



FOR GOOD LOOKS

ASX Announcement

TOTAL FACE GROUP LIMITED

QUARTERLY UPDATE & APPENDIX 4C

30 April 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 March 2018 for **Total Face Group Ltd (ASX:TFG)** ("TFG" or "Company").

Highlights

- Receipts from customers of \$4.7M was consistent with the March Quarter of FY17 (Q3FY17)
- Operating cash out flow (excluding interest) was \$5M which was \$690K less than the Q2FY18
- Corporate restructuring activities continued to focus on reducing overheads further
- Outcomes of strategic review now expected to be finalised by mid-May 2018
- Ended the quarter with a cash balance of \$361K

Operational Update

The third quarter is traditionally the slowest quarter of the FY. The Company produced cash receipts from customers of \$4.7M which was consistent with the same quarter in FY17. The result was against the backdrop of the ongoing Strategic Review which has brought with it a significant level of internal disruption to the business. With the outcomes of the Strategic Review now imminent, the Company is looking forward to refocussing its energies on improving operational performance.

Consistent with the previous quarter, in addition to changes in a number of key operational and clinic management roles, the Company took further steps during the quarter to reduce operational costs that did not have an immediate positive impact on revenue generation. The positive impact on operational cash outflows will be seen in future quarterly cash-flow reports.

The Company acknowledges the delays in concluding the Strategic Review and appreciates the uncertainty created as a result. Negotiations have been more complex than first envisaged but the Board is confident that an outcome will be achieved that will provide a clearer understanding of the next steps required to take TFG forward.

Any questions relating to this announcement should be directed to Mr Paul Fielding on +61 8547 3600.

TOTAL FACE GROUP

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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 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,662	15,476
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,292)	(6,960)
(c) advertising and marketing	(253)	(615)
(d) leased assets	-	(14)
(e) staff costs	(2,048)	(6,532)
(f) administration and corporate costs	(453)	(1,578)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	8
1.5 Interest and other costs of finance paid	(155)	(203)
1.6 Income taxes paid	-	(36)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	104
1.9 Net cash from / (used in) operating activities	(539)	(350)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(21)	(437)
	(b) businesses (see item 10)	(75)	(2,025)
	(c) investments	-	-
	(d) intellectual property	(188)	(550)
	(e) other non-current assets	(23)	(68)
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)	-	(47)
2.6	Net cash from / (used in) investing activities	(307)	(3,126)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	20	1,290
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(171)
3.5	Proceeds from borrowings	516	516
3.6	Repayment of borrowings	(175)	(470)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	46
3.10	Net cash from / (used in) financing activities	361	1,211

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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	801	2,582
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(539)	(350)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(307)	(3,127)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	361	1,211
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	316	316

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	316	801
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)	316	801

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	58
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 (January only) 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	750	496
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.		
Paul Fielding & Associates loan facility			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(2,400)
9.3	Advertising and marketing	(200)
9.4	Leased assets	-
9.5	Staff costs	(2,200)
9.6	Administration and corporate costs	(600)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(5,400)


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	Sunshine Vein Clinic (deferred consideration)
10.2 Place of incorporation or registration	QLD
10.3 Consideration for acquisition or disposal	\$75,000 (quarterly deferred consideration payment)
10.4 Total net assets	Nil
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 April, 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.