

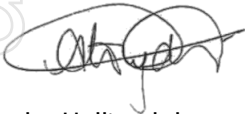
25 February 2021

Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Appendix 4D and Half-yearly Financial Report

In accordance with ASX Listing Rule 4.2A.3, Farmaforce Limited (**ASX:FFC**) announces the half yearly reports, for the year ended 31 December 2020.

For and on behalf of the Board of Farmaforce Limited.



Aysha Hollingdale
Company Secretary

1. Company details

Name of entity:	Farmaforce Limited
ABN:	95 167 748 843
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	6.9% to	5,516,144
Profit from ordinary activities after tax attributable to the owners of Farmaforce Limited	up	124.8% to	577,209
Profit for the half-year attributable to the owners of Farmaforce Limited	up	124.8% to	577,209

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the Company after providing for income tax amounted to \$577,209 (31 December 2019: loss of \$2,324,203).

Additional 4D disclosure requirements and further information including commentary on operating performance are contained in the 'Review of operations' section of the Directors' report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.80)</u>	<u>(2.78)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding	
	Reporting period %	Previous period %
New Frontier Holdings LLC	20%	20%
Nereid Enterprises Pty Ltd*	20%	20%
Nereid Enterprises LLC*	20%	20%

* Subsidiaries of New Frontier Holdings LLC

Percentages disclosed above are net of non-controlling interest.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and an unqualified opinion has been issued with a paragraph addressing material uncertainty related to going concern.


11. Attachments

Details of attachments (if any):

The Interim Report of Farmaforce Limited for the half-year ended 31 December 2020 is attached.

12. Signed

Authorised by the Board of Directors.

Signed  _____

Date: 25 February 2021

George Elias
Chair
Sydney

Farmaforce Limited

ABN 95 167 748 843

Interim Report - 31 December 2020

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Directors	George Elias, Chair Dr George Syrmalis, CEO Con Tsigounis Harry Simeonidis
Company secretary	Aysha Hollingdale
Registered office	Level 9, 85 Castlereagh Street Sydney NSW 2000
Contact address	Level 3, 333 George Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	UHY Haines Norton Level 11, 1 York Street Sydney NSW 2000
Stock exchange listing	Farmaforce Limited shares are listed on the Australian Securities Exchange (ASX code: FFC)
Website	www.farmaforce.com.au

The Directors present their report, together with the financial statements, on Farmaforce Limited ('Farmaforce' or the 'Company') for the half-year ended 31 December 2020.

Directors

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

George Elias
Dr George Syrmalis
Con Tsigounis
Harry Simeonidis

Principal activities

During the financial half-year the principal activity of Farmaforce was the provision of services as a contract sales organisation in the Australian pharmaceutical industry.

Review of operations

The Company generated a profit after providing for income tax of \$577,209. This is a significant turnaround for the Company when compared to this time last year. This represents a 124.8% increase (\$2,901,412) in profit compared to the 6 months ended on 31 December 2019, where the Company recorded a loss of \$2,324,203.

During this first half, the Company has continued to effectively implement its cost reduction strategy which was initiated in 2HY FY20 in response to the challenging conditions presented by COVID-19 and has continued into FY21. The success of these measures is represented by a significant improvement in the operating profit and cash inflow (HY December 2020 \$2,214,331 vs HY December 2019 \$507,001) and the increase in the gross margin by 2% compared to prior period.

The Company has always focused on increasing sales capacity, innovating its business model from fee for service to a profit-sharing partnering model with its clients, and diversifying its sales reach across more medical specialties. It was able to further cushion the impact of COVID-19 through government supplementary funds. This supplementary funding was invested into the Company's sales teams to drive the business into profitability as evident in the half year results for FY21.

Significant changes in the state of affairs

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



George Elias
Chair

25 February 2021
Sydney

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001**

To the Directors of Farmaforce Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2020, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Farmaforce Limited.

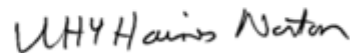


Mark Nicholaeff

Partner

Sydney

Dated: 25 February 2021



UHY Haines Norton

Chartered Accountants

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Farmaforce Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue	4	5,516,144	5,928,112
Cost of sales		(5,286,261)	(5,795,807)
Gross profit		<u>229,883</u>	<u>132,305</u>
Share of profits/(losses) of associates accounted for using the equity method		17,855	(31,533)
Other income	5	2,006,142	-
Interest revenue calculated using the effective interest method		4,891	22
Employee benefits expense		(819,552)	(1,223,894)
Overhead sharing cost		(32,533)	(435,127)
Depreciation and amortisation expense		(358,469)	(257,761)
Other expenses		(300,493)	(395,314)
Finance costs		(170,515)	(112,901)
Profit/(loss) before income tax expense		577,209	(2,324,203)
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) after income tax expense for the half-year attributable to the owners of Farmaforce Limited		577,209	(2,324,203)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the half-year attributable to the owners of Farmaforce Limited		<u>577,209</u>	<u>(2,324,203)</u>
		Cents	Cents
Basic earnings per share	6	0.45	(1.81)
Diluted earnings per share	6	0.45	(1.81)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	31 Dec 2020 \$	30 Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents		2,071,958	593,832
Trade and other receivables	7	1,281,195	1,403,984
Term deposit	8	406,328	406,328
Other assets	9	153,568	193,610
Total current assets		<u>3,913,049</u>	<u>2,597,754</u>
Non-current assets			
Investments accounted for using the equity method	10	233,380	195,140
Property, plant and equipment		94,927	115,050
Right-of-use assets		2,142,868	2,481,213
Total non-current assets		<u>2,471,175</u>	<u>2,791,403</u>
Total assets		<u>6,384,224</u>	<u>5,389,157</u>
Liabilities			
Current liabilities			
Trade and other payables	11	5,935,182	4,256,814
Contract liabilities		39,149	78,297
Borrowings	12	50,363	620,229
Lease liabilities		635,096	593,560
Employee benefits		396,165	728,601
Total current liabilities		<u>7,055,955</u>	<u>6,277,501</u>
Non-current liabilities			
Lease liabilities		1,564,231	2,017,009
Employee benefits		71,003	-
Total non-current liabilities		<u>1,635,234</u>	<u>2,017,009</u>
Total liabilities		<u>8,691,189</u>	<u>8,294,510</u>
Net liabilities		<u>(2,306,965)</u>	<u>(2,905,353)</u>
Equity			
Issued capital	13	8,225,459	8,225,459
Reserve		58,591	37,412
Accumulated losses		<u>(10,591,015)</u>	<u>(11,168,224)</u>
Total equity		<u>(2,306,965)</u>	<u>(2,905,353)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Farmaforce Limited
Statement of changes in equity
For the half-year ended 31 December 2020



	Issued capital \$	Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	8,128,859	-	(9,488,168)	(1,359,309)
Loss after income tax expense for the half-year	-	-	(2,324,203)	(2,324,203)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,324,203)	(2,324,203)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	24,077	-	24,077
Issue of shares under employee benefits plan	96,600	-	-	96,600
Balance at 31 December 2019	<u>8,225,459</u>	<u>24,077</u>	<u>(11,812,371)</u>	<u>(3,562,835)</u>
	Issued capital \$	Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	8,225,459	37,412	(11,168,224)	(2,905,353)
Profit after income tax expense for the half-year	-	-	577,209	577,209
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	577,209	577,209
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	21,179	-	21,179
Balance at 31 December 2020	<u>8,225,459</u>	<u>58,591</u>	<u>(10,591,015)</u>	<u>(2,306,965)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Farmaforce Limited
Statement of cash flows
For the half-year ended 31 December 2020



	31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities		
Receipts from customers	6,253,582	6,882,622
Payments to suppliers and employees	(5,315,470)	(6,322,462)
Government grants received	1,374,300	-
Interest paid	(102,994)	(53,181)
Interest received	4,913	22
	<u>2,214,331</u>	<u>507,001</u>
Net cash from operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	-	(3,408)
Investment in associates	(18,185)	(23,400)
Payment for term deposit	-	(406,328)
	<u>(18,185)</u>	<u>(433,136)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from borrowings	25,851	2,593,100
Repayment of borrowings	(449,712)	(2,310,210)
Repayment of lease liabilities	(294,159)	(60,107)
	<u>(718,020)</u>	<u>222,783</u>
Net cash (used in)/from financing activities		
Net increase in cash and cash equivalents	1,478,126	296,648
Cash and cash equivalents at the beginning of the financial half-year	593,832	172,370
	<u>2,071,958</u>	<u>469,018</u>
Cash and cash equivalents at the end of the financial half-year		

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Farmaforce Limited ('Farmaforce' or the 'Company') as an individual entity. The financial statements are presented in Australian dollars, which is Farmaforce Limited's functional and presentation currency.

Farmaforce Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 9, 85 Castlereagh Street
Sydney, NSW 2000

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 February 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 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.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The 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 financial statements, the Company made a net profit of \$577,209 including COVID-19 related government assistance of \$1,627,400 recorded as other income. The net loss amounted to \$1,050,191 for the half-year ended 31 December 2020 (31 December 2019: a net loss of \$2,324,203) after excluding COVID-19 related government assistance. During the same period it recorded a net operating cash inflow of \$2,214,331 (31 December 2019: \$507,001) including government assistance payments of \$1,374,300. As at 31 December 2020, the Company had net current liabilities of \$3,142,906, net liabilities of \$2,306,965 and cash balance of \$2,071,958 (30 June 2020: net current liability of \$ 3,679,747, net liability of \$2,905,353 and cash balance of \$593,832). The net loss after excluding government assistance for the half-year and the net current liability position as at 31 December 2020 prima facie give rise to a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

Note 2. Significant accounting policies (continued)

However, the Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- The Company will receive financial support if required from the parent entity, The iQ Group Global Ltd ('iQG') and the related entity iQX Limited ('iQX'). The Company has received financial support letters from iQG and iQX to continue to provide financial support for a period of at least twelve months from the date of signing this financial report for the purposes of enabling the Company to pay its debts as and when they fall due (including those debts currently recorded past due). The supporting entities have undertaken that they will not request repayment of any transferred funds if it jeopardises the Company's ability to continue as a going concern;
- The Company has an interest free, \$4,000,000 working capital loan facility in place with iQG. The unused balance of this facility as at 31 December 2020 was \$3,949,637. iQG will allow these funds to continue to be utilised by the Company as required; and
- The current liabilities at 31 December 2020 includes an amount of \$5,331,582 payable to the Australian Taxation Office. The funding of this amount will be addressed by the funding from an increase in revenues, finalising payment arrangements with the Australian Taxation Office, and if required, funding from external credit facilities.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company were not to operate as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The Company is organised into two operating segments: 1) contract sales and marketing services to external customers; and 2) services to related parties. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

Major customers

During the half-year ended 31 December 2020 approximately 76% (\$4,169,003) (31 December 2019: 81.65% (\$4,840,044)) of the Company's total revenue was derived from sales to three (31 December 2019: four) major customers.

Operating segment information

The following segment information is provided to the CODM.

	Contract sales and marketing services to external customers	Services to related parties	Total
	\$	\$	
31 December 2020			
Revenue	5,494,199	21,945	5,516,144
Gross profit	207,938	21,945	229,883

Note 3. Operating segments (continued)

	Contract sales and marketing services to external customers \$	Services to related parties \$	Total \$
31 December 2019			
Revenue	5,809,130	118,982	5,928,112
Gross profit	13,323	118,982	132,305

Information on segment net assets is not provided to the CODM.

Geographical information

The Company operates only in Australia.

Note 4. Revenue

	31 Dec 2020 \$	31 Dec 2019 \$
Contract sales and marketing services	5,494,199	5,809,130
Related party services	21,945	118,982
	<u>5,516,144</u>	<u>5,928,112</u>

Timing of revenue recognition

All revenue is recognised over a period of time.

Note 5. Other income

	31 Dec 2020 \$	31 Dec 2019 \$
Government grants	1,627,400	-
Rental recharges to related parties	378,742	-
Other income	<u>2,006,142</u>	<u>-</u>

Government grants

During the half-year, the Company received \$1,577,400 from JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. In addition the Company received a \$50,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic.

Note 6. Earnings per share

	31 Dec 2020 \$	31 Dec 2019 \$
Profit/(loss) after income tax attributable to the owners of Farmaforce Limited	<u>577,209</u>	<u>(2,324,203)</u>

Note 6. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	128,490,980	128,217,230
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>128,490,980</u>	<u>128,217,230</u>
	Cents	Cents
Basic earnings per share	0.45	(1.81)
Diluted earnings per share	0.45	(1.81)

At 31 December 2020, the Company had no options or performance rights over ordinary shares.

As at 31 December 2019, there were no performance rights over ordinary shares excluded from the calculation of the weighted average number of ordinary shares used in calculating diluted earnings per share due to being anti-dilutive in nature.

Note 7. Trade and other receivables

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current assets</i>		
Trade receivables	1,078,095	1,403,984
Government grants receivable	203,100	-
	<u>1,281,195</u>	<u>1,403,984</u>

Allowance for expected credit losses

The Company has recognised a loss of \$nil (31 December 2019: \$nil) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2020.

Note 8. Term deposit

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current assets</i>		
Term deposit	<u>406,328</u>	<u>406,328</u>

The term deposit represents a guarantee for the lease at Level 3, 333 George Street, Sydney, NSW 2000 and matures in November 2021.

Note 9. Other assets

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current assets</i>		
Contract assets	43,297	169,619
Prepayments	110,271	23,991
	<u>153,568</u>	<u>193,610</u>

Note 10. Investments accounted for using the equity method

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Non-current assets</i>		
Investment in associates	<u>233,380</u>	<u>195,140</u>

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Company are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2020 %	30 Jun 2020 %
New Frontier Holdings LLC	United States of America	20%	20%
Nereid Enterprises Pty Ltd*	Australia	20%	20%
Nereid Enterprises LLC*	United States of America	20%	20%

* Subsidiaries of New Frontier Holdings LLC

Percentages disclosed above are net of non-controlling interest.

Nereid Enterprises Pty Ltd provides corporate events and promotional services to the healthcare industry and related parties of the Company.

Note 11. Trade and other payables

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current liabilities</i>		
Trade payables	352,003	379,522
Sundry payables and accrued expenses	<u>5,583,179</u>	<u>3,877,292</u>
	<u>5,935,182</u>	<u>4,256,814</u>

At 31 December 2020, sundry payables and accrued expenses include \$5,331,582 (30 June 2020: \$3,649,606) payable to the Australian Tax Office.

Note 12. Borrowings

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current liabilities</i>		
Borrowings	<u>50,363</u>	<u>620,229</u>

The borrowings relate to an interest free working capital loan facility in place with its parent entity, The iQ Group Global Ltd. The borrowings will be repaid when the Company has cash in excess of \$3,000,000, subject to the Company not being made insolvent by the repayment. The Line of Credit expires on 1 December 2024, five years from the date of commencement.

Note 12. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	31 Dec 2020	30 Jun 2020
	\$	\$
Total facilities Borrowings	<u>4,000,000</u>	<u>4,000,000</u>
Utilised at the reporting date Borrowings	<u>50,363</u>	<u>620,229</u>
Unutilised at the reporting date Borrowings	<u>3,949,637</u>	<u>3,379,771</u>

Note 13. Issued capital

	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>128,490,980</u>	<u>128,490,980</u>	<u>8,225,459</u>	<u>8,225,459</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Related party transactions

Parent entity

The parent entity is The iQ Group Global Ltd (the 'parent entity') which is incorporated in Australia and owns 69.89% of the Company.

Key Management Personnel ('KMP')

Dr George Syrmalis is the Group CEO and a substantial shareholder of the parent entity. Mr Con Tsigounis is a Non-Executive Director and substantial shareholder of the parent entity.

Associates

Interests in associates are set out in note 10.

Note 15. Related party transactions (continued)

Other related parties

Other related parties include the following:

Related party	Relationship
iQX Limited	Jointly controlled by KMP
iQ3Corp Ltd	Jointly controlled by KMP
Clinical Research Corporation Pty Ltd	Subsidiary of parent
GBS (APAC) Pty Ltd	Subsidiary of parent

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2020	31 Dec 2019
	\$	\$
Revenue:		
Consulting fees charged to parent entity	-	118,982
Consulting fees charged to other related parties	21,945	-
Other income:		
Rental recharges to parent entity	125,107	-
Rental recharges to other related parties	253,635	-
Expenses:		
Office and shared services costs paid to parent entity	-	114,247
Office and shared services costs paid to other related parties	32,533	320,880

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	31 Dec 2020	30 Jun 2020
	\$	\$
Current borrowings:		
Loan facility amount owing to the parent entity*	50,363	620,229

* At 31 December 2020, the Company has an interest free, \$4,000,000 (30 June 2020: \$4,000,000) working capital loan in place with the parent entity. Refer to note 12 for further information.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates except where stated otherwise.

Note 16. Cash flow information

Non-cash investing and financing activities

	31 Dec 2020	31 Dec 2019
	\$	\$
Shares issued under employee benefits plan	-	96,600

Note 17. Events after the reporting period

At the Annual General Meeting held on 29 January 2021, the shareholders approved the issue of ordinary shares to the following Directors:

- 510,000 ordinary shares to Dr George Syrmalis;
- 445,000 ordinary shares to George Elias;
- 510,000 ordinary shares to Harry Simeonidis; and
- 445,000 ordinary shares to Con Tsigounis.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

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In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



George Elias
Chair

25 February 2021
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Farmaforce Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Farmaforce Limited ("the Company"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

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 2020 and of its performance for the half-year ended on that date; and
- (b) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Company incurred a net loss of \$1,050,191 during the half-year ended 31 December 2020 after excluding COVID-19 related government assistance grants and, as of that date, the Company had a net current liability position of \$3,142,906. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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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 2020 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Farmaforce Limited during the half-year, 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*.

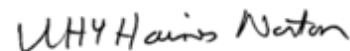


Mark Nicholaeff

Partner

Sydney

Date: 25 February 2021



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Chartered Accountants

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