

1. Company details

Name of entity:	Anagenics Limited
ABN:	69 111 304 119
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenue and other income from ordinary activities (continuing operations)	Up	43.3%	5,586,958
Revenue and other income from ordinary activities (discontinuing operations)	Down	78.5%	206,814
Total revenue and other income from ordinary activities	Up	19.20%	5,793,772
Operating loss after tax from ordinary activities (continuing operations)	Down	48.9%	533,031
Operating loss after tax from ordinary activities (discontinued operations)	Up	30.2%	925,456
Total Operating loss after tax from ordinary activities	Down	16.9%	1,458,487
Operating loss for the half-year attributable to the owners of Anagenics Limited	Down	16.9%	1,458,457

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

Revenue and other income from ordinary activities from continuing operations was up 43% to \$5,586,958 compared with the previous corresponding period ('pcp' or 1HF22') of \$3,900,309. The significant growth was primarily attributable to the additional contribution made by BLC Cosmetics of \$4,274,048 – 6 months (1HF22: \$2,525,256 – 3 months).

Net loss after tax for the consolidated entity was \$1,458,487 (1HF22: \$1,754,313, loss). This result included numerous one off and significant items including the loss on disposal of Advangen Japan (\$895,206).

The underlying EBITDA, being the primary measure of the Group's true financial performance, was a loss of \$503,741 (1HF22: \$1,681,819, loss), down 70% on pcp. It excludes interest, income tax, depreciation, net foreign exchange gain/loss and other abnormal non-cash item(s) such as gain/loss on disposal of businesses and asset impairments (or revaluations). A reconciliation of the Group's underlying EBITDA to operating profit/(loss) after income tax is detailed in the Directors Report per the Group's Interim Report - 31 December 2022.

The significant improvement in business performance reflects the increase in revenue, benefits of cost savings realised from business restructure (totalling approximately \$626,000) and the avoidance of net operating losses of its Japanese subsidiary after its disposal at the beginning of 1HF23.

For further commentary on the results refer to the 'Review of operations and financial results' contained within the Directors' report of the attached Interim Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.62	3.96

Intangibles and right-of-use assets have been excluded from the calculation of net tangible assets per ordinary security.

4. Control gained / lost over entities

Advangen (Japan) Inc.

On 15 June 2022, the Consolidated entity entered a non-binding term sheet to divest its wholly-owned Japanese subsidiary (Advangen Inc – “ADV Japan” classified as a “discontinued operation”) to TK Holdings LLC, an entity related to the former directors of ADV Japan. The sale was successfully completed on 31 July 2022.

Total revenue and other income from discontinued operations in the period was \$206,814 (1HF22: \$960,331). Net loss after income tax (before loss on sale of the entity) from discontinued operation in the period was \$30,250 (1HF22: \$710,976 loss).

Total Operating loss after tax from ordinary activities (including the loss on sale of the entity after income tax of \$895,206) was \$925,456 (1HF22: \$710,976 loss).

For further commentary on the sale and financial results refer to Note 15: “Discontinued operations” of the attached Interim Report.

5. Audit qualification or review

The financial statements were subject to an independent review by the auditors and the review report is attached as part of the Interim Report.

6. Attachments

The Interim Report of Anagenics Limited for the half-year ended 31 December 2022 is attached.

7. Signed



Alexander (Sandy) Beard
Chairman

13 February 2023

Anagenics Limited

ABN 69 111 304 119

Interim Report – 31 December 2022

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of Anagenics Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022 ('1HF23').

Directors

The following persons were Directors of Anagenics Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Alexander (Sandy) Beard (Chairman)

Dr Martin Cross

Mr Dennis Eck (resigned 29 November 2022)

Mr Phillip Christopher

Mr Scott Greasley (appointed 8 July 2022)

Principal activities

The principal activities of the Consolidated entity during the financial half-year were the development, distribution and sale of health, beauty and anti-aging wellness products. Advangen also develops, distributes to retailers, and sells direct to consumers its proprietary FGF5 inhibitor anti-aging hair products in Australia, China and USA. BLC is an exclusive distributor of premium Australian and international beauty and wellness brands through a large network of salons and spas in Australia, New Zealand and online.

Review of operations and financial results

Operating results

Revenue and other income from continuing operations was up 43.3% to \$5,586,958 compared with the previous corresponding period ('pcp' or 1HF22') of \$3,900,309. The significant growth was primarily attributable to contribution made by BLC Cosmetics.

Net loss after tax for the consolidated entity was \$1,458,487 (1HF22: \$1,754,313, loss). This result included numerous one off and significant items including the total net loss on disposal of Advangen Japan (\$925,456).

The underlying EBITDA, being the primary measure of the Group's true financial performance, was a loss of \$503,741 (1HF22: \$1,681,819, loss), down 70% on pcp. This significant improvement in business performance reflects the increase in revenue, benefits of cost savings realised from business restructure and the avoidance of net operating losses after the disposal of its Japanese subsidiary at the beginning of 1HF23.

A reconciliation of Group's underlying EBITDA to operating loss after income tax is as follows:

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax expense	(1,458,487)	(1,754,313)
Adjusted for by removing:		
Interest income	(8,363)	(9,157)
Interest expense	13,056	24,289
Income tax expense/(benefit)	7,869	(8,778)
Depreciation and amortisation	215,061	282,592
Depreciation reclassification under AASB 1016 - leases	(153,963)	(167,767)
Foreign exchange gain	(78,665)	(87,015)
	<u>(5,005)</u>	<u>34,164</u>
EBITDA	(1,463,492)	(1,720,149)
Adjusted for by removing:		
Loss on disposal of subsidiary	895,206	-
Fair value gain on deferred consideration liability	(44,521)	-
One off legal and consulting fees associated with M&A transactions and discontinued operations	109,066	38,330
	<u>959,751</u>	<u>38,330</u>
EBITDA (underlying)	(503,741)	(1,681,819)

Total cashflow used in operating activities reduced to \$581,666 outflow (1HF22: \$878,868 outflow), an improvement of 34% on pcp. This improvement in working capital reflects again the growth in receipts from customers but also benefits from cost savings realised from business transformation and restructuring initiatives that commenced in March 2022. In total cost saved in 1HF23 are estimated to be approximately \$626,000 on the pcp.

Review of operations

The Consolidated entity is the owner and distributor of premium Australian and international beauty and wellness brands. The Group is focused on efficiently growing total revenue through various revenue channels, investing in its people and new technology. It has an extensive network of over 1,000 professional beauty, salons and spas through-out Australia and New Zealand as well as growing its online retail presence via direct to consumer (D2C) and through third party ecommerce channels. Our wholly owned heritage anti-hair loss brand (Evolis) is also distributed both in Australia and abroad (China and USA).

A summary of consolidated revenues and results, including discontinued operations, for the half-year by segment is set out below.

Consumer Health

Total operating revenue (including discontinued operations) from sales to customers was up 28% to \$5,355,588 (1HF22: \$4,177,432). BLC accounted for \$4,274,048 – 6 months (1HF21: \$2,525,256 – 3 months). The improved sales result was driven primarily by BLC's contribution, partly offset by lower revenue from Advangen subsequent to the disposal of the Japan business on 31 July 2022 - \$206,814 (1HF22: \$960,331).

From 1 July 2023, Inika ORGANIC ("Inika") was added to BLC's exclusive brand distribution portfolio. Inika is a widely recognised and unique Australian brand, offering natural certified skincare products in the beauty market. Working in partnership with the brand owner, Total Beauty Network, This addition has assisted sales growth by contributing \$676,679 revenue in its first 6 months and is expected to generate up to approximately \$1.3m additional revenue for the full year in F23. Along with other iconic prestige brands in BLC's brand portfolio (Thalgo, Hydropetide), Inika should be one of the top 3 revenue generating brands in F23.

As noted, in the same month, Anagenics announced that it had successfully sold its wholly owned Japanese subsidiary for total estimated consideration of \$839,967. In recent years, Advangen Japan has faced a challenging trading environment due to the COVID-19 pandemic and significant regulatory changes associated with import permits into China. Moreover, revenue from QVC (Japan's single largest customer) had continued to decline approximately 25% per annum over the previous three years. Given these factors, and in light of other potential superior growth opportunities, Anagenics decided to strategically divest its direct interest in the Japanese business but retain exposure to its long-term growth in the form of key intellectual properties and an earn-out based on future returns. This transaction will leave the Group entirely debt free and with a strong cash position to pursue profitable growth with a more simplified operating structure.

In December 2022, under its merger and acquisition (M&A) strategy, Anagenics successfully acquired USPA (a premium skin care brand). It contributed \$152,420 revenue in the period (1HF22: \$90,544 – 3 months) and once fully onboarded is expected to provide the Group with broader revenue and yield superior margins through the BLC business and D2C channel. Under the M&A strategy the Group will continue to explore additional suitable acquisitions to invest and scale the business further.

Despite the recent tightening in macroeconomic conditions, the overall segment result for the Consumer Health business in the period was a \$503,008 profit (1HF22: \$409,387, loss) demonstrating resilience in what is a highly competitive market and benefits realised from business restructuring and process improvement initiatives which commenced from March 2022. These changes have generated total cost savings of approximately \$348,000 in the period (mainly in staff costs) thereby assisting total financial performance of this business segment.

Anagenics Corporate

The holding entity, Anagenics Limited is primarily responsible for the corporate functions of the Group including finance, legal, administrative and other Group operational matters. Other revenue in the period included a fair value gain of \$44,521 relating to the final settlement of deferred consideration on the acquisition of BLC (tranche 2) – refer Note 14: "Business combinations".

Segment result in the period was \$376,177 loss (1HF22: \$555,274 loss). Total corporate costs (including unallocated items), significantly reduced on the pcg (excluding the loss disposal of Japan of \$895,206). This improvement was attributable to cost savings measures including a temporary freeze in Director fees and the reduction in certain support services totalling approximately \$278,000 in 1HF23.

Significant changes in the state of affairs

Disposal of Advangen Japan

On 15 June 2022, 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 was successfully completed on 31 July 2022. Under the agreed terms of the sale, Anagenics received cash consideration of JPY 20.0M (\$211,877) on completion with an additional 10% of net profit (before tax) receivable in the first three years post completion (minimum payment of JPY 5.0M per annum). As part of the deferred consideration, for financial years 2026 to 2037 inclusive, Anagenics will also be entitled to receive an additional 3.0% of ADV Japan net revenue (or a minimum payment of JPY 5M per annum). Under this arrangement, Anagenics shareholders retain exposure to ADV Japan's future performance across all of Japan's sales territories (including China).

Total estimated consideration (including a minimum deferred component to be received under the earnout arrangement) has resulted in net loss on disposal in the period of \$437,781 (after income tax but before foreign currency translation adjustments). Refer Note 15: “Discontinued operations” for further details of the disposal.

There were no other significant changes in the state of affairs of the Consolidated entity during the financial half-year.

Events subsequent to reporting date

On January 13, 2023 the Group announced that it had entered into contractual service agreements with HGL Limited (a major shareholder) and Phillip Christopher (Non-executive Director), to formalise the professional services rendered to the Group. These would include assistance with M&A transactions, capital management and ongoing strategic advice. Compensation for these services would be in the form of unlisted options (15 million in total) and are subject to shareholder approval. Further details (with required approvals) are to be raised at an extraordinary general meeting (EGM) on a date which is expected to be announced in February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to ‘rounding-off’. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Alexander (Sandy) Beard
Chairman

13 February 2023

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**Auditor's Independence Declaration
To the Directors of Anagenics Limited
ABN 69 111 304 119**

In relation to the independent auditor's review for the half year ended 31 December 2022, I declare to the best of my knowledge and belief there have been:

- i. No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- ii. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Anagenics Limited and the entities its controlled during the period.



S S Wallace
Partner

Pitcher Partners
Sydney

13 February 2023

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General information

The financial statements cover Anagenics Limited as a Consolidated entity consisting of Anagenics Limited, (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (collectively the 'Consolidated entity'). The financial statements are presented in Australian dollars, which is Anagenics Limited's functional and presentation currency.

Anagenics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 204, Level 2
55 Clarence Street
Sydney NSW 2000

A description of the nature of the Consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 13 February 2022.

Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Continuing Operations			
Revenue			
Revenue from contracts with customers	2	5,148,774	3,217,101
Cost of goods sold		<u>(2,592,099)</u>	<u>(1,486,278)</u>
Gross profit		<u>2,556,675</u>	<u>1,730,823</u>
Other income	3	429,821	674,055
Interest revenue		8,363	9,153
Foreign exchange gains		78,758	88,307
Expenses			
Marketing, advertising, and promotion		(723,387)	(764,765)
Research and development		(14,125)	(4,771)
Employee benefits		(1,588,629)	(1,579,047)
Administration expenses		(450,107)	(573,805)
Legal fees		(92,301)	(78,473)
Distribution, freight, and postage		(256,197)	(191,574)
Depreciation and amortisation		(212,536)	(158,596)
Other operating expenses		<u>(249,920)</u>	<u>(174,063)</u>
Loss before finance costs		<u>(513,585)</u>	<u>(1,022,756)</u>
Finance costs		<u>(11,577)</u>	<u>(17,200)</u>
Loss before income tax expense from continuing operations		<u>(525,162)</u>	<u>(1,039,956)</u>
Income tax expense		<u>(7,869)</u>	<u>(3,381)</u>
Loss after income tax expense from continuing operations		<u>(533,031)</u>	<u>(1,043,337)</u>
Loss after income tax expense from discontinued operations	15	<u>(925,456)</u>	<u>(710,976)</u>
Loss after income tax expense for the half year attributable to the owners of Anagenics Limited		<u><u>(1,458,487)</u></u>	<u><u>(1,754,313)</u></u>
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entities		(37,207)	(88,110)
Reclassification adjustment of foreign currency translation reserve	15	<u>457,425</u>	<u>-</u>
		420,218	(88,110)
Total comprehensive loss for the half-year, net of tax		<u>(1,038,269)</u>	<u>(1,842,423)</u>
Total comprehensive loss for the half-year:			
Continuing operations		(112,813)	(1,131,447)
Discontinued operations		<u>(925,456)</u>	<u>(710,976)</u>
Total comprehensive loss attributable to the owners of Anagenics Limited		<u><u>(1,038,269)</u></u>	<u><u>(1,842,423)</u></u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Earnings / (loss) per share for loss from continuing operations attributable to the owners of Anagenics Limited		Cents	Cents
Basic earnings per share	13	(0.24)	(0.53)
Diluted earnings per share	13	(0.24)	(0.53)
Earnings / (loss) per share for loss from discontinued operations attributable to the owners of Anagenics Limited			
Basic earnings per share	13	(0.42)	(0.36)
Diluted earnings per share	13	(0.42)	(0.36)
Total Earnings / (loss) per share for loss attributable to the owners of Anagenics Limited			
Basic earnings per share	13	(0.66)	(0.89)
Diluted earnings per share	13	(0.66)	(0.89)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2022	30 June 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,099,388	3,284,852
Trade and other receivables		1,178,268	921,283
Inventories	5	2,552,514	4,448,079
Contingent consideration receivable	11	53,921	-
Other assets		118,831	116,349
Total current assets		<u>6,002,922</u>	<u>8,770,563</u>
Non-current assets			
Property, plant and equipment		201,143	280,619
Right-of-use assets		239,959	410,835
Intangible assets	6	3,449,100	3,462,727
Contingent consideration receivable	11	574,169	-
Total non-current assets		<u>4,464,371</u>	<u>4,154,181</u>
Total assets		<u>10,467,293</u>	<u>12,924,744</u>
Liabilities			
Current liabilities			
Trade and other payables	7	1,410,981	1,291,893
Borrowings	8	-	562,048
Lease liabilities		235,842	340,614
Provisions		435,104	363,778
Contingent consideration payable	11/14	1,055,479	1,100,000
Total current liabilities		<u>3,137,406</u>	<u>3,658,333</u>
Non-current liabilities			
Borrowings	8	-	767,547
Lease liabilities		14,802	86,899
Other liabilities		46,671	122,365
Total non-current liabilities		<u>61,473</u>	<u>976,811</u>
Total liabilities		<u>3,198,879</u>	<u>4,635,144</u>
Net assets		<u>7,268,414</u>	<u>8,289,600</u>
Equity			
Issued capital	9	62,452,147	62,435,064
Reserves		176,142	(244,076)
Accumulated losses		(55,359,875)	(53,901,388)
Total equity		<u>7,268,414</u>	<u>8,289,600</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	60,280,064	931,775	(50,777,455)	10,434,384
Opening balance transfer between reserves		(26,776)	26,776	-
Loss after income tax expense for the half-year	-	-	(1,754,313)	(1,754,313)
Exchange differences on translating foreign controlled entities	-	(88,110)	-	(88,110)
Total comprehensive loss for the half-year		(88,110)	(1,754,313)	(1,842,423)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,000,000	-	-	2,000,000
Equity share-based compensation	52,500	56,310	-	108,810
	2,052,500	56,310	-	2,108,810
Balance at 31 December 2021	62,332,564	873,199	(52,504,992)	10,700,771

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	62,435,064	(244,076)	(53,901,388)	8,289,600
Loss after income tax expense for the half-year	-	-	(1,458,487)	(1,458,487)
Reclassification adjustment of foreign currency translation reserve	-	457,425	-	457,425
Exchange differences on translating foreign controlled entities	-	(37,207)	-	(37,207)
Total comprehensive loss for the half-year		420,218	(1,458,487)	(1,038,269)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	8,750	-	-	8,750
Equity share-based compensation	8,333	-	-	8,333
	17,083	-	-	17,083
Balance at 31 December 2022	62,452,147	176,142	(55,359,875)	7,268,414

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows
For the half-year ended 31 December 2022

		Consolidated	
	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Cash flows from operating activities			
Receipts from customers (including GST)		5,559,772	5,338,265
Payments to suppliers and employees		(6,493,857)	(6,815,901)
Interest received		8,363	9,157
Payment of corporate income taxes		(2,106)	(3,341)
Grant and other income received from Government		346,162	592,952
Net cash used in operating activities		(581,666)	(878,868)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,025)	(76,657)
Proceeds from sale of subsidiary (net of cash disposed)	15	(15,265)	-
Payments for purchase of new subsidiaries (net of cash acquired)	14	-	(932,255)
Advances made to other entities		(392,641)	-
Net cash used in investing activities		(421,931)	(1,008,912)
Cash flows from financing activities			
Proceeds from borrowings		-	979,018
Repayment of borrowings		(20,338)	(354,078)
Finance costs		(12,303)	(11,729)
Repayments of lease liabilities		(156,086)	(167,064)
Net cash (used in) / provided by financing activities		(188,727)	446,147
Net decrease in cash and cash equivalents		(1,192,324)	(1,441,633)
Cash and cash equivalents at the beginning of the financial half-year		3,284,852	6,727,764
Effects of exchange rate changes on cash and cash equivalents		6,860	(1,043)
Cash and cash equivalents at the end of the financial half-year		2,099,388	5,285,088

Non-cash financing activities include ordinary shares to be issued in lieu of director fees to Dennis Eck to the value of \$8,333 (1HF22: \$50,000). Dennis Eck resigned from the position of non-executive director on 29 November 2022.

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Contingent consideration receivable

Contingent consideration receivable relating to the disposal of assets are recognised based on expected discounted cashflows. These values are estimated based on the underlying terms of the business contract, the Group's knowledge of the business and how the current economic environment is likely to impact it. Changes in fair values are analysed at the end of each reporting period and recorded in the profit and loss in accordance with Australian Accounting Standard AASB 13 'Fair Value Measurement'.

New or amended Accounting Standards and Interpretations

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, with no material impact.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have any material impact if they had been applied.

Comparatives and rounding

Where necessary and or material certain comparatives in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position have been reclassified to be consistent with current year presentation.

Unless stated otherwise, all financial amounts presented are in Australian dollars, rounded to the nearest whole dollar, in accordance with Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission.

Note 2. Revenue from contracts with customers (Continuing operations)**Disaggregation of revenue**

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
The disaggregation of revenue from contracts with customers is as follows:		
Major product categories		
Skincare, anti-aging cosmetics & equipment	4,388,214	2,525,256
Haircare, hair growth and supplements	760,560	691,845
	<u>5,148,774</u>	<u>3,217,101</u>

Note 3. Other income (continued)*Geographical regions*

Australia / New Zealand	5,009,424	3,100,773
Other	139,350	116,328
	<u>5,148,774</u>	<u>3,217,101</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>5,148,774</u>	<u>3,217,101</u>

Note 3. Other income

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Research and development tax credit	316,162	500,380
Other revenue	<u>113,659</u>	<u>173,675</u>
Total other income	<u>429,821</u>	<u>674,055</u>

Other revenue is primarily comprised of a fair value adjustment in relation to the revaluation of liability to Hancock & Gore Limited under tranche 2 obligations (\$44,521) as discussed in Note 14: "Business combinations" and receipt of an Export Market Development Grant of \$30,000. In the prior corresponding period other income included receipts related to Government (COVID-19) assistance in the form of JobSaver and JobKeeper subsidies totaling \$92,572.

Note 4. Operating segments*Identification of reportable operating segments*

The Consolidated entity is organised into two main segments based principally on differences in products and services provided. "Anagenics Corporate" is the Group's head office support function whilst its two subsidiary companies, Advangen Pty Limited (consumer health product development and sales) and BLC Cosmetics Pty Limited (a distribution business acquired in October 2021) together comprise the "Consumer and Health" business segment.

These two operating segments are reported and reviewed by the Board of Directors (identified as the Chief Operating Decision Makers (CODM) in assessing performance and strategically determining the allocation of resources. The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA" or "Operating Profit/(Loss)") to assess the performance of operating segments. However, the CODM also receive information about segments revenue and assets on a monthly basis.

Intersegment transactions, receivables, payables and loans

Intersegment transactions were made at market rates. The Consumer and Health segment purchases finished goods (and raw materials) from related parties within the same business segment. Intersegment loans are initially recognised at the consideration received.

All intersegment transactions and balances are eliminated on consolidation.

Note 4. Operating segments (continued)

Operations segment information

	Anagenics* Corporate \$	Consumer Health \$	Consolidated Total \$
Consolidated – 31 Dec 2022			
Revenue			
Sales to external customers – Continuing operations	-	5,148,774	5,148,774
Sales to external customers – Discontinued operations	-	206,814	206,814
Other income**	44,520	385,301	429,821
Interest revenue	8,363	-	8,363
Total revenue	52,883	5,740,889	5,793,772
Cost of goods sold	-	(2,701,341)	(2,701,341)
Selling and distribution expenses	(20,212)	(731,009)	(751,221)
Research and development expenses	(1,686)	(12,632)	(14,318)
Administrative and employment expenses	(208,818)	(1,482,951)	(1,691,769)
Gain/(loss) on foreign exchange	(2,686)	81,351	78,665
Other operating expenses	(195,658)	(391,299)	(586,957)
Segment operating loss	(376,177)	503,008	126,831
Corporate costs and unallocated items			
Consultancy expense			(22,918)
Subscription expense			(27,109)
Occupancy expense			(16,109)
Share-based compensation			-
Directors' remuneration			(175,490)
Employee benefits expense			(212,500)
Finance costs			(13,056)
Depreciation and amortisation expense			(215,061)
Loss on disposal of subsidiary			(895,206)
Loss before income tax expense			(1,450,618)
Income tax expense			(7,869)
Loss after income tax expense			(1,458,487)
Total Assets	2,102,934	8,364,359	10,467,293
Total Liabilities	(1,550,861)	(1,648,018)	(3,198,879)
Total Intercompany	28,361,775	(28,361,775)	-

* Comprising Anagenics Limited (the corporate entity).

** Other income includes R&D income tax credit received of \$316,162 (1HF22: \$500,380). This revenue has been classified under "Consumer Health" business segment being the most relevant and accurate segment for the benefit received. In the prior year the R&D income tax credit was originally reported under the "Anagenics Corporate" business segment. In this report the comparative has been restated to the Consumer Health business segment for comparability.

Note 4. Operating segments (continued)

	Anagenics Corporate \$	Consumer Health \$	Consolidated Total \$
Consolidated – 31 Dec 2021			
Revenue			
Sales to external customers – Continuing operations	-	3,217,101	3,217,101
Sales to external customers – Discontinued operations	-	960,331	960,331
Other income**	62,979	611,076	674,055
Interest revenue	9,152	5	9,157
Total revenue	72,131	4,788,513	4,860,644
Cost of goods sold	-	(1,827,714)	(1,827,714)
Selling and distribution expenses	(69,550)	(787,959)	(857,509)
Research and development expenses	(55)	(69,983)	(70,038)
Administrative and employment expenses	(413,450)	(1,981,559)	(2,395,009)
Gain on foreign exchange	976	86,039	87,015
Other operating expenses	(145,326)	(616,724)	(762,050)
Segment operating loss	(555,274)	(409,387)	(964,661)
Corporate costs and unallocated items			
Consultancy expense			(47,256)
Subscription expense			(45,492)
Occupancy expense			(9,274)
Share-based compensation			(56,310)
Directors' remuneration			(106,604)
Employee benefits expense			(226,613)
Finance costs			(24,289)
Depreciation and amortisation expense			(282,592)
Loss before income tax expense			(1,763,091)
Income tax benefit			8,778
Loss after income tax expense			(1,754,313)
Total Assets	4,219,098	12,899,290	17,118,388
Total Liabilities	(2,976,923)	(3,440,694)	(6,417,617)
Total Intercompany	23,974,341	(23,974,341)	-

Note 5. Inventories

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Raw materials - at cost	320,292	706,807
Finished goods - at cost	2,232,222	3,741,272
	2,552,514	4,448,079

Note 6. Intangibles

31 December 2022	Patents and Trademarks \$	Goodwill \$	Total \$
At cost	2,094	3,447,006	3,449,100
Accumulated amortisation	-	-	-
	<u>2,094</u>	<u>3,447,006</u>	<u>3,449,100</u>

30 June 2022	Patents and Trademarks \$	Goodwill \$	Total \$
At cost	16,736	3,447,006	3,463,742
Accumulated amortisation	(1,015)	-	(1,015)
	<u>15,721</u>	<u>3,447,006</u>	<u>3,462,727</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year and prior corresponding full year are set out below:

31 December 2022	Patents and Trademarks \$	Goodwill \$	Total \$
Balance as at 1 July 2022	<u>15,721</u>	<u>3,447,006</u>	<u>3,462,727</u>
Additions/(disposals)	(11,802)	-	(11,802)
Foreign exchange movements	(1,825)	-	(1,825)
Balance as at 31 December 2022	<u>2,094</u>	<u>3,447,006</u>	<u>3,449,100</u>

30 June 2022	Patents and Trademarks \$	Goodwill \$	Total \$
Balance as at 1 July 2021	<u>1,425,322</u>	<u>-</u>	<u>1,425,322</u>
Additions/(disposals)	14,955	3,347,594	3,362,549
Adjustment to prior year acquisition during the measurement period*	-	99,412	99,412
Amortisation expense	(10,072)	-	(10,072)
Impairment expense	(1,266,184)	-	(1,266,184)
Foreign exchange movements	(148,300)	-	(148,300)
Balance as at 30 June 2022	<u>15,721</u>	<u>3,447,006</u>	<u>3,462,727</u>

* Purchase price allocation restatement to goodwill originally recognised on acquisition of BLC Cosmetics. The subsequent write-off of this asset (relating to a business trade exchange program) resulted in an increase to total goodwill in June 2022.

Note 7. Trade and other payables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	744,515	502,713
Other payables	666,466	789,180
	<u>1,410,981</u>	<u>1,291,893</u>

Note 8. Borrowings

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Bank loans	-	562,048
	-	562,048
<i>Non-current liabilities</i>		
Bank loans	-	767,547
	-	1,329,595

All Bank loans in the prior corresponding financial year related to Advangen Inc (Japan). These loans were fully disposed of by Anagenics Limited on the sale of the business as at 31 July 2022.

Note 9. Issued capital

	Consolidated			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$
Ordinary shares – fully paid	<u>221,266,401</u>	<u>221,021,303</u>	<u>62,452,147</u>	<u>62,435,064</u>

Note 9. Issued capital (continued)

Movements in ordinary share capital

Details for the half-year ended	Date	Shares	\$
Balance	1 July 2022	221,021,303	62,435,064
Shares issued in lieu of consulting fees	January 2021	-	8,750
Shares issued – Director fees in lieu of cash	December 2022	245,098	8,333
Balance	31 December 2022	<u>221,266,401</u>	<u>62,452,147</u>

Details for the full-year ended	Date	Shares	\$
Balance	1 July 2021	187,430,560	60,280,064
Shares issued – Consulting fees in lieu of cash	January 2021	-	105,000
Shares issued – BLC acquisition {tranche 1}	November 2021	32,786,885	2,000,000
Shares issued – Director fees in lieu of cash	January 2022	803,858	50,000
Balance	30 June 2022	<u>221,021,303</u>	<u>62,435,064</u>

Share buy-back

There is no current on-market share buy-back.

Note 10. Dividends

There were no dividends paid, recommended, or declared during the current or previous financial half-year.

Note 11. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Total assets included a contingent consideration receivable of \$626,090 being deferred consideration owing to Anagenics Limited subsequent to the disposal of Advangen Japan in July 2022. At balance date, \$53,921 is receivable in the next 12 months (current portion) and remaining balance of \$574,169 (non-current portion) by 2037. For further detail refer also to Note 15: "Discontinued operations".

This instrument was measured at fair value based on judgements and estimates made by the Group. Under AASB 13 *Fair Value Measurement*, given that one or more of the significant inputs is not based on observable market data this instrument has been classified under "level 3" of the fair value hierarchy.

Changes to fair value instruments for the half year period ended:

	Contingent consideration receivable	Contingent consideration payable	Total
Opening balance – 1 July 2022	-	(1,100,000)	(1,100,000)
Gains recognised in other income – continuing operations	-	44,521	44,521
Initial fair value on disposal – discontinued operations	628,090	-	628,090
Closing balance – 31 December 2022	628,090	(1,055,479)	(427,389)

Valuation of inputs and relationship to fair value (FV):

	Fair value at 31 Dec 2022 \$	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Contingent consideration receivable	628,090	1. Expected cash inflows	Yrs 1 – 3: 10% of net profit (before tax) Yrs 4 – 15: 3% of net revenue Yrs 1 – 15: JPY 5m p.a – min. payment	If the annual compounded sales growth from year 1 (after disposal) was 5% p.a it would increase FV by \$798K (assuming minimum payments of JPY 5m in years 1 to 3, inclusive).
		2. Risk adjusted discount rate	5.22%	A change in the discount rate by 100 bps would increase/decrease the FV by approx. \$35K.
		3. Foreign exchange rate (AUD/JPY)	A\$1=JPY85	A change in the foreign exchange rate by 10% would increase/decrease the FV by approx. \$57K.
Contingent consideration payable	(1,055,479)	Expected EBITDA	Incremental EBITDA multiple (3x)	The precise value was finally determined in the period to be \$1,055,479 – refer Note 14: "Business combinations"

Valuation processes:

The primary “level 3” inputs used by the Group to measure the fair value of financial instruments are derived and evaluated by the Group internally. Contingent consideration receivable and payable are based on expected cashflows and have been estimated based on the terms of the relevant sales contract, the entity’s knowledge of the business and how the current economic environment is likely to impact it. Changes in fair values are analysed at the end of each reporting period by considering material changes in the underlying assumptions (inputs), business developments and general underlying market conditions.

Note 12. Contingent liabilities

The Consolidated entity has given bank guarantees as at 31 December 2022 of \$137,140 (30 June 2022: \$136,922) are in respect of lease of commercial office space.

There were no other material contingent liabilities as at 31 December 2022.

Note 13. Earnings per share

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Reconciliation of earnings to profit or loss from continuing operations		
Loss after income tax attributable to the owners of Anagenics Limited	<u>533,031</u>	<u>1,043,337</u>
Reconciliation of earnings to profit or loss from discontinued operations		
Loss after income tax attributable to the owners of Anagenics Limited	<u>925,456</u>	<u>710,976</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>221,025,299</u>	<u>198,121,936</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>221,025,299</u>	<u>198,121,936</u>
	Cents	Cents
Basic earnings/(loss) per share – continuing operations	<u>(0.24)</u>	<u>(0.53)</u>
Basic earnings/(loss) per share – discontinued operations	<u>(0.42)</u>	<u>(0.36)</u>
	<u>(0.66)</u>	<u>(0.89)</u>

Note 14. Business combinations

On 1 October 2021, Anagenics Limited, acquired 100% of the ordinary shares of BLC Cosmetics Pty Limited “BLC” (including its wholly owned subsidiary, BLC Cosmetics NZ Pty Limited) from Hancock & Gore Limited (HNG) for a total estimated purchase value of \$5,100,000. Under the share sale agreement the purchase consideration is payable under two separate tranches.

The first tranche is comprised of \$1,000,000 cash payment, \$2,000,000 in shares (32,786,885 shares at 6.1 cents) and a working capital adjustment. The second tranche is payable subject to an increase in BLC’s EBITDA during FY2022. This component was calculated as three (3) times the incremental EBITDA growth between FY2021¹ and FY2022, where the agreed EBITDA for FY2021 was \$500,000. The liability under tranche two was subsequently determined in the reporting period and agreed by both parties to equate to \$1,055,479 and resulted in a fair value adjustment to the carrying value and profit and loss (other income) of \$44,521 in 1HF23. This liability is payable by Anagenics whereby under a subsequent variation deed to the original contract of sale whereby \$812,228 is expected to be settled in cash with the balance of up to 6,950,000 in shares. The precise split of cash and shares to be issued to HNG may vary to ensure HNG does not exceed the 20% ownership threshold limits under section 6 of the takeover provisions of the Corporations Act. The issue of shares also remains subject to shareholder approval and the settlement date has been agreed to be on or before 28th February 2023 at an extraordinary general meeting.

The final total goodwill acquired on purchase of BLC, after purchase price adjustments in the measurement period is \$3,447,006. It represents the expected synergies from merging of the two businesses and creating a profitable, market leading anti-aging health and beauty tech company with premium products across hair care, skin care and wellness. BLC contributed total revenue of \$4,274,048 (1HF22: \$2,525,256) and profit after tax of \$399,506 (1HF22: \$288,679) to the consolidated entity. In the prior corresponding period BLC result was consolidated from 1 October to 31 December 2021. Financial and other information relating to BLC’s assets, liabilities and goodwill acquired on acquisition are further detailed in Group’s Annual Report 2022 (refer Note 7.0: “Acquisitions”).

¹ The original reporting period for the BLC financial year (and therefore for the calculation of Tranche 2 obligation) is between 1 October 2021 and 30 September 2022.

Note 15. Discontinued operations

On 15 June 2022, 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 was successfully completed on 31 July 2022. Under the agreed terms of the sale, Anagenics Limited received cash consideration on completion of JPY 20.0M (\$211,877) with additional 10% of net profit (before tax) in the first three years post completion (minimum payment of JPY 5.0M per annum). As part of the deferred consideration, for financial years 2026 to 2037 (inclusive), Anagenics Limited will also be entitled to receive an additional 3.0% of ADV Japan net revenue (minimum payment of JPY 5M per annum). Under this arrangement Anagenics shareholders will therefore benefit from ADV Japan's future performance across all of Japan's sales territories (including China).

Based on total estimated consideration (including minimum deferred component under the earn-out arrangement estimated to be \$628,090 fair value) has resulted in an underlying loss on disposal of ADV Japan in the period, before income tax and reclassification of foreign currency translation reserve of \$437,781.

In recent years, ADV Japan has faced a particularly challenging trading environment due to the COVID-19 pandemic and significant regulatory changes associated with import permits into China. Moreover, revenue from QVC (ADV Japan's single largest customer) has continued to decline approximately 25% per annum over the past three years. ADV Japan accounted for \$0.6m of the Group's \$2.9m F22 underlying EBITDA loss (unaudited) and losses were forecast to continue into F23.

Considering these challenges and other potential growth opportunities, Anagenics has decided to strategically divest its direct interest in ADV Japan but continue to retain ownership of important patents and trademarks (“IP”) and exposure to ADV Japan's long-term growth. Post-sale it will leave Anagenics debt free and in a stronger cash position to pursue profitable growth in a more simplified operating structure.

<i>Financial performance information</i>	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Revenue		
Revenue from contracts with customers	206,814	960,331
Cost of goods sold	(109,242)	(341,435)
Gross profit	97,572	618,896
Other income	-	4
Expenses		
Advertising and promotion	(23,527)	(92,744)
Employment expenses	(64,032)	(564,738)
Occupancy	(3,567)	(14,608)
Finance costs	(1,479)	(7,089)
Other operating expenses	(35,217)	(662,855)
	(127,822)	(1,342,034)
Net loss before income tax	(30,250)	(723,134)
Income tax benefit	-	12,158
Net loss after income tax of discontinued operation	(30,250)	(710,976)
Loss on sale of subsidiary after income tax (refer below)	(895,206)	-
Loss from discontinued operation	(925,456)	(710,976)

Cashflow information

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Net cash (used) / derived from operating activities	(174,332)	350,782
Net cash used for investing activities	(242,641)	(35,534)
Net cash (used) / derived from financing activities	(23,221)	702,833
Net (decrease) / increase in cash and cash equivalents from discontinued operations	(440,194)	1,018,081

Carrying amounts of assets and liabilities disposed in the period

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Cash and cash equivalents	227,142	-
Trade receivables	355,547	-
Inventories	1,812,733	-
Other current assets	389,466	-
Property, plant and equipment	32,602	-
Other non-current assets	11,803	-
Total assets	2,829,293	-
Trade payables	105,023	-
Accrued expenses and provisions	126,166	-
External borrowings	1,320,356	-
Total liabilities	1,551,545	-
Net assets	1,277,748	-

Details of the disposal

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Consideration received or receivable:		
Cash	211,877	-
Fair value of contingent consideration*	628,090	-
Total disposal consideration	839,967	-
Carrying amount of net assets sold	(1,277,748)	-
Loss on sale before income tax and reclassification of foreign currency translation reserve	(437,781)	-
Reclassification of foreign currency translation reserve	(457,425)	-
Income tax on sale	-	-
Loss on sale after income tax	(895,206)	-

*As noted above, pursuant to an 'earn out' clause in the sale agreement relating to contingent consideration for the period 1 July 2022 to 30 June 2037 (inclusive), Anagenics Limited will be entitled to additional cash consideration receivable from the buyer. This being 10% of net profit (before tax) in the first three years post completion (minimum payment of JPY 5.0M per annum) with an additional 3.0% of ADV Japan net revenue (minimum payment of JPY 5M per annum) for financial years ending 30 June 2026 to 30 June 2037, inclusive.

At balance date, the fair value of the minimum component of the total potential earn out was estimated to be \$680,090. This receivable was recognised as a financial asset (at fair value) through the profit and loss in the reporting period ended 31 December 2022. For more detail on this valuation and estimates thereon, refer also Note 11: "Fair value measurement".

Note 16. Events after the reporting period

On January 13, 2023 the Group announced that it had entered into contractual service agreements with Hancock & Gore Limited (a major shareholder) and Phillip Christopher (Non-executive Director), to formalise the professional services rendered to the Group. These would include assistance with M&A transactions, capital management and ongoing strategic advice. Compensation for these services would be in the form of unlisted options (15 million in total) and are subject to shareholder approval. Further details (with required approvals) are to be raised at an extraordinary general meeting (EGM) on a date which is expected to be announced in February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Alexander (Sandy) Beard
Chairman

13 February 2023

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**Independent Auditor's Review Report
To the members of Anagenics Limited
ABN 69 111 304 119**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Anagenics Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

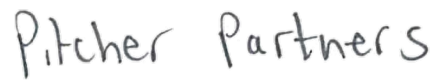
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S S Wallace
Partner

13 February 2023



Pitcher Partners
Sydney