



ASX ANNOUNCEMENT

Appendix 4C Quarterly Cash Flow Report For the Quarter Ending 30 June 2019

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 ending 30 June 2019.

FarmaForce continued its momentum of strong sales growth and margin enhancement for FY2019, in comparison to FY2018.

The key highlights are:

- An increase of 48% in receipts from customers for FY19 when compared to FY18 (FY19 \$12,005k; FY18 \$8,091k).
- Operating net cash outflow for the three month period ending Q4 FY19 was \$637k.
- Cash at the end of the quarter was \$173k, which was a decrease of \$675k compared to the end of Q3 FY19, largely driven by new staff employment (increase of \$491k compared to Q3)in order to fulfil new client contracts.
- Cash at the end of the quarter was \$173k (Q4 FY18 quarter: \$577k).
- The Company does not expect to have continued negative cashflow due to the following factors:
 - Accounts receivable from clients as at 30 June 2019 was \$806k due to the volume of revenue generated in Q4 FY19 and yet to be collected at the end of the quarter.
 - The Company has an interest free \$2,000k working capital loan facility with its parent entity. As at end of June 2019 \$830k has been used under this facility.
 - The initial investment in building out the additional teams were incurred with the objective of increasing the revenue of The Company when these teams are being utilised at full capacity.
- The Company does not believe there is currently a necessity to raise further cash to fund its operations.
- The Company expects to be able to continue to fund its business operations as discussed above.
- The Company is in compliance with Listing Rule 3.1.

FARMAFORCE LIMITED

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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 healthcare professionals, 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.

www.theiqgroupglobal.com.au

Contact

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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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,883	12,005
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(671)	(3,799)
(c) advertising and marketing	-	(33)
(d) leased assets	-	-
(e) staff costs	(2,803)	(8,276)
(f) administration and corporate costs	(29)	(115)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(17)	(57)
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	(637)	(275)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(26)	(88)
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(c) investments	(12)	(41)
(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	(38)	(129)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	-	-

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	848	577
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(637)	(275)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(38)	(129)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	173	173

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	173	848
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)	173	848

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

172

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' remuneration

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

473

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

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	830
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	690
9.3 Advertising and marketing	5
9.4 Leased assets	-
9.5 Staff costs	2,830
9.6 Administration and corporate costs	20
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	3,545

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: 31ST JULY 2019

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.