



ASX RELEASE

TOTAL FACE GROUP LIMITED

Quarterly Report - Brief Commentary

29th January 2016

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re: Appendix 4C – Quarterly Report

Please refer to the 'Appendix 4C' attached for details of financial results for the second quarter ended 31 December 2015 for Total Face Group Limited (TFG).

Highlights

- Receipts from customers up 88% on Quarter 1
- During the period we successfully completed the acquisition of Heber Davis
- Successful lodgment of the TFG Prospectus
- First greenfield site established in Windsor in Victoria
- First full rollout of our custom built end to end application "TESSA" covering customer relationship management, clinical treatment management and operational support functions

Corporate and Finance

The Company had cash on hand at 31 December 2015 in the amount of \$577k. Whilst the outflow from operations for the quarter was \$482k, our year to date outflow from operations was \$628k.



Given the significant activity in the second quarter the Company would like to provide the following information in respect of this:

- The quarter was defined by investment in infrastructure and operational structure of the business to position it to grow the clinic network nationally;
- Investment in Inventory was undertaken to take advantage of discounted terms on offer from key suppliers with the carrying value of stock increasing by ~\$200k;
- One-off expenses associated with the Heber Davis acquisition in the areas of HR, IT/marketing and legal were incurred of ~\$100k;
- Staff costs increased as a result of recruitment initiatives adopted by management with a view to driving sales;
- Marketing & advertising campaign undertaken to boost branding & market awareness ahead of the initial public offering (IPO); and
- Establishment of our Windsor clinic increasing overheads such as rent and one off costs such as IT & communication establishment costs.

The company also conducted a pre-IPO capital raising of \$4 million during the quarter.

Heber Davis

On Friday 9th October, TFG finalised the acquisition of the Heber Davis Skin Clinic. This 7-room clinic was established over 20 years ago by leading industry doctors and has an unrivalled reputation for clinical excellence and education within the aesthetic market. The acquisition provides the Company with a substantial footprint in Sydney and doctor expertise that can be leveraged across the group. Heber Davis contributed positively to the Company's performance for the second quarter.

Subsequent Event

On 14th January 2016, the IPO of TFG raised the maximum subscription of \$6,000,000 and the Company successfully listed on the ASX on that date.

Any questions relating to this announcement should be directed to Mrs Joanne Hannah, (CEO) or Mrs Liza Juegan (CFO) on +61 8547 3600.

TOTAL FACE GROUP LIMITED

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

TOTAL FACE GROUP LIMITED

ABN

43 169 177 833

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from customers | 2,146 | 3,288 |
| 1.2 Payments for | | |
| (a) staff costs | (1,050) | (1,635) |
| (b) advertising and marketing | (65) | (124) |
| (c) research and development | - | - |
| (d) leased assets | - | - |
| (e) other working capital | (1,402) | (1,983) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | - |
| 1.5 Interest and other costs of finance paid | (57) | (87) |
| 1.6 Income taxes paid | (33) | (33) |
| 1.7 Other (provide details if material) | (22) | (54) |
| Net operating cash flows | (483) | (628) |

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1.8 Net operating cash flows (carried forward) | (483) | (628) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | (225) | (225) |
| (b) equity investments | (1,869) | (1,969) |
| (c) intellectual property | (154) | (202) |
| (d) physical non-current assets | (649) | (803) |
| (e) other non-current assets | (2) | (38) |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other (provide details if material) | - | - |
| Net investing cash flows | (2,899) | (3,237) |
| 1.14 Total operating and investing cash flows | (3,382) | (3,865) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | 274 | 4,010 |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | 699 | 815 |
| 1.18 Repayment of borrowings | (90) | (188) |
| 1.19 Dividends paid | - | - |
| 1.20 Other (provide details if material) | (452) | (567) |
| Net financing cash flows | 431 | 4070 |
| Net increase (decrease) in cash held | (2,951) | 205 |
| 1.21 Cash at beginning of quarter/year to date | 3,528 | 372 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 577 | 577 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|---|--|----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 37 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 | Explanation necessary for an understanding of the transactions:- | |
| Net salary payments to Jo Hannah (Director) \$37,496.01 | | |

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|--|
| |
|--|

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

| |
|--|
| |
|--|

Financing facilities available

Add notes as necessary for an understanding of the position.

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

- 4.1 Cash on hand and at bank
- 4.2 Deposits at call
- 4.3 Bank overdraft
- 4.4 Other (provide details)

Total: cash at end of quarter (item 1.23)

| Current quarter \$A'000 | Previous quarter \$A'000 |
|----------------------------|-----------------------------|
| 577 | 3,528 |
| - | - |
| - | - |
| - | - |
| 577 | 3,528 |

Acquisitions and disposals of business entities

| | Acquisitions <i>(Item 1.9(a))</i> | Disposals <i>(Item 1.10(a))</i> |
|---|--|------------------------------------|
| 5.1 Name of entity | In accordance with heads of agreement as disclosed in the prospectus | |
| 5.2 Place of incorporation or registration | NSW | |
| 5.3 Consideration for acquisition or disposal | | |
| 5.4 Total net assets | | |
| 5.5 Nature of business | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Chief Financial Officer

Date: 29 / 12 / 2016

Print name: Liza Juegan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.