



ASX ANNOUNCEMENT

Appendix 4C Quarterly Cash Flow Report For the Quarter Ending 31 December 2017

FarmaForce Limited ("FarmaForce" or "Company") (ASX:FFC), a contract sales organisation offering innovative solutions to the Australian Pharmaceutical Industry, releases the following commentary in relation to its Appendix 4C report for the period ended 31 December 2017.

Commentary

FarmaForce continued its momentum of strong sales growth and margin enhancement into the second quarter of FY2018.

The key results are:

- Cash at the end of the quarter was \$533,858 (September 2017: \$340,261).
- A year-on-year increase of 124% in receipts from customers for Q2 FY18 when compared to Q2 FY17 (Q2 FY18 \$1,815K; Q2 FY17: \$810K).
- A year-on-year increase of 176% in receipts from customers for HY18 when compared to the HY17 (HY18 \$3,773K; HY17 \$1,366K).
- A significant year-on-year improvement of 132% in net cash flows generated in operations for Q2 FY18 when compared to Q2 FY17 (Q2 FY18: \$131K generated; Q2 FY17 \$413K used).
- Operating net cash flow for HY18 increased by \$1,294K on HY17 (HY18 \$232K generated; HY17 \$1,062K used).
- 300,000 options were exercised at 20 cents each in Q2 FY18, resulting in \$60K cash generated from financing activities.
- FarmaForce continues to maintain a financial position of **zero external debt**.

END



About FarmaForce

FarmaForce is a contract sales organisation (CSO) offering innovative sales solutions to the Australian Pharmaceutical Industry. FarmaForce provides clients with a broad and unique range of sales force solutions extending from shared or syndicated teams right through to fully managed dedicated teams on a national level. FarmaForce promote clients' products to their healthcare professional customers, being general practitioners, specialists and pharmacists. FarmaForce also provide nurse teams, pharmacy merchandising teams and digital detailing solutions.

www.farmaforce.com.au

About The iQ Group Global

The iQ Group Global provides a turnkey solution for life sciences companies, spanning corporate advisory and investment banking, through to research, development, commercialisation and sales. The Group facilitates an end to end solution along the drug lifecycle creating the medicines of tomorrow.

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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

FarmaForce Limited

ABN

95 167 748 843

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,815	3,773
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(606)	(1,347)
(c) advertising and marketing	(2)	(57)
(d) leased assets	-	-
(e) staff costs	(1,050)	(2,091)
(f) administration and corporate costs	(23)	(43)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	131	232
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) investments	-	(13)
(d) intellectual property	-	-
(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 (costs of establishing new teams)	-	-
2.6 Net cash from / (used in) investing activities	-	(13)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	60	60
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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (movements in related party accounts)	-	-
3.10 Net cash from / (used in) financing activities	60	60

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	339	254
4.2 Net cash from / (used in) operating activities (item 1.9 above)	131	232
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(13)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	60	60
4.5	Effect of movement in exchange rates on cash held	3	-
4.6	Cash and cash equivalents at end of quarter	533	533

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	533	339
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)	533	339

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

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

**Current quarter
\$A'000**

82

-

Directors' remuneration

7. Payments to related entities of the entity and their associates

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

**Current quarter
\$A'000**

155

-

Shared overhead costs

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	2,000	-
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.		

Working capital facility by parent company to cover operating expenses of the company. Facility is unsecured and zero interest rate.

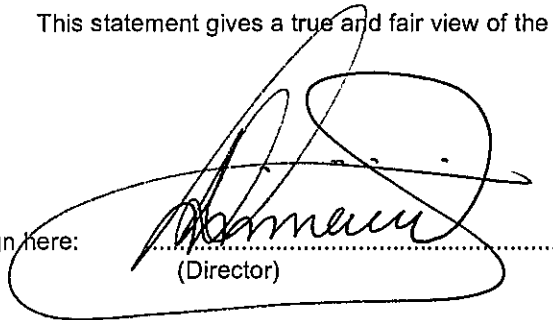
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	741
9.3 Advertising and marketing	55
9.4 Leased assets	-
9.5 Staff costs	1,041
9.6 Administration and corporate costs	20
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,857

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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:


.....
(Director)

Date:

31/1/18

Print name:

HARRY SIMEONIDIS

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.