

1. Company details

Name of entity:	IQ3CORP LTD
ABN:	63 160 238 282
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

The Group has adopted Accounting Standard AASB 16 'Leases' for the half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives did not require any restatement. Refer to note 2.

			\$
Revenues from ordinary activities	up	46.4% to	4,282,321
Loss from ordinary activities after tax attributable to the owners of IQ3CORP LTD	down	396.5% to	(949,764)
Loss for the half-year attributable to the owners of IQ3CORP LTD	down	396.5% to	(949,764)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$949,764 (31 December 2018: profit of \$320,357).

Refer to the 'Review of operations' section of the Directors' report accompanying this Appendix 4D for further commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.03)</u>	<u>1.96</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	40.00%	40.00%
Nereid Enterprises Pty Ltd	40.00%	40.00%
Nereid Enterprises LLC	40.00%	40.00%
Oncotex Pty Ltd	40.50%	40.50%

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 the review report is attached as part of the Interim Report.


11. Attachments

Details of attachments (if any):

The Interim Report of IQ3CORP LTD for the half-year ended 31 December 2019 is attached.

12. Signed

Approved by the Board of Directors.

Signed  _____

Date: 28 February 2020

Peter Coolentianos
Chair
Sydney

IQ3CORP LTD

ABN 63 160 238 282

Interim Report - 31 December 2019

IQ3CORP LTD
Contents
31 December 2019



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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of IQ3CORP LTD (referred to hereafter as 'iQ3Corp' or the 'Company' or the 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of IQ3CORP LTD during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Kosmas Dimitriou
Peter Coolentianos
Jimena Hurtado (resigned on 27 August 2019)
Monika Pawel (appointed on 27 August 2019)

Principal activities

During the financial half-year, the principal activity of the Group was the provision of capital raising and corporate advisory services to listed and unlisted companies in the life science industry.

Review of operations

iQ3Corp is a world-class corporate finance advisory firm specialising in providing services to the life science industry. iQ3Corp brings together experts in life science and corporate finance across the areas of mergers and acquisitions, strategic matters, restructuring and capital structure, capital raising and corporate finance to corporations, partnerships, institutions, governments, and individuals. iQ3 is an AFSL authorised representative (AFSL 451144).

Over the past year, iQ3Corp has continued to develop its existing portfolio of clients and has also taken on strategic new projects and collaborations with US business partners. Taking on these new projects and partners in the US has resulted in signing several significant contracts that lead to a robust pipeline of work for the next 12-36 months.

In 2019, iQ3Corp provided advisory and consulting services on a number of disruptive life science projects. The Company has worked with Boards and Executives to determine the optimal business model for commercialising new life science IP. This includes market entry, funding, licensing and partnering strategies, identifying counterparties for both local business and expanding on or off-shore.

During the half-year, iQ3Corp has continued to invest significantly in its Human Capital, to increase operational capabilities and expand its network of experts. This resulted in net profit for the HY20 decreasing by \$1,026,755 to a net loss of \$630,132, while revenue has increased by \$1,357,056 in the HY20 to \$4,282,321 (HY19: \$2,925,265).

Summary of financial results:

	31 Dec 2019	31 Dec 2018	Change	Change
	\$	\$	\$	%
Revenue	4,282,321	2,925,265	1,357,056	46%
Gross profit	2,189,215	2,189,121	94	-
(Loss)/profit after tax	(949,764)	320,357	(1,270,121)	(396%)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group 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



Peter Coolentianos
Chair

28 February 2020
Sydney

LEAD AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of IQ3Corp Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of 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.

Vincent's Audit Pty Ltd

Phillip Miller CA
Director

Address: Level 2, 14 Moore Street, Canberra ACT 2601

Dated: 28th Feb 2020

canberra. adelaide. brisbane. gold coast. melbourne. sydney

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IQ3CORP LTD
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019



		Consolidated	
	Note	31 Dec 2019	31 Dec 2018
		\$	\$
Revenue	4	4,282,321	2,925,265
Cost of sales		(2,093,106)	(736,144)
Gross profit		<u>2,189,215</u>	<u>2,189,121</u>
Share of profits/(losses) of associates accounted for using the equity method		(64,536)	403,958
Interest revenue calculated using the effective interest method		69	8
Employee benefits expense		(948,683)	(1,011,100)
Office sharing cost		(1,018,406)	(436,555)
Depreciation expense		(13,335)	(10,891)
Consultancy fees		(584,602)	(99,418)
Other expenses		(458,326)	(695,526)
Finance costs		(51,160)	(19,240)
(Loss)/profit before income tax expense		(949,764)	320,357
Income tax expense		-	-
(Loss)/profit after income tax expense for the half-year attributable to the owners of IQ3CORP LTD		(949,764)	320,357
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		383,381	54,591
(Loss)/gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(63,749)	21,675
Other comprehensive income for the half-year, net of tax		<u>319,632</u>	<u>76,266</u>
Total comprehensive income for the half-year attributable to the owners of IQ3CORP LTD		<u>(630,132)</u>	<u>396,623</u>
		Cents	Cents
Basic earnings per share	15	(0.91)	0.31
Diluted earnings per share	15	(0.91)	0.31

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

IQ3CORP LTD
Statement of financial position
As at 31 December 2019



	Note	Consolidated 31 Dec 2019 \$	30 Jun 2019 \$
Assets			
Current assets			
Cash and cash equivalents		453,488	252,995
Trade and other receivables	5	3,209,911	2,114,877
Prepayments		104,459	49,774
Other current assets	6	1,138	256,975
Total current assets		<u>3,768,996</u>	<u>2,674,621</u>
Non-current assets			
Investments in associates accounted for using the equity method		428,879	440,698
Financial assets at fair value through other comprehensive income	7	127,501	191,250
Property, plant and equipment		78,978	86,786
Intangibles		301,700	301,399
Total non-current assets		<u>937,058</u>	<u>1,020,133</u>
Total assets		<u>4,706,054</u>	<u>3,694,754</u>
Liabilities			
Current liabilities			
Trade and other payables	8	3,104,106	2,100,847
Contract liabilities		-	373,847
Employee benefits		402,042	328,488
Total current liabilities		<u>3,506,148</u>	<u>2,803,182</u>
Non-current liabilities			
Borrowings	9	927,000	-
Total non-current liabilities		<u>927,000</u>	<u>-</u>
Total liabilities		<u>4,433,148</u>	<u>2,803,182</u>
Net assets		<u>272,906</u>	<u>891,572</u>
Equity			
Contributed equity	10	7,184,247	7,184,247
Reserves	11	66,788	(264,310)
Accumulated losses		(6,978,129)	(6,028,365)
Total equity		<u>272,906</u>	<u>891,572</u>

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

IQ3CORP LTD
Statement of changes in equity
For the half-year ended 31 December 2019



Consolidated	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	7,184,247	(354,019)	(4,929,835)	1,900,393
Profit after income tax expense for the half-year	-	-	320,357	320,357
Other comprehensive income for the half-year, net of tax	-	76,266	-	76,266
Total comprehensive income for the half-year	-	76,266	320,357	396,623
<i>Transactions with owners in their capacity as owners:</i>				
Transaction costs	(3,899)	-	-	(3,899)
Balance at 31 December 2018	<u>7,180,348</u>	<u>(277,753)</u>	<u>(4,609,478)</u>	<u>2,293,117</u>

Consolidated	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	7,184,247	(264,310)	(6,028,365)	891,572
Loss after income tax expense for the half-year	-	-	(949,764)	(949,764)
Other comprehensive income for the half-year, net of tax	-	319,632	-	319,632
Total comprehensive income for the half-year	-	319,632	(949,764)	(630,132)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	11,466	-	11,466
Balance at 31 December 2019	<u>7,184,247</u>	<u>66,788</u>	<u>(6,978,129)</u>	<u>272,906</u>

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

IQ3CORP LTD
Statement of cash flows
For the half-year ended 31 December 2019



	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers	4,365,195	2,338,439
Payments to suppliers and employees	(4,980,563)	(2,631,331)
Interest received	69	8
Interest paid	(48,434)	(19,240)
	<u>(663,733)</u>	<u>(312,124)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(16,050)	-
Investment in associates	(46,800)	(65,151)
	<u>(62,850)</u>	<u>(65,151)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from borrowings	927,000	-
	<u>927,000</u>	<u>-</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	200,417	(377,275)
Cash and cash equivalents at the beginning of the financial half-year	252,995	512,927
Effects of exchange rate changes on cash and cash equivalents	76	54,591
	<u>453,488</u>	<u>190,243</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 IQ3CORP LTD as a consolidated entity consisting of IQ3CORP LTD ('iQ3Corp', or the 'Company' or the 'parent entity') and the entities it controlled (together the 'Group') at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is IQ3CORP LTD's functional and presentation currency.

IQ3CORP LTD 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 Group'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 28 February 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 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 2019 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, except for the policies stated below.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Restatement of comparatives

During the current period certain employee benefits have been classified as cost of sales. As a result the comparative information (for the half-year ended 31 December 2018) for cost of sales has been increased by \$595,269 with a corresponding decrease in employee benefits expense to agree with the current year presentation. There was no effect on profit, assets, liabilities or equity.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

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

Note 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

The adoption of AASB 16 did not have any impact on the financial performance or position of the Group as the Group has only one low value lease for which the exemption has been applied.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments: 1) consulting services; and 2) shared services, provided to related parties. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors and Chief Executive Officer (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

The Group's revenue is derived only from related parties.

Operating segment information

The following segment information is provided to the CODM.

Consolidated		31 Dec 2019	31 Dec 2018
Segment	Description	\$	\$
Consulting services	Capital raising and corporate advisory fees	4,170,253	2,623,166
Shared services	Office and shared services revenue	112,068	302,099
		<u>4,282,321</u>	<u>2,925,265</u>

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

Geographical information

The Group's revenue is derived only from Australia.

Note 4. Revenue

	Consolidated	Consolidated
	31 Dec 2019	31 Dec 2018¹
	\$	\$
Capital raising and corporate advisory fees	4,170,253	2,623,166
Office and shared services revenue	112,068	302,099
	<u>4,282,321</u>	<u>2,925,265</u>

¹The capital raising and corporate advisory fees for the period ended 31 December 2018 includes corporate advisory fee of \$1,844,636, project management services of \$282,398 and capital raising fee of \$489,132. Since 31 December 2018, the Group has recognized its revenue streams to be aligned with monthly management report provided to CODM.

Timing of revenue recognition

All revenue is recognised over a period of time.

Note 5. Current assets - trade and other receivables

	Consolidated	Consolidated
	31 Dec 2019	30 Jun 2019
	\$	\$
Trade receivables	18,225	18,207
Other receivables	4,312	32,818
Related party receivables	3,187,374	2,223,711
Less: Allowance for expected credit loss	-	(159,859)
	<u>3,209,911</u>	<u>2,114,877</u>

Allowance for expected credit losses

The Group has recognised a loss of \$nil (31 December 2018: \$484,683) in profit or loss in respect of the expected credit losses for the year ended 31 December 2019.

Note 6. Current assets - other current assets

	Consolidated	Consolidated
	31 Dec 2019	30 Jun 2019
	\$	\$
Deposits paid	1,138	1,420
Rental bond	-	430
Capital work in progress	-	255,125
	<u>1,138</u>	<u>256,975</u>

Note 7. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	Consolidated
	31 Dec 2019	30 Jun 2019
	\$	\$
Shares in listed company	<u>127,501</u>	<u>191,250</u>

Refer to note 13 for further information on fair value measurement.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Trade payables	865,401	164,353
Related party payables	442,727	947,304
Sundry payables and accrued expenses	1,795,978	989,190
	<u>3,104,106</u>	<u>2,100,847</u>

Note 9. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Bond with related party	927,000	-

Bond with related party

The bond is from a related party, iQX Ltd.

On 31 December 2019 IQX Ltd entered into a bond instrument with a related entity, iQ3CORP Ltd, for a value of \$927,000. The maturity date of the bond is 30 June 2022, with a simple annual coupon rate of 9%.

Note 10. Equity - contributed equity

	Consolidated			
	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>103,925,001</u>	<u>103,925,001</u>	<u>7,184,247</u>	<u>7,184,247</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. 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 11. Equity - reserves

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Financial assets at fair value through other comprehensive income reserve	(255,001)	(191,252)
Foreign currency reserve	67,318	(316,063)
Share-based payments reserve	254,471	243,005
	<u>66,788</u>	<u>(264,310)</u>

Note 11. Equity - reserves (continued)

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Financial assets at fair value through other comprehensive income reserve \$	Foreign currency \$	Share-based payments \$	Total \$
Consolidated				
Balance at 1 July 2019	(191,252)	(316,063)	243,005	(264,310)
Foreign currency translation	-	383,381	-	383,381
Change in fair value of financial assets	(63,749)	-	-	(63,749)
Share-based payment	-	-	11,466	11,466
Balance at 31 December 2019	<u>(255,001)</u>	<u>67,318</u>	<u>254,471</u>	<u>66,788</u>

Note 12. Equity - dividends

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

Note 13. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 Dec 2019				
Assets				
Shares in listed company	127,501	-	-	127,501
Total assets	<u>127,501</u>	<u>-</u>	<u>-</u>	<u>127,501</u>

Note 13. Fair value measurement (continued)

Consolidated - 30 Jun 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Shares in listed company	191,250	-	-	191,250
Total assets	191,250	-	-	191,250

There were no transfers between levels during the financial half-year.

Note 14. Related party transactions

Parent entity

IQ3CORP LTD is the parent entity and ultimate controlling entity of the Group.

The Group transacted with the following related companies.

Related party	Relationship
The iQ Group Global Ltd (Formerly iQnovate Ltd) and its controlled entities	Subsidiaries of common ultimate parent entity
iQX Ltd and its controlled entities	Common directorship and key management personnel
Oncotex Pty Ltd	Associate

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 31 Dec 2019 \$	Consolidated 31 Dec 2018 \$
Revenue:		
Capital raising and corporate advisory fees received from related parties	4,170,253	2,623,166
Office sharing fees received from related parties	112,068	302,099
Expenses:		
Capital raising and corporate advisory fees paid to related parties	-	26,712
Office sharing costs paid to related parties	1,018,406	639,442

Receivable from and payable to related parties

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

	Consolidated 31 Dec 2019 \$	Consolidated 30 Jun 2019 \$
Current receivables:		
Trade receivables from related parties	3,347,233	2,223,711
Current payables:		
Trade payables to related parties	442,727	947,304

Note 14. Related party transactions (continued)

Loans to/from related parties

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

	Consolidated	
	31 Dec 2019	30 Jun 2019
	\$	\$
Non-current borrowings:		
Bond with related party	927,000	-

For details regarding the bonds refer to note 9.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 15. Earnings per share

	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$	\$
(Loss)/profit after income tax attributable to the owners of IQ3CORP LTD	<u>(949,764)</u>	<u>320,357</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>103,925,001</u>	<u>103,925,001</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>103,925,001</u>	<u>103,925,001</u>
	Cents	Cents
Basic earnings per share	(0.91)	0.31
Diluted earnings per share	(0.91)	0.31

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 Group's financial position as at 31 December 2019 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



Peter Coolentianos
Chair

28 February 2020
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IQ3CORP LIMITED AND CONTROLLED ENTITIES

Report on the half-year Financial Report

Conclusion

We have reviewed the accompanying half-year consolidated financial report of IQ3Corp Limited (the company and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration for IQ3Corp Limited.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the consolidated financial position of the company as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities

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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2019 and its consolidated financial 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 the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 could 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*.

Vincent's Audit Pty Ltd

Phillip Miller CA
Director

Address: Level 2, 14 Moore Street, Canberra ACT 2601

Dated: 28th Feb 2020

Directors	Peter Coolentianos, Chairman Kosmas Dimitriou Jimena Hurtado (resigned on 27 August 2019) Monika Pawel (appointed on 27 August 2019)
Chief Executive Officer	Dr George Syrmalis
Company secretary	Gerardo Incollingo
Registered office and principal place of business	Level 9, 85 Castlereagh Street Sydney, NSW 2000
Principal place of business	Level 9, 85 Castlereagh Street Sydney, NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney, NSW 2000
Auditor	Vincent Audit Pty Ltd Level 2, 14 Moore Street Canberra, ACT 2601
Stock exchange listing	IQ3CORP LTD shares are listed on the Australian Securities Exchange (ASX code: IQ3)
Website	www.iQ3Corp.com