

Anagenics Restructure and Proposed Issue of Shares to FOS Capital

2 December 2024

FOS Capital Limited (ASX:FOS, “FOS” or the “Company”) notes the release of an announcement by Anagenics Limited (ASX:AN1, “Anagenics”).

As detailed in the Anagenics announcement (attached), FOS Capital was engaged by the Board of Anagenics to undertake a restructure of that company’s operations and will have an ongoing relationship with Anagenics. Sandy Beard is the Chair of both companies.

Following the provision of these services, the Board of Anagenics has now agreed to issue 35 million AN1 shares to FOS Capital at 1c per share. This issuance will be subject to Anagenics shareholder approval.

This engagement does not impact FOS Capital’s operations or strategic priorities.

Contact

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This announcement has been authorised for release to the ASX by the FOS Capital Limited Board of Directors

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About FOS Capital (ASX:FOS)

FOS Capital is a founder-led manufacturer and distributor of commercial, industrial, and architectural lighting solutions. FOS owns 17 brands and 2 manufacturing facilities, located in Brisbane and Sydney. Since listing in June 2021 FOS has achieved annual revenue and EBITDA growth of 35% and 29%, respectively, and remained profitable throughout this period. FOS operates in highly fragmented markets and is committed to increasing market share from 5% to 15% in the medium-term through a combination of continued organic growth and strategic acquisitions, at an EBITDA margin exceeding 10%.

About Anagenics Limited (ASX:AN1)

Anagenics is a health, beauty, and wellness 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.

Business Update – Restructuring, November Trading, FOS Capital

2 December 2024

Anagenics Limited (ASX:AN1, or the “Company”) today provides an update on the progress of its restructuring, a trading update, and engagement with FOS Capital (ASX:FOS).

Company Restructure

Further to the update provided on 31 October 2024 (**October Update**), the restructuring program aimed at returning the Company to profitability has now been substantially completed. In the past 12 weeks, the restructure activities have included the in-housing of third-party logistics (ongoing) and the exiting of the Chinese online sales channel.

Together with the following actions, which were disclosed in the October Update, **total cost reductions are now expected to exceed \$2.5 million on an annualised basis** (vs \$1.5 million previously):

- Divestment of the loss-making Face Medi Group;
- Reduction in total headcount (including staff and contractors) from 20 to 9;
- Reduction in general overhead costs, including insurance & administration expenses;
- Replacement of IT & ERP systems and services with more cost-effective providers; and
- Exiting of the offices at 55 Clarence St Sydney (ongoing).

These initiatives have simplified the business without interrupting core sales operations. Balance sheet liabilities have been substantially improved following negotiated reductions in payables/deferred payments and the agreement of extended payment plans with certain creditors. The Company also received A\$340,000 in short-term funding from non-bank lenders in October.

Anagenics now has a clear strategy going forward, built around:

- Achieving and maintaining profitability;
- Reinforcing royalty revenue streams;
- New brand releases; and
- Actively pursuing accretive acquisitions.

November 2024 Trading Update

As these changes have been occurring, the Company has started to see the benefits as outlined in the following numbers from preliminary/unaudited management accounts for November:

(\$, '000)	BLC Cosmetics	AN1 Royalties	Consolidated
Sales	443	131	574
Gross Profit	199	131	330
Profit Before Tax	43	100	143

These results are encouraging and provide the Anagenics Board with significant comfort around the direction of the business following the recent restructuring effort.

FOS Capital (ASX:FOS)

The Board of Anagenics Limited engaged the services of ASX-listed FOS Capital (ASX:FOS) on commercial and arms-length terms to undertake the restructure of the Company. The Chair of Anagenics, Sandy Beard, is also Chair of FOS Capital.

FOS Capital's management had the specific skills and resources to best facilitate and execute the restructure in the necessary short time frame. This included management of the restructure and taking on the administrative and warehousing functions of the Company, which has driven further efficiencies and entails an ongoing relationship between FOS Capital and Anagenics.

For the provision of these services, FOS Capital will be issued 35 million AN1 shares at 1c per share, subject to shareholder approval.

Board remuneration

All Anagenics Board members continue to provide their services on an unpaid basis and remain focused on restoring Anagenics to profitability.

Voluntary suspension

The Company is in discussions with ASX around ending the suspension in trading of the Company's securities.

This announcement was authorised by the Board of Anagenics Limited.

For further information, please contact:

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Anagenics Limited (ASX:AN1)

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For further information, please see www.anagenics.com