

ASX ANNOUNCEMENT

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

iQ3Corp Ltd (“iQ3” or “Company”) (ASX:IQ3), a corporate finance and advisory firm specialising in the Life Science industry, releases the following commentary in relation to its Appendix 4C report for the quarter ended 31 December 2017.

The key results are:

- Cash and cash equivalents at the end of December 2017 of \$378K, **an increase of \$71K (23%)** on the balance at the end of September 2017, and **an increase of \$188K (99%)** on the balance at the end of December 2016.
- Customer receipts were \$1,343K in Q2 FY18, compared to \$936K in Q1 FY18.
- An increase of 27% in net cash flows generated in operating activities for Q2 FY18 when compared to Q1 FY18 (Q2 FY18 \$112K generated; Q1 FY18: \$4K generated) due to an increase in receipts from customers.
- 130,000 options were exercised at 30 cents each in Q2 FY17 resulting in \$39K cash receipts from financing activities. A total of 1,425,000 options have been exercised at 30 cents each in HY18, resulting in a total of \$427.5K cash received in HY18 as a result of financing activities.
- iQ3 continues to maintain a financial position of **zero external debt**.

As discussed in the Company’s Replacement Prospectus dated 23 February 2015, the Company’s 7,150,000 Loyalty Options at 30 cents each are open to be exercised by the option holders during the 12-month period until 14 May 2018.

END

About iQ3

iQ3Corp is the world's first dedicated life science corporate finance and advisory firm.

www.iq3corp.com

About The iQ Group Global

The iQ Group Global provides a turnkey solution for life science 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

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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

iQ3Corp Ltd

ABN

63 160 238 282

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		1,343	2,279
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(235)	(249)
(c) advertising and marketing		(65)	(109)
(d) leased assets		-	-
(e) staff costs		(564)	(1,191)
(f) administration and corporate costs		(363)	(605)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1	1
1.5 Interest and other costs of finance paid		(4)	(8)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		(1)	(2)
1.9 Net cash from / (used in) operating activities		112	116
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		2	-
(b) businesses (see item 10)		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) investments	(4)	(20)
	(d) intellectual property	-	-
	(e) other non-current assets	(92)	(291)
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	(94)	(311)

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	39	428
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	39	428

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	307	166
4.2	Net cash from / (used in) operating activities (item 1.9 above)	112	116
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(94)	(311)

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)	39	428
4.5	Effect of movement in exchange rates on cash held	14	(21)
4.6	Cash and cash equivalents at end of quarter	378	378

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	378	186
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (trust account)	-	121
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	378	307

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**

318

-

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**

483,000

-

Consulting fees and Shared overhead costs

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

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.

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9. Estimated cash outflows for next quarter

\$A'000

9.1	Research and development	-
9.2	Product manufacturing and operating costs	14
9.3	Advertising and marketing	44
9.4	Leased assets	-
9.5	Staff costs	627
9.6	Administration and corporate costs	242
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	927

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: 30/1/18.

Print name: PETER COLENTIANAKIS.

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.