>365,619,965</b>	<b>66,831,186</b>	<b>65,357,145</b>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a count at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have a limited amount of authorised capital and the fully paid ordinary shares have no par value.

In February 2024, the Group announced that it has successfully completed a bookbuild for a two-tranche placement of new fully paid ordinary shares to various sophisticated and institutional investors, including the Group's major shareholder, Hancock & Gore Limited and its related party H&G High Conviction Limited. Directors - Sandy Beard, Phillip Christopher, Karen Matthews and Scott Greasley also participated in the placement. Cash proceeds received (before transaction costs) totalled \$1,320,680 (82,542,500 shares) at a fixed offer price of \$0.016 per new share.

In October 2023, 13,157,895 shares (\$302,632) were issued as part of the consideration paid in connection with the acquisition of FMG business in September 2023.

In the prior year, 245,098 shares (\$8,333) were issued in December 2022 to Mr Dennis Eck (a former Non-executive Director) in lieu of cash. In March 2023, the Group successfully completed an equity raise from existing shareholders under an accelerated non renounceable pro rata entitlement offer ("ANREO") - 1 new share for 1.3748 shares held at 2.2 cents per share. The share offer was fully underwritten by HNG and sub underwritten by H&G High Conviction. Total proceeds received were \$3,176,424 (144,353,564 shares) before transactions costs of \$271,426, part of which was used to settle the deferred consideration liability owing to HNG (\$1,055,470) in the prior period.



**ANAGENICS LIMITED**

ABN 69 111 304 119

**6. CASH FLOW INFORMATION**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of loss after income tax to net cash used in operating activities</b>		
<b>Loss after income tax for the year</b>	<b>(7,744,206)</b>	<b>(2,667,150)</b>
Adjustments for:		
- depreciation and amortisation	616,265	359,825
- impairment of assets	3,367,162	-
- loss on sale of subsidiary	-	895,206
- share-based compensation	53,279	18,539
- bad and doubtful debts	(26,308)	80,509
- interest expense	28,764	22,208
- gain on deferred consideration liability	-	(44,521)
- foreign exchange movements	(7,626)	(104,277)
Changes in operating assets and liabilities		
- decrease / (increase) in trade and other receivables	862,331	(52,689)
- decrease / (increase) in prepayments	276,922	(305,268)
- decrease in inventories	1,136,949	42,132
- decrease in trade and other payables	(244,574)	(182,850)
- (decrease) / increase in provisions	(57,279)	179,422
<b>Net cash used in operating activities</b>	<b>(1,738,321)</b>	<b>(1,758,914)</b>