



farmaforce

FARMAFORCE LIMITED

ACN 167 748 843

APPENDIX 4D AND INTERIM FINANCIAL REPORT

For the period ended 31 December 2017

FARMAFORCE LIMITED

ACN 167 748 843

ASX APPENDIX 4D

Reporting Period: Six months ended 31 December 2017
Previous Corresponding Period: Six months ended 31 December 2016

Section A: Results for announcement to the market

	31 December 2017	Percentage change	Amount change
Revenue and net profit			
Revenue from ordinary activities	2,702,055	68%	1,092,007
Loss from ordinary activities after tax	(858,391)	44%	676,577
Loss from ordinary activities after tax attributable to owners	(858,391)	44%	676,577
	Dividend	Amount per security	Franked amount per security
Dividends			
Interim dividend in respect of the six months ended 31 December 2017:	NIL	NIL	NIL
		31 December 2017	31 December 2016
Net tangible assets per security			
Net tangible assets per security (cents per security)		(1.10)	0.20

Commentary on results

Commentary for the interim financial results for the six months ended 31 December 2017 is contained in the Australian Securities Exchange (ASX) release and on page 2 of the Interim Financial Report included with this announcement.

Details of Associates

Details of FarmaForce Limited's associates are contained on page 12 of the Interim Financial Report included with this announcement.

Compliance Statement

The information provided in the Appendix 4D and throughout FarmaForce Limited's Interim Financial Report is based on FarmaForce Limited's interim financial statements for the half-year ended 31 December 2017.

FarmaForce Limited's interim financial statements for the half-year ended 31 December 2017 have been subject to review. A copy of the independent review report is set out on page 15 of the Interim Financial Report included with this announcement.



farmaforce

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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This Interim Financial Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A and should be read in conjunction with the 2017 Annual Report and any announcements made to the market during the current reporting period.

DIRECTORS' REPORT

The Directors present their report together with the interim financial statements of FarmaForce Limited ("FarmaForce" or the "Company") as at and for the half-year ended 31 December 2017.

DIRECTORS

The following persons were directors of FarmaForce during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Mr George Elias
- Dr George Syrmalis
- Mr Con Tsigounis
- Mr Harry Simeonidis (appointed as Director effective 14 August 2017)
- Ms Stamatia Toliias (resigned as Director effective 14 August 2017)

PRINCIPAL ACTIVITIES

During the financial half-year, the principal activity of FarmaForce Limited was the provision of services as a contract sales organisation.

OPERATING AND FINANCIAL REVIEW

During the half-year, FarmaForce continued to achieve its target increase in market share by seeking out and executing sales contracts that enable existing synergies with current teams and market segments it already owns.

The Company's performance for the first-half of 2018 was marked by:

- Strong revenue growth of 68% when compared to half-year 2017 (HY18 \$2.7M, HY17 \$1.6M);
- Sustained gross profit growth of 280% when compared to HY17 (HY18 \$0.3M gross profit, HY17 \$0.2k gross loss);
- Gross profit margin growth of 21 percentage points to 11% (HY17 -10%);
- Net loss after tax continued to reduce by 44% when compared to HY17 (HY18 \$0.9M net loss, HY17 \$1.5M net loss);
- Strong growth of pipeline revenue, with revenue to be recognised in future periods increasing by 185% to \$0.9M from \$0.3M in HY17; and

- FarmaForce continued to maintain a financial position of zero external debt.

A portion of the revenue and gross profit growth has arisen from transactions entered into with the parent entity. For further detail, refer to note 10 of the Notes to the Interim Financial Statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the financial half-year.

ROUNDING OF AMOUNTS

The amounts in the interim financial statements have been rounded off to the nearest dollar in accordance with ASIC Corporation Instrument 2016/191.

AUDITOR INDEPENDENCE

The auditor's independence declaration is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2017.

The Directors' Report is signed in accordance with a resolution of the Directors.



Harry Simeonidis
Executive Director and General Manager

Sydney

27 February 2018.



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Farmaforce Limited for the half year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'David Talbot'.

David Talbot
Partner

Sydney, NSW
Dated: 27 February 2018

FARMAFORCE LIMITED
INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	31 December 2016[^]
Revenue	6	2,702,055	1,610,048
Cost of sales		(2,407,790)	(1,773,961)
Gross profit		294,265	(161,913)
Other income		68	2,850
Expenses			
Employee benefits expense		(658,876)	(546,836)
Overhead sharing cost		(112,133)	(288,725)
Depreciation and amortisation expense		(32,782)	(23,828)
Other expenses		(325,887)	(513,468)
Finance costs		(2,948)	(1,048)
Share of loss of associated companies net of tax		(20,098)	-
Loss before income tax expense		(858,391)	(1,534,968)
Income tax expense		-	-
Net loss attributable to owners of FarmaForce Limited		(858,391)	(1,534,968)

Loss per share for the period attributable to the ordinary equity holders of the Company:

Basic loss per share (cents per share)	9	(0.67)	(1.20)
Diluted loss per share (cents per share)	9	(0.67)	(1.20)

INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	31 December 2016
Net loss for the period		(858,391)	(1,534,968)
Other comprehensive income			
Other comprehensive income for the period		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of FarmaForce Limited		(858,391)	(1,534,968)

[^] The above comparative information has been restated to reflect a change in classification of interest and other income, from revenue to other income.

The above interim statement of profit or loss, and interim statement of comprehensive income, should be read in conjunction with the accompanying notes to the interim financial statements.

FARMAFORCE LIMITED
INTERIM STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	30 June 2017
Assets			
Current assets			
Cash and cash equivalents		533,858	254,321
Trade and other receivables		247,925	396,953
Other current assets		66,535	37,506
Total current assets		848,318	688,780
Non-current assets			
Property, plant and equipment		205,833	220,516
Intangible assets		143,457	151,995
Investment in Associates		212,615	220,113
Deferred tax assets		-	-
Total non-current assets		561,905	592,624
Total Assets		1,410,223	1,281,404
Liabilities			
Current liabilities			
Trade and other payables	7	1,492,085	1,274,445
Deferred revenue		884,999	233,003
Employee benefit liabilities		298,837	241,263
Total current liabilities		2,675,921	1,748,711
Non-current liabilities			
Deferred tax liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		2,675,921	1,748,711
Net liabilities		(1,265,698)	(467,307)
EQUITY			
Issued capital	8	8,128,859	8,068,859
Accumulated losses		(9,394,557)	(8,536,166)
Total equity		(1,265,698)	(467,307)

The above interim statement of financial position should be read in conjunction with the accompanying notes to the interim financial statements.

FARMAFORCE LIMITED
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	Share capital	Accumulated losses	Total
Balance at 1 July 2017	8,068,859	(8,536,166)	(467,307)
Total comprehensive loss for the period			
Loss for the period	-	(858,391)	(858,391)
Other comprehensive loss for the period	-	-	-
Total comprehensive loss for the period	-	(858,391)	(858,391)
Transactions with owners recorded directly in equity			
Issue of ordinary shares	60,000	-	60,000
Balance at 31 December 2017	8,128,859	(9,394,557)	(1,265,698)
Balance at 1 July 2016	8,068,859	(6,228,733)	1,840,126
Total comprehensive loss for the period			
Loss for the period	-	(1,534,968)	(1,534,968)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(1,534,968)	(1,534,968)
Transaction with owners recorded directly in equity			
Issue of ordinary shares	-	-	-
Issue of convertible notes	-	-	-
Capital raising costs	-	-	-
Balance at 31 December 2016	8,068,859	(7,763,701)	305,158

The above interim statement of changes in equity should be read in conjunction with the accompanying notes to the interim financial statements.

FARMAFORCE LIMITED
INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	31 December 2016
Cash flows from operating activities			
Receipts from customers		3,773,285	1,366,274
Payments to suppliers and employees		(3,537,981)	(2,429,836)
Interest received		-	2,850
Interest paid		(2,948)	(1,048)
Net cash generated from/(used) in operating activities	<i>11</i>	232,356	(1,061,760)
Cash flows from investing activities			
Purchase of property, plant and equipment		(219)	(17,763)
Investment in associates		(12,600)	(9,072)
Payment for intangible assets		-	-
Net cash used in investing activities		(12,819)	(26,835)
Cash flows from financing activities			
Proceeds from issue of share capital		60,000	-
Transaction costs related to issue of share capital		-	-
Net cash generated from financing activities		60,000	-
Net increase/ (decrease) in cash and cash equivalents		279,537	(1,088,595)
Cash and cash equivalents at the beginning of the period		254,321	1,541,546
Cash and cash equivalents at the end of the period		533,858	452,951

The above interim statement of cash flows should be read in conjunction with the accompanying notes to the interim financial statements.

1. REPORTING ENTITY

FarmaForce Limited (“FarmaForce” or the “Company”) is a for-profit company limited by shares which is incorporated and domiciled in Australia.

These interim financial statements as at and for the half-year ended 31 December 2017 comprise of the Company as an individual entity, and were authorised for issue by the Board of Directors on 27 February 2018.

2. STATEMENT OF COMPLIANCE

These condensed general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’ and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

These condensed general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

3. GOING CONCERN

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the interim financial statements, the company incurred a loss of \$858,391 and had net cash generated from operating activities of \$232,356 for the half year ended 31 December 2017. As at that date the company had net current liabilities of \$1,827,603 and net liabilities of \$1,265,698.

The Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The continued trend of increasing market share as indicated in the interim financial statements is resulting in additional customer contracts on hand improving net operating cash flow;
- The current liabilities include:
 - an amount payable to the parent company of \$225,575. The parent company will allow these funds to continue to be utilised by the company as required and will provide ongoing support;
 - \$884,999 deferred revenue representing deposits received in advance;
- From October 2017, option holders are able to exercise up to 19,002,500 loyalty options referred to in Note 8 over the ensuing 12 months and as a result the directors believe additional capital will be raised.

4. SIGNIFICANT ACCOUNTING POLICIES

This section sets out the significant accounting policies upon which the interim financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the interim financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in the current period or later years.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these interim financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments

AASB 9 *Financial Instruments* becomes mandatory for the Company's 2019 financial statements and includes changes to the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment. It also includes a new hedge accounting model to simplify hedge accounting requirements and more closely align hedge accounting with risk management activities.

(ii) AASB 15 Revenue from contracts with customers

AASB 15 *Revenue from Contracts* becomes mandatory for the Company's 2019 financial statements and outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; and replaces AASB 111 *Construction Contract*, AASB 118 *Revenue*, Interpretation 13 *Customer Loyalty Programs*, Interpretation 15 *Agreements for Construction of Real Estate*, Interpretation 18 *Transfer of Assets from Customers* and Interpretation 131 *Revenue-Barter Transactions involving Advertising Services*. The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(iii) AASB 16 Leases

AASB 16 *Leases* becomes mandatory for the Company's 2020 financial statements and removes the classification of leases between finance and operating leases, effectively treating all leases as finance leases for the lessee. The purpose is to provide greater transparency of a lessee's financial leverage and capital employed.

The Company has not yet determined the potential effect of these standards on the Company's future financial statements.

5. OPERATING SEGMENTS

The Company has identified operating segments based on internal reporting that is reviewed and used by the chief operating decision makers (the Group CEO and the General Manager) in assessing the performance of the respective segments. The operating segments are identified by management based on the nature of services provided, with each operating segment representing a strategic business that serves a different segment of the market.

In the half-year 2018 FarmaForce provided two types of services being: (1) contract sales and marketing services to external customers; and (2) services to related parties. Segment analysis of revenue and gross profit is provided below. Information on net assets by segment is not provided to the chief operating decision makers.

FARMAFORCE LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

5. OPERATING SEGMENTS (CONTINUED)

<i>In dollars</i>	31 December 2017	31 December 2016
Revenue		
Contract sales and marketing services	2,089,965	1,510,048
Related party services	612,090	100,000
Total revenue	2,702,055	1,610,048
Gross profit		
Contract sales and marketing services	(192,377)	(243,418)
Related party services	486,642	79,505
Total gross profit	294,265	(163,913)

Information on geographical segments

One hundred percent of FarmaForce revenue, expenses and profit are derived in Australia.

Reliance on major customers

On an individual basis, four customers represent more than 10% of the half year 2018 revenue. Total revenue from these major customers amounts to \$2,364,993 (87.5%) of total revenue (half-year 2017: \$1,263,129; 78.5%).

6. REVENUE

<i>In dollars</i>	31 December 2017	31 December 2016
Provision of contract revenue	2,089,965	1,510,048
Related party consulting revenue	612,090	100,000
Total revenue	2,702,055	1,610,048

7. TRADE AND OTHER PAYABLES

<i>In dollars</i>	31 December 2017	30 June 2017[^]
Trade payables	91,665	451,308
Sundry payables and accrued expenses	826,871	467,450
Related party payables	573,549	355,687
Total trade and other payables	1,492,085	1,274,445
Current	1,492,085	1,274,445
Non-current	-	-
Total trade and other payables	1,492,085	1,274,445

[^] The comparative information has been restated to reflect a change in classification of a non-trade creditor from trade payables to sundry payables (2017: \$225,617).

FARMAFORCE LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

8. ISSUED CAPITAL

	Number of shares	\$
In issue at 1 July 2016	127,500,980	8,068,859
Movements throughout the period	-	-
In issue at 30 June 2017	127,500,980	8,068,859
Conversion of Loyalty options to ordinary shares	300,000	60,000
In issue at 31 December 2017	127,800,980	8,128,859

All ordinary shares rank equally with regard to the Company's residual assets. The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. The Company does not have authorised capital or par value in respect of its shares. All issued shares are fully paid.

Loyalty options

At 31 December 2017, the Company has 19,002,500 Loyalty options on issue exercisable at 20 cents each between 24 to 36 months after the date of admission of the Company's shares to the Official List of the ASX, being 23 October 2015 (FY17: 19,302,500 Loyalty Options on issue). The option holders must be holding the underlying shares, being one share for one option, to be able to exercise the option.

9. EARNINGS PER SHARE (EPS)

The calculation of basic earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Loss attributable to ordinary shareholders

<i>In dollars</i>	31 December 2017	31 December 2016
Loss for the period attributable to owners of FarmaForce Limited	(858,391)	(1,534,968)
Weighted-average number of ordinary shares at end of the period	127,868,380	127,500,980
Basic loss per share (cents)	(0.67)	(1.20)
Diluted loss per share (cents)	(0.67)	(1.20)

Basic earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares.

Diluted earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares which has been adjusted to reflect the number of shares which would be issued if outstanding options and performance rights were to be exercised. However due to the statutory loss attributable to the Company for both the financial half-year ended 31 December 2017 and the comparative period ended 31 December 2016, the effect of these instruments has been excluded from the calculations of diluted earnings per share for both periods as they would reduce the loss per share.

FARMAFORCE LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

10. TRANSACTIONS WITH RELATED PARTIES

(i) Entities exercising control over the Company

The ultimate parent entity, which exercises control over the Company, is iQnovate Ltd (“iQN”) which is incorporated in Australia and owns 70.59% of FarmaForce Limited.

Dr George Syrmalis is CEO, Chair, Executive Director and a substantial shareholder of iQN. Mr Con Tsigounis is Executive Director and a substantial shareholder of iQN.

(ii) Parent entity transactions

Transactions with the parent entity are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The aggregate value of transactions and outstanding balances relating to the parent entity, iQnovate Ltd, are set out in the following table.

<i>In dollars</i>	31 December 2017	31 December 2016
Consulting fees	564,444	100,000
Total revenue received from parent entity	564,444	100,000
Office and shared services costs	-	220,775
Total expenditure paid to parent entity	-	220,775
Deferred revenue received from parent entity	555,546	0
Total current liabilities owing to the parent entity	555,546	0
Trade payable amounts owing to parent entity	225,575	135,706
Loan facility [^] amounts owing to parent entity	-	-
Total amounts owing to the parent entity	225,575	135,706

[^] The Company has an interest free, \$2 million working capital loan facility in place with its parent entity iQnovate Ltd. The balance owing under this facility as at 31 December 2017 was nil (FY17: nil).

(iii) Transactions with other related parties and associates

FarmaForce transacted with the following related companies. Transactions with other related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Related Party	Relationship		
Clinical Research Corporation Pty Ltd	Subsidiaries of common ultimate parent entity		
iQX Limited and its controlled entities	Common directorship and/ key management personnel		
iQ3Corp Ltd and its controlled entities	Common directorship and/ key management personnel		
Associate	Country of incorporation	Ownership interest 31 December 2017	Ownership interest 31 December 2017
New Frontier Holdings LLC	USA	20%	20%
Nereid Enterprises Pty Ltd	AUS	20%	20%
Nereid Enterprises LLC	USA	20%	20%

FARMAFORCE LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

10. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The aggregate value of transactions and outstanding balances relating to other related parties are set out in the following table.

<i>In dollars</i>	31 December 2017	31 December 2016
Consulting fees	47,646	-
Total revenue received from other related parties	47,646	-
Office and shared services costs	55,075	67,950
Consultancy fees	-	8,842
Total expenditure paid to other related parties	55,075	76,792
Trade receivable amounts owing from other related parties	99,570	-
Trade payable amounts owing to other related parties	347,973	60,325
Net amounts owing to other related parties	248,403	60,325

11. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

<i>In dollars</i>	31 December 2017	31 December 2016
Cash flows from operating activities		
Loss for the period	(858,391)	(1,534,968)
Adjustments for:		
Depreciation	32,782	23,828
Share of loss of associated companies	20,098	-
	(805,511)	(1,511,140)
Changes in:		
Trade and other receivables	149,028	386,328
Other assets	(29,029)	(13,636)
Trade and other payables	208,298	258,475
Income in advance	651,996	(224,348)
Employee benefits	57,574	42,561
	1,037,867	449,380
Net cash generated by/(used in) operating activities	232,356	(1,061,760)

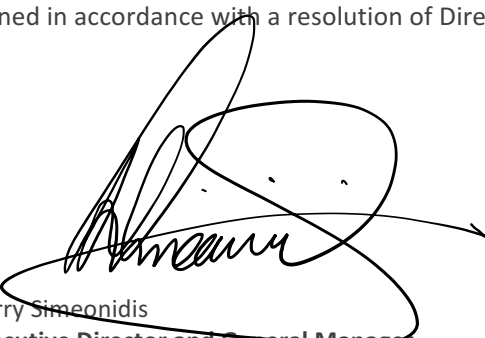
12. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

FARMAFORCE LIMITED
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. In the opinion of the Board of Directors of FarmaForce Limited ("the Company"):
 - a. the interim financial statements and notes that are set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
 - I. giving a true and fair view of the financial position as at 31 December 2017 of the Company performance for the interim financial year ended on that date; and
 - II. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial half-year ended 31 December 2017.
3. The Directors draw attention to note 2 to the interim financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of Directors.



Harry Simeonidis
Executive Director and General Manager

Sydney

27 February 2018



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

FARMAFORCE LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Farmaforce Limited which comprises the interim statement of financial position as at 31 December 2017, the interim statement of profit or loss, the interim statement of comprehensive income, the interim statement of changes in equity and interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Farmaforce Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Farmaforce Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Farmaforce Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'David Talbot'.

David Talbot
Partner

Sydney, NSW
Dated: 27 February 2018

CORPORATE DIRECTORY

ACN

167 748 843

Directors

George Elias, *Chair*

Dr George Syrmalis

Con Tsigounis

Harry Simeonidis, *General Manager*

Company secretary

Gerardo Incollingo

General manager

Harry Simeonidis

Registered office

Level 3, 222 Clarence Street

Sydney, NSW 2000

Principal place of business

Level 3, 222 Clarence Street

Sydney, NSW 2000

Share register

Boardroom Pty Limited

Level 12, 225 George Street

Sydney NSW 2000

Auditors

RSM Australia Partners

Level 13, 60 Castlereagh Street

Sydney NSW 2000

Stock exchange listings

FarmaForce Limited shares are listed on the Australian Securities Exchange (ASX:FFC).

Website address

www.farmaforce.com.au