

IQ3CORP LTD

ACN 160 238 282

**Appendix 4D and
Half Year
Financial Results
For the 6 Months
Ended 31
December 2015**

ASX Appendix 4D

Provided below are the results for announcement to the market in accordance with Australian Securities Exchange ('ASX') Listing Rule 4.2A and Appendix 4D for iQ3Corp Ltd ('iQ3Corp or the 'Company') and its controlled entities for the 6 months ended 31 December 2015 and the previous corresponding period 31 December 2014.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Results

	31 December 2015 \$'000	31 December 2014 \$'000	Movement Up/down	Movement %
Revenue	1,200	432	up	277%
Loss from ordinary activities after tax attributable to members	(\$813)	(\$334)	up	243%
Net profit (loss) for the period attributable to members	(\$813)	(\$334)	up	243%

For commentary on the results and outlook, refer to attached 31 December Half-Year Financial Report.

Dividends

No dividends have been paid or declared during the reporting or previous corresponding period, nor do the directors recommend the declaration of a dividend.

Dividends (distributions)	Franked amount per security	Amount per security
Interim dividend	nil	nil
Final dividend	nil	nil

OTHER

Net tangible assets

Net tangible assets per security with the comparative figure for the previous corresponding period:

Current period:	3 cents
Previous corresponding period:	-1 cents

Control gained over entities having material effect

iQ3Corp has neither gained control nor lost control over an entity during the period which has had a material effect.

Details of associates

For details of the Company's associates, refer to page 17 of attached 31 December Half-Year Financial Report.

Audited Accounts

The accounts have been audited and are not subject to dispute or qualification.

iQ3Corp Ltd and Consolidated Entities

ACN: 160 238 282

Financial Statements

For the Half Year Ended 31 December 2015

iQ3Corp Ltd and Consolidated Entities

ACN: 160 238 282

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For the Half Year Ended 31 December 2015

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iQ3Corp Ltd and Consolidated Entities

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Directors' Report

31 December 2015

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the half-year ended 31 December 2015.

General information

1. Information on directors

The names of the directors in office at any time during, or since the end of, the half-year are:

Names	Position	Appointed/Resigned
Spiro Kevin Sakiris	Executive Director	06/09/2012
Kosmas Dimitriou	Non-Executive Director	15/07/2013
Peter Coolentianos	Non-Executive Chairman	02/10/2014
Akira Yoshida	Non-Executive Director	02/10/2014

Principal activities

The principal activity of the Group during the half year was the provision of capital raising and corporate advisory services to listed and unlisted companies in the Life Science industry.

No significant changes in the nature of the Company's activity occurred during the half year.

2. Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to (\$812,944) (2014: (\$334,310))

Review of operations

The Company was officially listed on the ASX on the 18th May 2015 after successfully raising \$4,400,000 through an Initial Public Offering. The utilisation of funds during the year is being applied towards the development of the company's core offerings of:

- Corporate finance and advisory
- Mergers and acquisitions
- Capital raising and distribution channels

The net assets at half year-end were \$2,940,583 compared to (\$1,063,375) in the previous year. This provides an overall strengthening of working capital to fund the growth opportunities moving forward.

iQ3Corp is always seeking to deliver value to all its stakeholders and to ensure that we integrate sustainable opportunities into our overall strategy and operations. As previously announced, through our wholly owned subsidiary in the USA, IQ Capital (USA) LLC, we are applying to the US regulators, FINRA and SEC, in order to obtain the necessary licensure to extend our offering to the USA. From here we will be creating the pathway to give our life science clients access to capital markets at a global level. This is all part of our strategy in developing our role as the key global partner in the development of these life science companies..

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Directors' Report

31 December 2015

3. Other items

Significant changes in state of affairs

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

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half-year ended 31 December 2015 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Spiro Kevin Sakiris

Dated this 26th day of February 2016

iQ3Corp Ltd and Consolidated Entities

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Fortunity Assurance



TR Davidson
Partner

155 The Entrance Road, Erina, NSW

Dated this 26th day of February 2016

iQ3Corp Ltd and Consolidated Entities

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Statement of Profit or Loss and Other Comprehensive Income For the Half Year Ended 31 December 2015

		2015	2014
	Note	\$	\$
Revenue	3	1,200,912	432,089
Cost of sales		(366,978)	-
Employee benefits expense	4	(926,188)	(268,978)
Shared overhead costs		(164,635)	(134,942)
Depreciation and amortisation expense	4	(12,301)	(6,987)
Other expenses		(543,533)	(355,492)
Finance costs	4	(221)	-
Profit/(Loss) before income tax		(812,944)	(334,310)
Income tax expense		-	-
Profit/(Loss) for the half year		(812,944)	(334,310)
Other comprehensive income, net of income tax			
Other comprehensive income for the year		-	-
Total comprehensive income		(812,944)	(334,310)
Earnings per share			
Basic earnings per share (cents)		(0.01)	-
Diluted earnings per share (cents)		(0.01)	-

The accompanying notes form part of these financial statements.

iQ3Corp Ltd and Consolidated Entities

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Statement of Financial Position

31 December 2015

		31 December 2015	30 June 2015
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,190,171	3,846,198
Trade and other receivables	6	756,973	275,030
TOTAL CURRENT ASSETS		<u>1,947,144</u>	<u>4,121,228</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	91,817	-
Investments in associates	13	528,000	-
Other investments		389,207	-
Property, plant and equipment	7	197,508	104,918
Intangible assets	8	278,232	2,233
Other assets		-	391
TOTAL NON-CURRENT ASSETS		<u>1,484,764</u>	<u>107,542</u>
TOTAL ASSETS		<u>3,431,908</u>	<u>4,228,770</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	491,325	389,585
TOTAL CURRENT LIABILITIES		<u>491,325</u>	<u>389,585</u>
TOTAL LIABILITIES		<u>491,325</u>	<u>389,585</u>
NET ASSETS		<u>2,940,583</u>	<u>3,839,185</u>
EQUITY			
Share capital	10	6,643,412	6,729,070
Retained earnings		(3,702,829)	(2,889,885)
TOTAL EQUITY		<u>2,940,583</u>	<u>3,839,185</u>

The accompanying notes form part of these financial statements.

iQ3Corp Ltd and Consolidated Entities

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Statement of Changes in Equity

For the Year Ended 31 December 2015

2015

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2015	6,729,070	(2,889,885)	3,839,185
Capital raising costs	(85,658)	-	(85,658)
Total comprehensive income	-	(812,944)	(812,944)
Balance at 31 December 2015	6,643,412	(3,702,829)	2,940,583

2014

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2014	435,018	(980,571)	(545,553)
Capital raising costs	(183,512)	-	(183,512)
Total comprehensive income	-	(334,310)	(334,310)
Balance at 31 December 2014	251,506	(1,314,881)	(1,063,375)

The accompanying notes form part of these financial statements.

iQ3Corp Ltd and Consolidated Entities

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Statement of Cash Flows

For the Year Ended 31 December 2015

	31 December 2015	31 December 2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	415,292	556,975
Payments to suppliers and employees	(2,176,881)	(852,902)
Interest received	11,642	-
Interest paid	(221)	-
Net cash used by operating activities	<u>(1,750,168)</u>	<u>(295,927)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in associates	(528,000)	-
Acquisition of other investments	(6,704)	-
Acquisition of intangible assets	(275,999)	-
Purchase of property, plant and equipment	(104,891)	(21,749)
Net cash used by investing activities	<u>(915,594)</u>	<u>(21,749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issue of convertible notes	-	250,000
Payment of capital raising costs	(85,658)	(183,511)
Proceeds from borrowings	95,393	-
Net cash used by financing activities	<u>9,735</u>	<u>66,489</u>
Net increase/(decrease) in cash and cash equivalents held	(2,656,027)	(251,187)
Cash and cash equivalents at beginning of year	<u>3,846,198</u>	<u>685,548</u>
Cash and cash equivalents at end of half year	5 <u><u>1,190,171</u></u>	<u><u>434,361</u></u>

The accompanying notes form part of these financial statements.

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

The half year financial report covers iQ3Corp Ltd and Consolidated Entities and its consolidated entities ("the Group"). iQ3Corp Ltd and Consolidated Entities is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of iQ3Corp Ltd and Consolidated Entities is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This condensed interim financial report for the reporting period ending 31 December 2015 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of iQ3Corp Ltd. As such it does not contain information that represents relatively insignificant changes occurring during the half year within iQ3Corp Ltd. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of iQ3Corp Ltd for the year ended 30 June 2015, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated and the *Corporations Act 2001*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies continued

(b) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% to 15%
Furniture, Fixtures and Fittings	15% to 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(g) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies continued

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the company's option, and any dividends are discretionary.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary.

(i) Basis for consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 13 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies continued

(j) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

3 Revenue and Other Income

	31 December 2015	31 December 2014
	\$	\$
Revenue		
- Consulting fees	896,914	263,217
- Shared services	292,356	160,679
	<u>1,189,270</u>	<u>423,896</u>
Finance income		
- Other interest received	11,642	8,193
	<u>1,200,912</u>	<u>432,089</u>

4 Result for the Half Year

The result for the half year includes the following specific expenses:

Finance Costs		
- Other interest expense	221	-
	<u>221</u>	<u>-</u>
Other expenses:		
- Employee benefits expense	926,188	268,978
- Depreciation of property, plant and equipment	12,301	6,987
	<u>938,489</u>	<u>275,965</u>

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

5 Cash and Cash Equivalents

	31 December 2015	30 June 2015
	\$	\$
Cash at bank and on hand	<u>1,190,171</u>	<u>3,846,198</u>

6 Trade and Other Receivables

CURRENT

Trade receivables	<u>22,366</u>	-
	<u>22,366</u>	-
Prepayments	<u>69,678</u>	63,517
Bonds	<u>50,047</u>	50,047
Related party receivables	<u>1,983</u>	-
Other receivables	<u>612,899</u>	161,466

Total current trade and other receivables

	<u>756,973</u>	<u>275,030</u>
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NON-CURRENT

Deposits	<u>91,817</u>	-
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Total non-current trade and other receivables

	<u>91,817</u>	-
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7 Property, plant and equipment

Plant and equipment		
At cost	<u>64,342</u>	53,636
Accumulated depreciation	<u>(14,779)</u>	(7,723)
Total plant and equipment	<u>49,563</u>	45,913

Furniture, fixtures and fittings		
Furniture, Fixtures and Fittings	<u>37,544</u>	14,227
Accumulated depreciation	<u>(2,815)</u>	(1,643)

Total furniture, fixtures and fittings	<u>34,729</u>	12,584
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Leasehold Improvements		
At cost	<u>122,345</u>	51,477
Accumulated amortisation	<u>(9,129)</u>	(5,056)

Total leasehold improvements	<u>113,216</u>	46,421
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Total property, plant and equipment	<u>197,508</u>	<u>104,918</u>
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iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

7 Property, plant and equipment continued

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half year:

	Plant and Equipment	Furniture, Fixtures and Fittings	Improvements	Total
	\$	\$	\$	\$
Year ended 31 December 2015				
Balance at the beginning of year	45,913	12,584	46,421	104,918
Additions	10,706	23,317	70,868	104,891
Depreciation expense	(7,056)	(1,172)	(4,073)	(12,301)
Balance at the end of the half year	49,563	34,729	113,216	197,508

	Plant and Equipment	Furniture, Fixtures and Fittings	Improvements	Total
	\$	\$	\$	\$
Year ended 30 June 2015				
Balance at the beginning of year	17,781	8,985	69,145	95,911
Additions	47,019	5,313	5,274	57,606
Disposals - written down value	(11,234)	(154)	(460)	(11,848)
Transfers	-	-	(22,500)	(22,500)
Depreciation expense	(7,653)	(1,560)	(5,038)	(14,251)
Balance at the end of the year	45,913	12,584	46,421	104,918

8 Intangible Assets

	31 December 2015	30 June 2015
	\$	\$
Capital Formation Costs	218,391	1,542
Development Costs	691	691
Software Development Costs	59,150	-
Total Intangibles	278,232	2,233

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Notes to the Financial Statements

For the Year Ended 31 December 2015

9 Trade and Other Payables

	31 December 2015	30 June 2015
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	47,545	30,431
Employee provisions	42,276	35,626
Sundry payables and accrued expenses	302,026	321,035
Related party payables	99,478	2,493
	<u>491,325</u>	<u>389,585</u>

10 Issued Capital

	\$	\$
(2015: 101,816,667) Ordinary shares	6,643,412	6,729,070
Total	<u>6,643,412</u>	<u>6,729,070</u>

(a) Movements in ordinary shares

	No.	No.
At the beginning of the reporting period	101,816,667	80,000,000
Shares issued during the year		
Conversion of notes previously classified as a liability	-	7,150,000
Issue of shares, net of transaction costs	-	14,666,667
At the end of the reporting period	<u>101,816,667</u>	<u>101,816,667</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares. Any movements in share capital in the interim period ended 31 December 2015 represent transaction and capital raising costs.

11 Dividends

There were no dividends declared or paid in the current or previous financial half year.

12 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the half year is shown below:

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Notes to the Financial Statements

For the Year Ended 31 December 2015

	31 December 2015	30 June 2015
	\$	\$
Short-term employee benefits	224,551	114,779
Post-employment benefits	19,424	10,501
	<u>243,975</u>	<u>125,280</u>

13 Interests in Subsidiaries/Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2015	Percentage Owned (%)* 2014
Subsidiaries:			
The Biotech Company Pty Ltd	Australia	100	100
iQ Group (Global) LLC	USA	100	100
Associates:			
New Frontier Holdings LLC	USA	40	-

*The percentage of ownership interest held is equivalent to the percentage voting rights.

14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2015 (31 December 2014:None).

iQ3Corp Ltd and Consolidated Entities

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Notes to the Financial Statements

For the Year Ended 31 December 2015

15 Related Parties

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Shared services revenue	Consulting fees received	Consulting fees paid	Shared overhead costs	Balance Outstanding	
					Owed to the Group	Owed by the Group
Related Parties	292,356	896,914	30,500	164,635	197,986	-

Consulting fees received in the amount of \$896,914 includes \$382,502 cash equivalent received as part payment in the form of 1,275,009 shares in FarmaForce Limited. This investment forms part of "Other Investments" noted in the Statement of Financial Position.

16 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the half financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

17 Company Details

The registered office of and principal place of business of the company is:

iQ3Corp Ltd and Consolidated Entities
Level 6, 222 Clarence Street
Sydney NSW

iQ3Corp Ltd and Consolidated Entities

ACN: 160 238 282

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Spiro Kevin Sakiris

Dated this26th..... day ofFebruary..... 2016

iQ3Corp Ltd and Consolidated Entities

ACN: 160 238 282

Independent Auditor's Review Report to the members of iQ3Corp Ltd and Consolidated Entities

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of iQ3Corp Ltd and Consolidated Entities, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed 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 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 2015 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 iQ3Corp Ltd and Consolidated Entities, 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 iQ3Corp Ltd and Consolidated Entities, would be in the same terms if given to the directors as at the time of this auditor's report.

iQ3Corp Ltd and Consolidated Entities

ACN: 160 238 282

Independent Auditor's Review Report to the members of iQ3Corp Ltd and Consolidated Entities

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 iQ3Corp Ltd and Consolidated Entities 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 2015 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*.

Fortunity Assurance



TR Davidson
Partner

155 The Entrance Road, Erina, NSW

Dated this 26 day of February 2016