

## ASX ANNOUNCEMENT

### Appendix 4C Quarterly Cash Flow Report For the Quarter Ending 30 September 2017

iQ3Corp Ltd (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 30 September 2017.

#### The key results are:

- Cash and cash equivalents at the end of September 2017 of \$307K, **an increase of \$141K** on the balance at the end of June 2017.
- iQ3 was **cash flow positive** in Q1 FY18 including cash receipts from the exercise of Loyalty Options.
- Customer receipts were \$936K in Q1 FY18, compared to \$1,680K in Q4 FY17. The decrease in cash receipts, quarter on quarter, is attributed to project milestone payments which fall out of this quarter. iQ3 is **continuing to increase its project portfolio, as well as its business development pipeline**, with multiple projects ready to go live and revenue recognised in future periods upon meeting the agreed milestones.
- 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 30c each are open to be exercised by the option holders during the 12-month period until 14 May 2018.

END

## About iQ3

Australia is one of the leading life science hubs of the world and is home to over 900 life science companies. It has numerous esteemed medical research organisations and is recognised for its world class science and medical research. The Australian Life Science industry is largely made up of small organisations in the early stages of research and development and typically with one or a few compounds or technologies under development.

Across the board, the industry is considered to be underfunded and whilst capital markets exist as a potential source of capital to finance the research activities of Life Science companies, scientific research in the industry is largely funded by the government and not for profit organisations.

iQ3Corp is the world's first dedicated life science corporate finance and advisory firm - committed to supporting life science companies that create novel therapeutics and/or diagnostics that will one day make a difference to society.

We achieve this by advising life science companies on their most critical financial decisions, which include capital raisings, recapitalisations and restructures, mergers and acquisitions, and corporate strategy.

## 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.

## Contact

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

iQ3Corp Ltd

**ABN**

63 160 238 282

**Quarter ended ("current quarter")**

30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	936	936
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(14)	(14)
(c) advertising and marketing	(44)	(44)
(d) leased assets	-	-
(e) staff costs	(627)	(627)
(f) administration and corporate costs	(242)	(242)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(1)	(1)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>4</b>	<b>4</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) investments	(16)	(16)
(d) intellectual property	-	-
(e) other non-current assets	(199)	(199)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (costs of establishing new teams)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(217)</b>	<b>(217)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	389	389
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>389</b>	<b>389</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	166	166
4.2 Net cash from / (used in) operating activities (item 1.9 above)	4	4
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(217)	(217)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	389	389
4.5	Effect of movement in exchange rates on cash held	(35)	(35)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>307</b>	<b>307</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	186	166
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (trust account)	121	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>307</b>	<b>166</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	143
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' remuneration

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	19
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Shared overhead costs

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

Trade Facility by parent company to cover operating expenses of the company. Facility is unsecured and zero interest rate.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
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	646
9.6 Administration and corporate costs	242
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>946</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: .....  ..... Date: ..... 31/10/17 .....

(Director)

Print name: ..... Spiro Sakiris .....

**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.