



## ASX RELEASE

### TOTAL FACE GROUP LIMITED

#### 2017 CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

28<sup>th</sup> November 2017

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Good morning Ladies and Gentlemen. My name is Paul Fielding; I am the Chairman of Total Face Group Limited and I will Chair today's meeting. It is my pleasure to welcome you to the 2017 Annual General Meeting of Total Face Group Limited.

I wish to introduce my fellow directors present here today, our CEO Joanne Hannah and Non-Executive Director Lyndi Adler. I note that Non-Executive Director Dr Naveen Somia could not be with us today due to a full surgery list for his patients in Sydney. Also present at today's meeting is our Chief Financial Officer and Company Secretary, Liza Juegan, our Group Manager of Operations, Kerstin Grant and Kylee Byrne from Pitcher Partners who were the Company's auditors for the 2017 financial year.

I will provide you with a brief overview of the past year before moving to the formal part of the meeting where we will consider the resolutions to be put to shareholders. The resolutions were set out in the Notice of Meeting that was despatched to all shareholders on 27<sup>th</sup> October 2017. Once the resolutions have been put the meeting and voted on, I will adjourn the formal part of the meeting and hand over to our CEO, Joanne Hannah, to provide a more detailed overview of the Company's activities.

We will provide those present the opportunity to ask questions at the end of Mrs Hannah's presentation and after the meeting has closed, I invite you to stay for tea and coffee.

I would like to firstly take this opportunity to thank you, our shareholders, for your support over the past three plus years and the opportunities that support has afforded the Company.

Looking back on the 2017 financial year, financially it was a disappointing year. The most material disappointment came from the underperformance of our coolsculpting business which has been well documented and communicated via our announcements to the market. Further, a soft May and June in terms of traffic through the clinic network saw the Company deliver lower than expected revenues in our largest injectables modality across the final quarter of the financial year. Despite the results being disappointing, we

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did deliver revenues that were substantially higher than the previous year and moved from an underlying operating loss position to delivering an underlying operating profit.

As our shareholders are aware, Total Face Group's vision is to become the most successful, influential and respected organisation in the medical aesthetic market. I believe we made significant progress during the 2017 financial year and as a result we are very well positioned to capitalise on the platform we have worked so hard to build. Like many start-ups, there are bumps along the way and things don't always run to plan. What is important to the future success of our business is that we stay focused and continue to execute our strategy of growing our business organically and through further acquisitions.

Total Face Group has established a leadership position in acquiring industry leading clinics and it is critical that we maintained that position. As announced on 18<sup>th</sup> October 2017, the Board formally appointed Ernst and Young Transaction Advisory Services (EYTAS) as the Board considered that putting the Company's acquisition strategy on hold would undermine the Company's stated strategy and put at risk significant non-organic growth opportunities.

Given where we are at in the process, I am limited in what update I can provide you today. What I can share with you is that since the EYTAS appointment, there has been a pleasing level of inbound interest driven by the thematic that consolidation in the non-invasive cosmetic medicine sector will continue to mature in the short to medium term. The interested parties include domestic and international operators as well as financial investors. The nature of interest in Total Face Group is varied and not restricted to a change of control transaction. I expect that the Board will be assessing indicative proposals from interested parties prior to Christmas and we will update the market as appropriate at that point.

In terms of what we are focusing on internally, a great deal of our effort is being directed at enhancing the customer experience through better customer engagement – salesforce marketing cloud and the associated customer journeys we are building is a tangible example of this. Our customer loyalty program – *Totally For You* – is another and will formally launch on 1 December 2017.

Once again, thank you for your support. Total Face Group is at an exciting stage of its relatively short life, the platform we have built is ready to take on the next stage of growth.

**-ENDS-**