



FOR GOOD LOOKS

ASX Announcement

TOTAL FACE GROUP LIMITED

QUARTERLY UPDATE & APPENDIX 4C

30th October 2017

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 30 September 2017 for **Total Face Group Ltd (ASX:TFG)** ("TFG" or "Company").

Highlights

- Cash receipts from customers for the quarter were \$5.0m which was an increase of 3.5% from \$4.8m for the same quarter last year
- Positive cash flow from operations of \$155k excluding \$62k of staff redundancy/termination payments
- Cash receipts from customers for the Melbourne CBD and Port Melbourne clinics up more than 30% from the same quarter last year
- Acquired Ulthera machine in Victoria achieved a 40% payback since its purchase in July 2017
- Completed the relocation of the Melbourne CBD clinic to Exhibition St providing greater capacity and service offering
- Successfully implemented TESSA in the 3 QLD clinics following further development to enable smooth integration
- Ended the quarter with a cash balance of \$1.7m

TOTAL FACE GROUP

ABN 43 169 177 833

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Operational Update

After a soft fourth quarter to finish FY17, it was pleasing to see receipts from customers in the first quarter of FY18 reach \$5.0m, an increase of the prior corresponding period of 3.5%.

As earmarked in previous market announcements, the Company restructured a number of key operational and clinic management roles which resulted in staff redundancy and termination costs of \$62k across the quarter. Despite this, the Company returned to a positive cash flow from operations of approximately \$100k representing a tenfold increase from same quarter in FY17.

The relocation of Melbourne CBD clinic to flagship premises on Exhibition Street; doubling the number of treatment rooms and earnings capacity, was completed during the quarter. The relocation has had an immediate positive impact, with receipts from customers up more than 30% from the same quarter last year.

It was also pleasing to note that receipts from customers at our Port Melbourne clinic (Endless Solutions acquisition) were also up more than 30% from the same quarter last year validating our belief that Port Melbourne is an important geography for the Company to operate.

The Company invested in further treatment equipment during the quarter with the acquisition in July of the first Ulthera machine in Victoria after a successful trial. Since its purchase, we have achieved a 40% payback with strong bookings continuing. As a result, further controlled rollout of this technology is planned over the next 3-6 months across the clinic network.

TESSA has now been successfully implemented in our 3 QLD clinics which required further investment in development across the quarter to enable its smooth integration. In addition, work continued on improving our digital assets and while we are in the early stages of data collection, we are starting to see a positive impact of changes made on the traffic and consequential number of enquires being received.

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")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,001	5,001
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,235)	(2,235)
(c) advertising and marketing	(161)	(161)
(d) leased assets	(10)	(10)
(e) staff costs	(1,984)	(1,984)
(f) administration and corporate costs	(567)	(567)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	(26)	(26)
1.6 Income taxes paid	(36)	(36)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	104	104
1.9 Net cash from / (used in) operating activities	93	93

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(202)	(202)
	(b) businesses (see item 10)	(346)	(346)
	(c) investments	-	-
	(d) intellectual property	(186)	(186)
	(e) other non-current assets	-	-
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)	(33)	(33)
2.6	Net cash from / (used in) investing activities	(767)	(767)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(100)	(100)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(145)	(145)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	46	46
3.10	Net cash from / (used in) financing activities	(199)	(199)

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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,582	2,582
4.2	Net cash from / (used in) operating activities (item 1.9 above)	93	93
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(767)	(767)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(199)	(199)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,709	1,709

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,709	2,582
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,709	2,582

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	114
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.		

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Quarterly report for entities subject to Listing Rule 4.7B

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

9.	Estimated cash outflows for next quarter	\$A'000
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	(435)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(5,790)


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

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions
10.1 Name of entity	a) Cozmedics b) Sunshine Vein Clinic c) Artisan
10.2 Place of incorporation or registration	a) QLD b) QLD c) QLD
10.3 Consideration for acquisition or disposal	a) \$221,163 post completion payment b) \$50,000 c) \$75,000 non-refundable deposit on signing HOA
10.4 Total net assets	a) & b) per TFG annual report c) N/a
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: 30 October, 2017

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.