



FOR GOOD LOOKS

**ASX Announcement**  
**TOTAL FACE GROUP LIMITED**  
**QUARTERLY UPDATE & APPENDIX 4C**

31 January 2018

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

Dear Sir/Madam,

**Re: Appendix 4C – Quarterly Report**

Please refer to the 'Appendix 4C' attached for cash flows for the quarter ended 31 December 2017 for **Total Face Group Ltd (ASX:TFG)** ("TFG" or "Company").

**Highlights**

- Receipts from customers (\$5.8M) up 16% from September 17 quarter
- Underlying positive cash flow from operations of \$232k<sup>1</sup>
- Completed the acquisition of Artisan Rejuvenation Clinic, Fortitude Valley QLD
- Formally engaged EY Transaction Advisory Services to undertake a Strategic Review of TFG's Operations
- Ended the quarter with a cash balance of \$800k

**Operational Update**

The second quarter of FY18 produced a significantly stronger underlying positive cash flows from operations. Receipts from customers in the second quarter of FY18 reach \$5.8m, an increase of the prior corresponding period of 16%.

Again, the Company continued to restructure a number of key operational and clinic management roles resulting in further staff redundancy and termination costs of \$53k across the quarter. Further, as previously announced, TFG formally appointed Ernst and Young Transaction Advisory Services to provide further strategic advice and implementation options with the aim of maximising value for the Company and its shareholders. Operating cash outflows in relation to this program amounted to \$83k during the quarter.

---

<sup>1</sup> Excludes cash payments made for staff redundancies and payments made in relation to the Ernst and Young Strategic review

**TOTAL FACE GROUP**

**ABN 43 169 177 833**

PO Box 317, Collins Street West, Melbourne VIC 8007

**WWW.TOTALFACEGROUP.COM.AU**

Taking staff redundancies and cost associated with the ongoing strategic advice, the Company returned an underlying positive cash flow from operations of approximately \$232k, a 2.5 fold increase from the previous quarter.

In relation to the Strategic Review, discussions are continuing with a number of interested parties and the Company expects to be in a position to provide a more substantial update on the release of its mid-year results in late February 2018.

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**

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

TOTAL FACE GROUP LTD

**ABN**

43 169 177 833

**Quarter ended ("current quarter")**

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,812	10,814
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,432)	(4,668)
(c) advertising and marketing	(201)	(362)
(d) leased assets	(4)	(14)
(e) staff costs	(2,500)	(4,484)
(f) administration and corporate costs	(558)	(1,125)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	8
1.5 Interest and other costs of finance paid	(22)	(48)
1.6 Income taxes paid	-	(36)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	104
<b>1.9 Net cash from / (used in) operating activities</b>	<b>96</b>	<b>189</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(214)	(416)
	(b) businesses (see item 10)	(1,604)	(1,950)
	(c) investments	-	-
	(d) intellectual property	(176)	(362)
	(e) other non-current assets	(45)	(45)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (acquisition costs & lease deposits)	(14)	(47)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,053)</b>	<b>(2,820)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	1,270	1,270
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(72)	(171)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(150)	(295)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	46
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,048</b>	<b>850</b>

**Appendix 4C**  
**Quarterly report for entities subject to Listing Rule 4.7B**

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,710	2,582
4.2	Net cash from / (used in) operating activities (item 1.9 above)	96	189
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,053)	(2,820)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,048	850
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>801</b>	<b>801</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	801	1,709
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>801</b>	<b>1,709</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	136
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors Fees, CEO remuneration and rent of corporate head office to related entity.		

**Appendix 4C**  
**Quarterly report for entities subject to Listing Rule 4.7B**

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

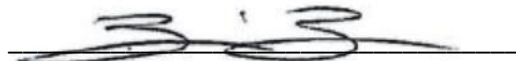
<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(2,530)
9.3	Advertising and marketing	(245)
9.4	Leased assets	(10)
9.5	Staff costs	(2,570)
9.6	Administration and corporate costs	(600)
9.7	Other (provide details if material)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(5,955)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>
10.1 Name of entity	a) Sunshine Vein Clinic b) Artisan c) Non binding HOA 1 d) Non binding HOA 2
10.2 Place of incorporation or registration	a) QLD b) QLD c) QLD d) VIC
10.3 Consideration for acquisition or disposal	a) \$1,478,574 b) \$75,000 c) \$50,000 non-refundable deposit on signing HOA d) \$50,000 non-refundable deposit on signing HOA
10.4 Total net assets	To be disclosed in audited half year reports
10.5 Nature of business	Non-surgical Cosmetic Clinics

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
\_\_\_\_\_  
(Company secretary)

Date: 31 January, 2018

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.