



FOR GOOD LOOKS

ASX Announcement

TOTAL FACE GROUP LIMITED

Secured Redeemable Convertible Notes

8th June 2017

Total Face Group Ltd (“TFG” or “Company”) is pleased to announce that it will issue between 1,500,000 and 3,300,000 Secured Redeemable Convertible Notes (Note) at an issue price of AU\$1.00 per individual Note, to raise up to AU\$3,300,000 in tranches to 30 June 2017.

The terms of the Note are outlined below in this announcement.

The funds raised will add to working capital and increase the Company’s flexibility to take advantage of additional opportunities that may arise.

TFG advises the first tranche totalling 2,000,000 Notes raising AU\$2,000,000 has been completed. The first tranche includes money raised from existing shareholders, including the Company’s Chairman Mr Paul Fielding, and a new US based fund in the amount of AU\$1,125,000.

The Company confirms that it is continuing discussions with a number of existing shareholders and other sophisticated investors in line with Section 708A of the Corporations Act and will make further announcements in relation to the issuance of further Notes as those discussions materialise.

The Board consider the terms of the Note are commercially reasonable and at arm’s length to Mr Paul Fielding and as such shareholder approval is not required under Chapter 2E of the Corporations Act (Related Party Transactions).

The Note conversion price of AU\$0.225 is 25% higher than the closing price of TFG shares trading on the ASX as at 7th June 2017.

An Appendix 3B is attached to this notice.

Mrs Joanne Hannah, CEO commented: “We are delighted to welcome a US based fund to the Company and with the continued support from existing shareholders. It is a vote of confidence in the Company”.

TOTAL FACE GROUP LIMITED

PO Box 317, Collins Street West, Melbourne VIC 8007

WWW.TOTALFACEGROUP.COM.AU

KEY TERMS OF THE CONVERTIBLE NOTE

| | |
|------------------------------|---|
| Issuer | Total Face Group Limited ACN 169 177 833 (“TFG”, the “Company” or the “Group”) |
| Issue | A minimum of 1,500,000 and up to a maximum of 3,300,000 Secured Redeemable Convertible Notes |
| Price | \$1.00 (AUD) |
| Purpose | To raise funds to release capital tied up in the company’s fleet of Coolsculpting® machines which have been acquired to date with cash |
| Issue Date | On or before 30 th June 2017 |
| Term | 3 years |
| Interest | 8% Accrues daily and paid within 5 business days upon each 6-month anniversary of the issue date |
| Conversion | The number of Fully Paid Ordinary Shares to be issued to each Noteholder on conversion of the Notes will be calculated by dividing the number of Notes to be converted by \$0.225 <i>(For example: 100,000 notes if converted would receive 444,444 Fully Paid Ordinary Shares)</i> |
| Compulsory Conversion | The Company may convert all outstanding Notes if the Volume Weighted Average Price of Ordinary shares traded on the ASX is greater than \$0.30 for the 30 trading days immediately prior to the date at which the Compulsory Conversion is issued |
| Redemption | Following the first 12 month and until end of Term the Company may provide notice to redeem up to 100% of all outstanding Notes at face value inclusive of accrued interest. Note holders upon receipt of this notice may immediately convert their Notes into Fully Paid Ordinary Shares |
| Repayment | At the end of Term the Company will repay all outstanding Principal and all accrued interest |

END

TOTAL FACE GROUP LIMITED

PO Box 317, Collins Street West, Melbourne VIC 8007

WWW.TOTALFACEGROUP.COM.AU

