

ASX Announcement

31 January 2019



Quarterly Report – Appendix 4C for the Period to 31 December 2018

Highlights:

- Company name changed to Wellness and Beauty Solutions Limited from Total Face Group Limited. ASX ticker code changed to “WNB”.
- Funds from a successful capital raising, \$7M (before costs) via placement and \$1.4M from non-renounceable rights issue, were available to WNB from early October 2018.
- WNB acquired retail beauty brands company The Giving Brands Company Pty Ltd (GBCo).
- Receipts of \$2.5M for the consolidated Company during the period, with GBCo performing in line with expectations.
- Closing cash balance at 31 December 2018 was \$5.7M, an increase of \$5.5M compared to closing balance at 30 September 2018.

Wellness and Beauty Solutions Limited (ASX: WNB) (“WNB” or “the Company”), today released its Appendix 4C Quarterly Cash Flow statement for the period ending 31 December 2018.

Company Name Change

Following shareholder approval granted at the Company’s Annual General Meeting on 28 November 2018, the Company’s name changed from Total Face Group Limited to Wellness and Beauty Solutions Limited. On Monday, 3 December 2018 the Company’s ASX ticker code changed from “TFG” to “WNB”.

Recapitalisation

On 5 October 2018, the Company issued securities following the successful placement of 140,000,000 ordinary shares to a number of existing and new Institutional and Sophisticated Investors at a price of \$0.05 per share, raising \$7M (before costs). On 8 October 2018, WNB raised a further \$1.4M from the issue of 27,829,537 shares as part of the Company’s non-renounceable Entitlement Offer.

The proceeds of the Placement and Entitlement offer are being used to drive growth in both the clinic network and retail brands, restructure/extinguish debt and reposition the Company.



Acquisition of The Giving Brands Company

WNB acquired The Giving Brands Company Pty Ltd (GBCo) following shareholder approval as voted on at a General Meeting of Shareholders on 27 September 2018 and the successful completion of the Capital Raising.

As part of the acquisition, Ms Christine Parkes, Founder and CEO of GBCo, was appointed CEO and Managing Director of WNB.

Post-acquisition, WNB has undergone a restructuring program to consolidate the two businesses, reposition the Company and unlock its potential within the Australian beauty and wellness industry.

As a combined company, WNB now comprises a network of 10 beauty and wellness clinical spas; and a retail brands arm that creates and distributes beauty and lifestyle product ranges in collaboration with world renowned magazines, such as ELLE and the Australian Women's Weekly. The Company also owns leading Australian tanning range Jbronze.

Receipts from Customers

WNB achieved receipts of \$2.5M for the consolidated Company during the quarter. The contribution from GBCo operations was in line with expectations.

The restructuring and repositioning of the Company's clinical spas was initiated during the period. Receipts from the clinics were lower, reflecting the sale of three clinics in the previous quarter. Receipts were also impacted by the temporary closure of the Canberra Clinic during a period of strategic positioning.

Cash Flows

The closing cash balance at 31 December 2018 was \$5.7M, which has increased by \$5.5M compared to the 30 September 2018 and includes the following:

- Operating cash outflow of \$2.4M, including staff costs in line with previous quarter but include inclusion of GBCo staff.
- Net cash inflows from financing activities of \$7.9M, predominantly from capital raising activity.

The operating cash outflow included \$200k in employee entitlement payments to TFG staff who resigned as part of the Company restructure.

The estimated quarter one 2019 operating cash outflows is \$4.3M -refer to Section 9 below for details.