iQ3Corp Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	iQ3Corp Limited
ABN:	63 160 238 282
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	12%	to	6,899,968
Loss from ordinary activities after tax attributable to the owners of iQ3Corp Limited	up	101%	to	(2,212,596)
Loss for the year attributable to the owners of iQ3Corp Limited	up	101%	to	(2,212,596)

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

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(1.25)	0.57

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

	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 Holdings Inc	40.50%	40.50%
OncoTEX Inc	40.50%	40.50%
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 have been audited 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 Annual Report of iQ3Corp Limited for the year ended 30 June 2020 is attached.

12. Signed

Approved by the Board of Directors.

Signed ____________________ Date: 28 August 2020

Dr George Symralis
Chair
Sydney

iQ3Corp Limited

ABN 63 160 238 282

Annual Report for the year ended - 30 June 2020

Directors	Dr George Symalis, Chair Monika Pawel Lei Xu
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
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 Limited shares are listed on the Australian Securities Exchange (ASX code: IQ3)
Website	www.iQ3Corp.com
Corporate Governance Statement	The Directors and management are committed to conducting the business of iQ3Corp Limited in an ethical manner and in accordance with the highest standards of corporate governance. iQ3Corp Limited has adopted and has substantially complied with the ASX Corporate Governance Council's Governance Principles and Recommendations (3rd edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, has been approved at the same time as the Annual Report can be found at: www.IQ3corp.com/corporate-governance/

The iQ3Corp team has continued to successfully set the groundwork to implement the Group's strategy and objectives. We have continued to invest in the development of the Group's distribution base across Australia and the USA, building the Group's profile in the Life Science Industry and positioning the Group in the capital markets.

Revenue in FY20 was $6,899,968 compared to $6,160,849 in the prior corresponding period. This represented a solid 12% increase in the revenue. The Group has performed solidly during the year, seizing the opportunities presented by the current challenging market conditions as a result of the COVID-19 pandemic.

The net loss after tax of the Group for the year ended 30 June 2020, was $2,212,596 (FY19: $1,098,530). The increase in losses were largely driven by an increase in employee related expenses incorporated within costs of sales as the Group continues to incur expenditure required for investing in the infrastructure to execute the Group's strategy. The opportunities including the acquisition and licensing of life science assets for new and existing clients are expected to generate greater levels of corporate advisory work for iQ3Corp in the future years. iQ3 is uniquely positioned to capitalise on these opportunities.

During the year we welcomed Monika Pawel and Lei Xu to the board replacing Jimena Hurtado (resigned 27 August 2019), Kosmas Dimitriou (resigned 20 March 2020) and Peter Coolentianos (resigned 20 March 2020) whom we wish the very best in their endeavours. Both Monika and Lei bring a wealth of experience in the Life Science sector and we look forward to working with them.

Finally, I would like to thank my fellow Board of Directors and their executive management team for the continuing commitment and professionalism they have displayed during the year. Without this dedicated team of individuals, we could not deliver the core mandate of making a difference in the Australian Life Science sector by giving it access to capital markets in Australia and giving this sector the opportunity to capitalise on its ability to become a major global force internationally.

George Syrmalis
Chair

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of iQ3Corp Limited (referred to hereafter as 'iQ3Corp' or the 'Company' or the 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were Directors of iQ3Corp Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr George Syrmalis (appointed on 20 March 2020)
Monika Pawel (appointed on 27 August 2019)
Lei Xu (appointed on 20 March 2020)
Kosmas Dimitriou (resigned on 20 March 2020)
Peter Coolentianos (resigned on 20 March 2020)
Jimena Hurtado (resigned on 27 August 2019)

Principal activities

During the financial 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.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to $2,212,596 (30 June 2019: $1,098,530).

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 a corporate authorised representative of 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 are anticipated to lead to a robust pipeline of work for the next 12-24 months. This is being progressively realised as the economy rebounds from the impact of the COVID-19 pandemic.

During the year, the Company initiated various cost saving initiatives as a result of a review of its operations. This has resulted in a positive operating cashflow of $203k for the fourth quarter. The full impact of these initiatives will be realised in FY21. Management also completed a strategic partnership with a related party, providing the company with access to an additional $3 million in liquidity to strengthen its position. The additional funding relates to a working capital facility with an interest rate of 9% per annum, maturing on 30 June 2022. The Company had not drawn on this facility as at 30 June 2020.

During the year, 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 intellectual property (IP). This includes market entry, funding, licensing and partnering strategies, identifying counterparties for both local business and expanding on or offshore.

Summary of financial results:

	2020 $	2019 $	Change $	Change %
Revenue	6,899,968	6,160,849	739,119	12%
Gross profit	2,945,519	4,293,391	(1,347,872)	(31%)
Loss after tax	(2,212,596)	(1,098,530)	(1,114,066)	101%

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2020 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.

Likely developments and expected results of operations
Refer to 'Review of operations' section above.

Environmental regulation
The Directors recognise the importance of environmental and workplace health and safety issues. The Directors are committed to compliance with all relevant laws and regulations to ensure the protection of the environment, the community and the health and safety of employees.

The operations of the Group are not subject to any particular and significant environmental regulation under the laws of the Commonwealth of Australia or any of its states or territories.

Based on results of enquiries made, the Board is not aware of any significant breaches of environmental regulations during the period covered by this report.

Information on Directors

Name:	Dr George Symalis (Group CEO appointed as Chair and Director on 20 March 2020)
Title:	Executive Director, Chair and Group CEO
Qualifications:	M.D., PhD / Trained in Nuclear Medicine-Radiation Immunology
Experience and expertise:	Dr Syrmalis founded and led as CEO and Chair, the Bionuclear Group SA, (1995-2005) incorporating Antisoma SA, Bionuclear Institute of Diagnosis and Therapy SA, Bionuclear Research and Development SA, and Vitalcheck SA.
Other current directorships:	Chair and Executive Director of The iQ Group Global Ltd (formerly iQnovate Ltd), Chair and Executive Director of iQX Limited and Executive Director of Farmaforce Limited.
Former directorships (last 3 years):	None
Special responsibilities:	Chair and Member of the Audit and Risk Committee and Chair and Member of Remuneration and Nomination Committee
Interests in shares:	20,495,112 ordinary shares
Interests in rights:	765,000 performance rights over ordinary shares

Name:	Monika Pawel (appointed on 27 August 2019)
Title:	Non-Executive Director
Qualifications:	Bachelor of Science (Hons) (Monash University), MSc in Medical Science (University of New South Wales (UNSW)), MBA (University of Melbourne), MSc Major Programme Management (University of Oxford)
Experience and expertise:	Monika holds the position of Chief of Staff at The iQ Group Global Ltd (formerly iQnovate Ltd) . As the Chief of Staff, Monika works closely with the CEO to translate enterprise wide strategy into implementation. Monika has worked in Research & Development, Sales and Medical Marketing at Roche Products and iQVIA, and whilst at CSL limited, managed teams in Japan, Germany and in the United Kingdom.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	None
Interests in rights:	None

Name:	Lei Xu (appointed on 20 March 2020)
Title:	Executive Director
Qualifications:	BSc in Accounting (Jiangsu University), MSc in Management (University of Stirling), MBA (Executive) (Australian Graduate School of Management), Fellow member of ACCA and a member of China Certified Tax Agents
Experience and expertise:	Lei leads a team of financial professionals to provide corporate finance and corporate advisory services for biotech companies in finding, funding, corporatising and capitalising early stage biotech assets. She joined iQ3Corp in 2014. Her previous roles with the Group include Director, APAC and Director, Structured Investment Products.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	20,000 ordinary shares
Interests in rights:	260,000 performance rights over ordinary shares

Name:	Kosmas Dimitriou (resigned on 20 March 2020)
Title:	Former Independent Non-Executive Director
Qualifications:	Bachelor Commerce Laws (University of Western Sydney), Diploma of Legal practice (Tax) (University of Sydney)
Experience and expertise:	Kosmas is a tax lawyer with over 18 years' experience in taxation holding senior roles in the profession and commerce. Kosmas also advises the government and ATO on tax policy and tax law design.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Former Member of the Audit and Risk Committee and the Remuneration and Nomination Committee
Interests in shares:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

Name:	Peter Coolentianos (resigned on 20 March 2020)
Title:	Former Independent Non-Executive Director, Chair
Qualifications:	Bachelor of Financial Administration (University of New England), Member CPA Australia, ASIC RG 146 Compliant
Experience and expertise:	Peter has 35 years' experience in providing accounting and business services. During the period of his experience, Peter has been involved in providing taxation and business advice, including business structuring, business sales and acquisitions, commercial dispute resolution, taxation and superannuation structure support and advice. Peter was previously a partner at Economos Chartered Accountants for 22 years and now currently operates his own accountancy practice.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Former Chair of each of the Audit and Risk Committee and the Remuneration and Nomination Committee
Interests in shares:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

Name:	Jimena Hurtado (resigned on 27 August 2019)
Title:	Former Non-Executive Director
Qualifications:	MBA (Australian Institute of Business)
Experience and expertise:	Jimena has over 19 years' experience across the pharmaceutical and medical device industry in leadership roles spanning general management, business development to key stakeholders in the industry, human resources, training, talent management and staff development. Jimena was General Manager of Clinical Research Corporation Pty Ltd. This has resulted in executing pioneering strategies, growing the business and developing its presence in the market to position it as a strategic medical affairs business partner which provides scientific advisory, medical affairs, market access, government and public relation services to the pharmaceutical and medical device industry throughout the entire product development lifecycle, from pre-clinical through to pre-launch to maturity.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Former Member of the Audit and Risk Committee and the Remuneration and Nomination Committee
Interests in shares:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Gerardo Incollingo - *Bachelor of Commerce (University of Wollongong), Member CPA Australia.*

Gerardo has more than 20 years of experience in managing the financial affairs of a diverse client base. Gerardo has a key focus on day to day contact management and supporting business in enhancing their profitability. He is Managing Director at LCI Partners, an established multinational accounting, finance and legal firm.

Gerardo is also company secretary of Farmaforce Limited, iQX Limited and The iQ Group Global Ltd (formerly iQnovate Ltd).

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Dr George Syrmalis	1	1	-	-	-	-
Monika Pawel	6	6	-	-	-	-
Lei Xu	1	1	-	-	-	-
Kosmas Dimitriou*	5	5	1	1	1	1
Peter Coolentianos*	5	5	1	1	1	1
Jimena Hurtado	-	-	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

* Former member of Audit and Risk Committee and Remuneration and Nomination Committee.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Corporations Regulations 2001.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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

Name	Position	Term as KMP
Non-Executive Directors:		
Kosmas Dimitriou	Non-Executive Director	From 1 July 2019 to 20 March 2020
Peter Coolentianos	Non-Executive Director	From 1 July 2019 to 20 March 2020
Jimena Hurtado	Non-Executive Director	From 1 July 2019 to 27 August 2019
Monika Pawel	Non-Executive Director	From 27 August 2019 to 30 June 2020
Executive Director:		
Dr George Syrmalis	Executive Director, Chair and Group CEO	From 20 March 2020 to 30 June 2020
Lei Xu	Executive Director	From 20 March 2020 to 30 June 2020
Other KMP:		
Dr George Syrmalis	Group CEO	From 1 July 2019 to 30 June 2020

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration
The Board of Directors (the 'Board') has established a Remuneration and Nomination Committee ('RNC') which is currently comprised of the following members:

Name	Position
Dr George Syrmalis	Chair of RNC
Monika Pawel	Member
Lei Xu	Member

The key responsibility of the RNC is to assist the Board in its oversight of:
- the remuneration framework and policy for executive and employee reward;
- the determination of appropriate executive reward, including advice on structure, quantum and mix;
- the determination of achievement of performance measures included in any variable remuneration plan;
- compliance with applicable legal and regulatory requirements; and
- board size, composition and succession planning.

A full charter outlining the RNC's responsibilities is available at: www.IQ3corp.com/corporate-governance/.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
The Board seeks to set non-executive directors' fees at a level that enables the Group to attract and retain non-executive directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

The Constitution of the Company provides that non-executive directors, other than a Managing Director or an Executive Director, are entitled to director's fees as determined by the Directors.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2019, where the shareholders approved a maximum annual aggregate remuneration of $300,000 (including superannuation).

Non-executive directors fees consist of base fees and committee fees. The payment of committee fees recognises the additional time commitment required by non-executive directors who serve on board committees. The Chair of the Board does not receive any additional fees in connection with such role. Non-executive directors may be reimbursed for expenses reasonably incurred in attending to the Group's affairs. Non-executive directors do not receive retirement benefits, nor do they participate in any incentive programs.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

A. Remuneration principles and strategy

In FY20 the executive remuneration framework consisted of fixed remuneration and short and long-term incentives as outlined below. The Group aims to reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance within the Group and aligned with market practice. Remuneration levels are considered annually through a remuneration review, which considers market data and the performance of the Group and the relevant individual.

B. Detail of incentive plans

Short-term incentive ('STI')

The Group operates an annual STI program available to executives and awards a cash incentive subject to the attainment of clearly defined Group and business unit measures.

Summary of the executive STI plan:

Who participates?	Dr George Syrmalis	Lei Xu
How is STI delivered?	Cash	Cash
What is the STI opportunity?	Up to 25% of base salary.	Up to 20% of base salary.
What are the performance conditions for FY20?	Individual performance goals against annual plans.	Individual performance goals against annual plans.
How is performance assessed?	On an annual basis, after consideration of performance against key performance indicators ('KPI').	On an annual basis, after consideration of performance against KPI

Long-term incentives ('LTI')

The Group operates an LTI program via the Employee Benefits Plan ('EBP') under which Directors (and employees) may be awarded options and performance rights to acquire shares of the Company. EBP awards are made annually in order to align remuneration with the creation of shareholder value over the long-term.

Summary of EBP awards:

Who participates?	All employees of the Group.
How is EBP delivered?	Entitlement to shares and performance rights.
What are the performance conditions?	Individual performance goals against annual plans.
How is performance assessed?	At the end of the relevant performance period, the Group will determine whether and to what extent the participant has satisfied the applicable performance criteria.
When does the award vest?	Awards vest after a total of three years' continual service following achievement of the applicable performance criteria.
How are awards treated on termination?	The participant must be a current employee at vesting date in order to be entitled to shares.
How are awards treated if a change of control occurs?	If a takeover bid or other offer is made to acquire some or all of the issued shares of the Group, participants will generally be entitled to request that all performance rights vest immediately, regardless of whether the relevant performance conditions have been satisfied.
Do participants receive distributions or dividends on unvested EBP awards?	Participants do not receive distributions or dividends on unvested EBP awards.

Consolidated entity performance and link to remuneration
KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area in which each individual is involved in and over which such individual has a level of control. The KPI’s target areas the Group believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short-term and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last four years. This information is taken into account by the Board when setting the STI and LTI for KMP.

Use of remuneration consultants
During the financial year ended 30 June 2020, the Company did not engage remuneration consultants, to review its existing remuneration policies or to provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the Company's 2019 Annual General Meeting ('AGM')
At the 2019 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

2020	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Long service leave $	Equity - settled $	Total $
Non-Executive Directors:								
Monika Pawel (a)	31,004	-	-	-	2,945	-	-	33,949
Kosmas Dimitriou (b)	27,398	-	-	-	2,603	-	-	30,001
Peter Coolentianos (b)	30,822	-	-	-	2,928	-	-	33,750
Jimena Hurtado (c)	-	-	-	-	-	-	-	-
Executive Directors:								
Dr George Syrmalis (d)	499,234	-	-	71,573	47,427	48,776	18,360	685,370
Lei Xu (e)	70,611	-	-	17,199	6,708	22,478	6,000	122,996
	659,069	-	-	88,772	62,611	71,254	24,360	906,066

(a) includes remuneration from date of appointment 27 August 2019
(b) includes remuneration from up to date of resignation 20 March 2020
(c) includes remuneration from up to date of resignation 27 August 2019
(d) includes remuneration for the entire financial year
(e) includes remuneration from date of appointment 20 March 2020

2019	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:								
Kosmas Dimitriou	36,530	-	-	-	3,470	-	-	40,000
Peter Coolentianos	41,096	-	-	-	3,904	-	-	45,000
Jimena Hurtado	36,530	-	-	-	3,470	-	-	40,000
Other KMP:								
Dr George Syrmalis	404,296	87,891	3,000	40,336	46,758	-	97,155	679,436
	518,452	87,891	3,000	40,336	57,602	-	97,155	804,436

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2020	Fixed remuneration 2019	At risk - STI 2020	At risk - STI 2019	At risk - LTI 2020	At risk - LTI 2019
Non-Executive Directors:						
Monika Pawel	100%	-	-	-	-	-
Kosmas Dimitriou	100%	100%	-	-	-	-
Peter Coolentianos	100%	100%	-	-	-	-
Jimena Hurtado	-	100%	-	-	-	-
Executive Directors:						
Dr George Syrmalis	97%	73%	-	13%	3%	14%
Lei Xu	95%	-	-	-	5%	-

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2020	Cash bonus paid/payable 2019	Cash bonus forfeited 2020	Cash bonus forfeited 2019
Executive Directors:				
Dr George Syrmalis	-	100%	-	-

No bonus was paid during the year ended 30 June 2020 and there was no amount payable at the end of the financial year.

Service agreements

Remuneration arrangements for executive KMP are formalised in employment agreements. The key terms and conditions of executive employment agreements for the year ended 30 June 2020 are outlined in the table below.

Executive name:	Dr George Syrmalis	Lei Xu
Position:	Chief Executive Officer	Executive Director
Effective date:	20 March 2020	20 March 2020
Fixed annual remuneration:*	$625,560	$240,900
Term:	Ongoing	Ongoing
Executive notice period:	6 months	1 month
Company notice period:**	6 months	1 month
Termination payment:***	Superannuation will be paid irrespective of the termination benefits cap under the Corporations Act 2001	Superannuation will be paid irrespective of the termination benefits cap under the Corporations Act 2001

* Fixed annual remuneration includes base salary plus superannuation contributions in accordance with superannuation guarantee legislation. Dr George Syrmalis' fixed annual remuneration up to 20 March 2020 was $500,448, which was revised to $625,560 effective 20 March 2020.

** The Company may terminate employment immediately and without notice in certain circumstances, including where the executive has committed a serious or persistent breach of their employment agreement or where the executive has been dishonest or fraudulent in the course of performing their duties.

*** Subject to the termination benefits cap under the Corporations Act 2001, with the exception superannuation as detailed above.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2020.

Options

There were no options over ordinary shares issued to Directors and other KMP as part of compensation that were outstanding as at 30 June 2020.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	Grant date	Vesting date	Number of rights granted
George Syrmalis	18/05/2017	18/05/2020	153,000
George Syrmalis	18/05/2018	18/05/2021	153,000
George Syrmalis	18/05/2019	18/05/2022	153,000
George Syrmalis	18/05/2020	18/05/2023	153,000
Lei Xu	15/05/2017	15/05/2020	50,000
Lei Xu	15/05/2018	15/05/2021	50,000
Lei Xu	15/05/2019	15/05/2022	50,000
Lei Xu	15/05/2020	15/05/2023	50,000

Each performance right confers the entitlement to a fully paid ordinary share after three years of employment after the first anniversary.

The value of the performance rights granted during the year ended 30 June 2020 as part of the remuneration is $24,360 (2019: $97,155).

Additional information
The earnings of the Group for the five years to 30 June 2020 are summarised below:

	2020 $	2019 $	2018 $	2017 $	2016 $
Revenue	6,899,968	6,160,849	6,462,082	5,875,288	2,117,533
Loss after income tax	(2,212,596)	(1,098,530)	(1,062)	(49,595)	(1,987,751)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end ($)	0.13	0.29	0.25	0.25	0.25
Basic earnings per share (cents per share)	(2.13)	(1.06)	-	(0.05)	(1.95)
Diluted earnings per share (cents per share)	(2.13)	(1.06)	-	(0.05)	(1.95)

Additional disclosures relating to KMP

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals/ other**	Balance at the end of the year
Ordinary shares					
Dr George Syrmalis	20,495,112	-	-	-	20,495,112
Peter Coolentianos	133,334	-	-	(133,334)	-
Lei Xu	-	-	20,000	-	20,000
	20,628,446	-	20,000	(133,334)	20,515,112

* includes shares held on the date of appointment
** includes shares held on the date of resignation

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Dr George Syrmalis	612,000	153,000	-	-	765,000
Lei Xu*	210,000	50,000	-	-	260,000
	822,000	203,000	-	-	1,025,000

* includes performance rights held on the date of appointment

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of iQ3Corp Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of iQ3Corp Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Shares under performance rights

As of the date of this report, 1,815,000 performance rights have been granted to participants as part of the iQ3Corp Limited's Employee Benefits Plan. These performance rights will vest and be issued to eligible employees contingent on satisfying a service condition.

Shares issued on the exercise of performance rights

There were no ordinary shares of iQ3Corp Limited issued on the exercise of performance rights during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers

The Company has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Company and those named and referred to above including the directors, company secretaries, officers and certain employees of the Company and related bodies corporate as defined in the insurance policy. The insurance is appropriate pursuant to section 199B of the Corporation Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers of the Company who are former partners of Vincent Audit Pty Ltd

There are no officers of the Company who are former partners of Vincent Audit Pty Ltd.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Dr George Syrmalis
Chair

28 August 2020

VINCENTS
Audit Pty Ltd
ABN: 67 089 734 761
Authorised Audit Company No. 408893

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
IQ3CORP LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Vincents Audit Pty Ltd

Chartered Accountants

Phillip William Miller CA

Director

Dated in Canberra on: 28 August 2020

canberra. adelaide. brisbane. gold coast. melbourne. sydney
Level 2. 14 Moore Street. Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
GPO Box 680. Canberra ACT 2601 w www.vincents.com.au

iQ3Corp Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Revenue			
Revenue	5	6,899,968	6,160,849
Cost of sales		(3,954,449)	(1,867,458)
Gross profit		2,945,519	4,293,391
Share of profits/(losses) of associates accounted for using the equity method		47,360	(98,220)
Other income	6	191,000	-
Interest revenue calculated using the effective interest method	5	61	12
Expenses			
Employee benefits expense	7	(1,759,352)	(2,871,167)
Office sharing cost		(1,614,105)	(1,028,541)
Depreciation expense	7	(25,568)	(35,317)
Consultancy fees		(941,714)	(251,235)
Other expenses	7	(897,944)	(1,042,611)
Finance costs	7	(157,853)	(64,842)
Loss before income tax expense		(2,212,596)	(1,098,530)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of iQ3Corp Limited		(2,212,596)	(1,098,530)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
(Loss)/gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(121,124)	66,300
Foreign currency translation		395,736	(219,596)
Other comprehensive income/(loss) for the year, net of tax		274,612	(153,296)
Total comprehensive loss for the year attributable to the owners of iQ3Corp Limited		(1,937,984)	(1,251,826)
		Cents	Cents
Basic earnings per share	23	(2.13)	(1.06)
Diluted earnings per share	23	(2.13)	(1.06)

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

iQ3Corp Limited
Consolidated statement of financial position
As at 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Assets			
Current assets			
Cash and cash equivalents	9	227,377	252,995
Trade and other receivables	10	2,373,428	2,114,877
Prepayments		5,327	49,774
Other current assets	11	65	256,975
Total current assets		2,606,197	2,674,621
Non-current assets			
Investments in associates accounted for using the equity method	12	581,206	440,698
Financial assets at fair value through other comprehensive income	13	70,126	191,250
Property, plant and equipment	14	69,502	86,786
Intangibles	15	307,986	301,399
Total non-current assets		1,028,820	1,020,133
Total assets		3,635,017	3,694,754
Liabilities			
Current liabilities			
Trade and other payables	16	2,976,618	2,100,847
Contract liabilities	17	-	373,847
Employee benefits	19	589,443	328,488
Total current liabilities		3,566,061	2,803,182
Non-current liabilities			
Borrowings	18	969,559	-
Employee benefits	19	87,681	-
Total non-current liabilities		1,057,240	-
Total liabilities		4,623,301	2,803,182
Net (liabilities)/assets		(988,284)	891,572
Equity			
Contributed equity	20	7,184,247	7,184,247
Reserves	21	68,430	(264,310)
Accumulated losses		(8,240,961)	(6,028,365)
Total (deficiency)/equity		(988,284)	891,572

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

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	7,184,247	(354,019)	(4,929,835)	1,900,393
Loss after income tax expense for the year	-	-	(1,098,530)	(1,098,530)
Other comprehensive loss for the year, net of tax	-	(153,296)	-	(153,296)
Total comprehensive loss for the year	-	(153,296)	(1,098,530)	(1,251,826)
Transactions with owners in their capacity as owners:				
Share-based payments (note 34)	-	243,005	-	243,005
Balance at 30 June 2019	7,184,247	(264,310)	(6,028,365)	891,572

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2019	7,184,247	(264,310)	(6,028,365)	891,572
Loss after income tax expense for the year	-	-	(2,212,596)	(2,212,596)
Other comprehensive income for the year, net of tax	-	274,612	-	274,612
Total comprehensive income/(loss) for the year	-	274,612	(2,212,596)	(1,937,984)
Transactions with owners in their capacity as owners:				
Share-based payments (note 34)	-	58,128	-	58,128
Balance at 30 June 2020	7,184,247	68,430	(8,240,961)	(988,284)

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

iQ3Corp Limited
Consolidated statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from customers		7,210,733	6,288,806
Payments to suppliers and employees		(8,154,020)	(6,404,218)
Government grants received		191,000	-
Interest received		61	12
Interest paid		(109,310)	(60,697)
Net cash used in operating activities	33	(861,536)	(176,097)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(18,473)	-
Investment in associates	12	(74,942)	(82,800)
Net cash used in investing activities		(93,415)	(82,800)
Cash flows from financing activities			
Proceeds from borrowings		927,000	-
Net cash from financing activities		927,000	-
Net decrease in cash and cash equivalents		(27,951)	(258,897)
Cash and cash equivalents at the beginning of the financial year		252,995	512,927
Effects of exchange rate changes on cash and cash equivalents		2,333	(1,035)
Cash and cash equivalents at the end of the financial year	9	227,377	252,995

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

Note 1. General information

The financial statements cover iQ3Corp Limited as a consolidated entity consisting of iQ3Corp Limited ('iQ3Corp', or the 'Company' or the 'parent entity') and the entities it controlled (together the 'Group') at the end of, or during, the year. The financial statements are presented in Australian dollars, which is iQ3Corp Limited's functional and presentation currency.

iQ3Corp 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 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 August 2020. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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.

Interpretation 23 Uncertainty over Income Tax
The Group has adopted Interpretation 23 from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exists. The interpretation requires: the Group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the Group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Interpretation 23 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on accumulated losses as at 1 July 2019.

Note 2. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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, IQ3Corp made a net loss of $2,212,596 (2019: net loss of $1,098,530) for the year ended 30 June 2020. As at that date IQ3Corp had net current liabilities of $959,864 (2019: net current liabilities $128,561), net liabilities of $988,284 (2019: net assets of $891,572) and net operating cash outflows of $861,536 (2019: outflows of $176,097). The net current liability position, net asset deficiency and operating net cash outflows do prima facie give rise to a material uncertainty that casts significant doubt upon the Group’s ability to continue as a going concern.

Despite this, the Directors have a reasonable expectation that the Group has adequate financial resources to continue as a going concern based on the following:
- capital raising fees in relation to projects from its related parties and the existence of agreements to provide funds to allow iQ3Corp to operate as a going concern;
- availability of additional funding by the way of working capital facility with a related party, iQX Limited (NSX: IQX); and
- future flow of funds from its investment banking operations in the US through its wholly owned subsidiary iQ Capital LLC.

In the event that the Group does not meet the above factors, there is an inherent risk that it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and discharge its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

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 Group were not to operate as a going concern.

Restatement of comparatives
During the current period certain other expenses, cost of sales and employee benefit expenses have been reclassified.

As a result, the comparative information (for the year ended 30 June 2019) has been restated as follows:

	Reported 30 June 2019 $	Adjustment $	Restated 30 June 2019 $
Other expenses	1,252,998	(210,387)	1,042,611
Employee benefits expense	3,744,044	(872,877)	2,871,167
Cost of sales	784,194	1,083,264	1,867,458
	5,781,236	-	5,781,236

There was no change in the loss, net assets, cash flow statement or earnings per share.

Note 2. Significant accounting policies (continued)

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of iQ3Corp Limited as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in statement of profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is iQ3Corp Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

COVID-19 pandemic
Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Investment in associates
The Directors have assessed whether their equity investments between 20% and 50% represent a significant influence over those companies. In assessing significant influence, the Directors have considered the percentage ownership interest, representation on the Board of Directors, the interchange of management personnel, and material transactions between the entities. Primarily on ownership interest the Directors, have concluded that all investments in which the Group owns 20% to 50% interest are regarded as having significant influence and have therefore been equity accounted and disclosures made in note 12.

Note 4. 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			
Segment	Description	2020 $	2019 $
Consulting services	Capital raising and corporate advisory fees	6,760,211	5,647,659
Shared services	Office and shared services revenue	139,757	513,190
		6,899,968	6,160,849

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.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue

	Consolidated	
	2020 $	2019 $
Capital raising and corporate advisory fees	6,760,211	5,647,659
Office and shared services revenue	139,757	513,190
Total revenue	6,899,968	6,160,849

Timing of revenue recognition
All revenue is recognised over a period of time.

Note 5. Revenue (continued)

Accounting policy for revenue

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 6. Other income

	Consolidated	
	2020 $	2019 $
Government grants	191,000	-

Government grants
During the year the Group received payments from the Australian Government amounting to $50,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the Group will comply with any conditions attached.

During the COVID-19 pandemic, the Group has received JobKeeper support payments from the Australian Government amounting to $141,000 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. The Group is eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

Note 7. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	3,372	1,812
Plant and equipment	19,361	10,618
Fixtures and fittings	2,835	22,887
Total depreciation	25,568	35,317
Employee benefit expenses		
Wages and salaries	1,336,117	1,744,272
Bonus	-	486,850
Superannuation	73,046	164,678
Annual leave	205,627	21,975
Share based payment expenses	58,128	243,005
Payroll Tax	72,045	158,587
Other employee benefit expenses	14,389	51,800
Total employee benefit expenses	1,759,352	2,871,167
Other expenses		
Accounting fees	77,650	56,547
Adverting and marketing	47,453	98,608
Travel and accommodation	890	16,219
Listing costs and prospectus costs	40,777	66
Occupancy costs	-	12,182
Short-term lease	21,974	-
Legal and consultancy fees	45,962	14,508
Insurance	62,999	72,280
Software licensing and subscriptions	141,675	122,295
Other	458,564	649,906
Total other expenses	897,944	1,042,611
Finance costs		
Bank fees	13,721	9,826
Interest expense	144,132	55,016
Total finance costs	157,853	64,842

Note 8. Income tax

	Consolidated 2020 $	Consolidated 2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,212,596)	(1,098,530)
Tax at the statutory tax rate of 27.5%	(608,464)	(302,096)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	113,247	131,933
Adjustments to deferred tax liability	(3,181)	-
Temporary differences not brought to account	478,140	133,879
Others	20,258	36,284
Income tax expense	-	-

Unrecognised deferred tax assets
Deferred tax assets were not recognised since utilisation of the tax losses against future taxable profits is not deemed probable in the foreseeable future (2020: $4,003,325; 2019: $2,140,438).

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Current assets		
Cash and bank	227,377	252,995

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Current assets		
Trade receivables	-	18,207
Other receivables	56,411	32,818
Related party receivables	2,476,876	2,223,711
Less: Allowance for expected credit losses	(159,859)	(159,859)
	2,373,428	2,114,877

Allowance for expected credit losses
The Group has recognised a loss of $nil (30 June 2019: $159,859) in profit or loss in respect of the expected credit losses for the year ended 30 June 2020.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2020 %	2019 %	2020 $	2019 $	2020 $	2019 $
Not overdue	-	-	2,533,287	745,831	159,859	159,859
30 to 60 days overdue	-	-	-	67,615	-	-
60 to 90 days overdue	-	-	-	83,620	-	-
Over 90 days overdue	-	-	-	1,377,670	-	-
			2,533,287	2,274,736	159,859	159,859

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Opening balance	159,859	-
Provision recognised under AASB 9	-	159,859
Closing balance	159,859	159,859

The Company has assessed that the impact of COVID-19 pandemic on its debt recovery and expected credit losses is immaterial.

Note 10. Trade and other receivables (continued)

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Other current assets

	Consolidated	
	2020	2019
	$	$
Current assets		
Deposits paid	65	1,420
Rental bond	-	430
Capital work in progress	-	255,125
	65	256,975

Note 12. Investments in associates accounted for using the equity method

	Consolidated	
	2020	2019
	$	$
Non-current assets		
Investment in associate	581,206	440,698

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

		Ownership interest	
	Principal place of business /	2020	2019
Name	Country of incorporation	%	%
New Frontier Holdings LLC	USA	40.00%	40.00%
Nereid Enterprises Pty Ltd*	Australia	40.00%	40.00%
Nereid Enterprises LLC*	USA	40.00%	40.00%
OncoTEX Holdings Inc	USA	40.50%	40.50%
OncoTEX Inc**	USA	40.50%	40.50%
OncoTEX Pty Ltd**	Australia	40.50%	40.50%

* Subsidiaries of New Frontier Holdings LLC
** Subsidiaries of OncoTEX Holdings Inc

Note 12. Investments in associates accounted for using the equity method (continued)

Summarised financial information - New Frontier Holdings LLC

	2020 $	2019 $
Summarised statement of financial position		
Current assets	51,175	13,026
Non-current assets	836,247	1,092,651
Total assets	887,422	1,105,677
Current liabilities	48,483	3,932
Total liabilities	48,483	3,932
Net assets	838,939	1,101,745
Summarised statement of profit or loss and other comprehensive income		
Revenue	72,709	36,809
Expenses	(374,998)	(427,848)
Loss before income tax	(302,289)	(391,039)
Other comprehensive income/(loss)	(11,113)	145,487
Total comprehensive loss	(313,402)	(245,552)
Reconciliation of the Group's carrying amount		
Opening carrying amount	440,698	456,119
Additional investment	74,942	82,800
Share of profit/(loss)	47,360	(98,221)
Foreign currency translation	18,206	-
Closing carrying amount	581,206	440,698

Share in OncoTEX Holdings Inc
As at 30 June 2020, the Group’s share of profit in its investment in associate OncoTEX Holdings Inc was $173,619 (2019: $nil). This represents the Group's ownership interest of 40.5% in OncoTEX Holdings Inc.

Accounting policy for Associates
Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 13. Financial assets at fair value through other comprehensive income

	Consolidated 2020 $	Consolidated 2019 $
Non-current assets		
Shares in listed company	70,126	191,250

Refer to note 25 for further information on fair value measurement.

Note 14. Property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Non-current assets		
Leasehold improvements - at cost	33,720	33,720
Less: Accumulated depreciation	(8,628)	(5,256)
	25,092	28,464
Plant and equipment - at cost	125,358	117,584
Less: Accumulated depreciation	(97,038)	(72,895)
	28,320	44,689
Fixtures and fittings - at cost	28,664	44,389
Less: Accumulated depreciation	(12,574)	(30,756)
	16,090	13,633
	69,502	86,786

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Fixtures and fittings $	Total $
Balance at 1 July 2018	11,481	50,075	35,243	96,799
Additions	18,795	5,232	-	24,027
Disposals	-	-	(1,524)	(1,524)
Exchange differences	-	-	2,801	2,801
Depreciation expense	(1,812)	(10,618)	(22,887)	(35,317)
Balance at 30 June 2019	28,464	44,689	13,633	86,786
Additions	-	13,181	5,292	18,473
Disposals	-	(9,378)	-	(9,378)
Exchange differences	-	(811)	-	(811)
Depreciation expense	(3,372)	(19,361)	(2,835)	(25,568)
Balance at 30 June 2020	25,092	28,320	16,090	69,502

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 14. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5-10 years
Plant and equipment	5-10 years
Furniture, fittings and equipment	3-20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted, if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Intangibles

	Consolidated	
	2020	2019
	$	$
Non-current assets		
Licenses - at cost	307,986	301,399

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Licenses $
Balance at 1 July 2018	274,010
Exchange differences	27,389
Balance at 30 June 2019	301,399
Exchange differences	6,587
Balance at 30 June 2020	307,986

Accounting policy for intangible assets
Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Licences
Licences are not amortised when their useful lives are assessed to be indefinite and instead tested annually for impairment.

Note 16. Trade and other payables

	Consolidated 2020 $	Consolidated 2019 $
Current liabilities		
Trade payables	626,349	164,353
Related party payables	-	947,304
Sundry payables and accrued expenses	2,350,269	989,190
	2,976,618	2,100,847

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 17. Contract liabilities

	Consolidated 2020 $	Consolidated 2019 $
Current liabilities		
Contract liabilities	-	373,847

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $nil as at 30 June 2020. The balance as at 30 June 2019, $373,847 was recognised during the current financial period.

Accounting policy for contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 18. Borrowings

	Consolidated 2020 $	Consolidated 2019 $
Non-current liabilities		
Bond with related party	969,559	-

Refer to note 24 for further information on financial instruments.

Bond with related party
The bond is from a related party, iQX Limited ('IQX').

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

On 30 April 2020, the Group also entered into a strategic partnership with IQX providing it access to a working capital facility of $3,000,000, with annual interest rate of 9%. As at 30 June 2020, $nil has been drawn down from the facility.

Note 18. Borrowings (continued)

Accounting policy for 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.

Note 19. Employee benefits

	Consolidated 2020 $	Consolidated 2019 $
Current liabilities		
Annual leave	415,872	215,679
Superannuation	173,571	112,809
	589,443	328,488
Non-current liabilities		
Long service leave	87,681	-
	677,124	328,488

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 20. Contributed equity

	Consolidated 2020 Shares	Consolidated 2019 Shares	Consolidated 2020 $	Consolidated 2019 $
Ordinary shares - fully paid	103,925,001	103,925,001	7,184,247	7,184,247

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 20. Contributed equity (continued)

Capital risk management
Management control the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2019 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 21. Reserves

	Consolidated	
	2020	2019
	$	$
Financial assets at fair value through other comprehensive income reserve	(312,376)	(191,252)
Foreign currency reserve	79,673	(316,063)
Share-based payments reserve	301,133	243,005
	68,430	(264,310)

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.

Note 21. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Financial assets at fair value through other comprehensive income $	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2018	(257,552)	(96,467)	-	(354,019)
Foreign currency translation	-	(219,596)	-	(219,596)
Change in fair value of financial assets	66,300	-	-	66,300
Share-based payments	-	-	243,005	243,005
Balance at 30 June 2019	(191,252)	(316,063)	243,005	(264,310)
Foreign currency translation	-	395,736	-	395,736
Change in fair value of financial assets	(121,124)	-	-	(121,124)
Share-based payments	-	-	58,128	58,128
Balance at 30 June 2020	(312,376)	79,673	301,133	68,430

Note 22. Dividends

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

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 23. Earnings per share

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax attributable to the owners of iQ3Corp Limited	(2,212,596)	(1,098,530)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	103,925,001	103,925,001
Weighted average number of ordinary shares used in calculating diluted earnings per share	103,925,001	103,925,001
	Cents	**Cents**
Basic earnings per share	(2.13)	(1.06)
Diluted earnings per share	(2.13)	(1.06)

As at 30 June 2020 and 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 24. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group's policy is not to trade in or use derivatives to hedge its risks.

The Group's Board of Directors (the 'Board') has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all workplace participants understand their roles and obligations.

The Board has also established a Finance Committee, consisting of senior executives of the Group, which meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Finance Committee's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Finance Committee operates under policies approved by the Board.

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The Group's exposure to foreign currency risk is limited due to the natural hedge afforded to the Group by purchasing and selling in the local currency in all the countries in which it operates.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2020 $**	**2019 $**	**2020 $**	**2019 $**
US dollars	74,902	25,961	172,179	29,650

The Group had net liabilities denominated in foreign currencies of $97,277 (assets of $74,902 less liabilities of $172,179) as at 30 June 2020 (2019: $3,689 (assets of $25,961 less liabilities of $29,650).

No sensitivity analysis has been performed for the exposure to foreign currency risk as the exposure is not significant.

Price risk
The Group is not exposed to any significant price risk on the shares held in listed company.

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Note 24. Financial instruments (continued)

At the reporting date, the Group had a fixed rate bond with a related party. Refer to note 18. The interest rate risk is minimal.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Trade and other receivables
Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Refer to note 10 for aging of trade and other receivables.

Cash and cash equivalents
The Group held cash and cash equivalents of $227,377 at 30 June 2020 (2019: $252,995). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency Standard and Poor's ratings.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	2,976,618	-	-	-	2,976,618
Interest-bearing - fixed						
Bond with related party	9.00%	42,559	927,000	-	-	969,559
Total non-derivatives		3,019,177	927,000	-	-	3,946,177

Note 24. Financial instruments (continued)

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	2,100,847	-	-	-	2,100,847
Total non-derivatives		2,100,847	-	-	-	2,100,847

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 25. 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

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in listed company	70,126	-	-	70,126
Total assets	70,126	-	-	70,126

Consolidated - 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 year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 25. Fair value measurement (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 26. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2020 $	2019 $
Short-term employee benefits	747,840	649,679
Post-employment benefits	133,866	57,602
Share-based payments	24,360	97,155
	906,066	804,436

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Vincent Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2020 $	2019 $
Audit or review of the financial statements	19,974	19,500

Note 28. Contingencies

The Group has no contingent liabilities or assets as at 30 June 2020 and 30 June 2019.

Note 29. Commitments

The Group has no capital commitments as at 30 June 2020 and 30 June 2019.

Note 30. Related party transactions

Parent entity
iQ3Corp Limited is the parent entity and ultimate controlling entity of the Group.

Note 30. Related party transactions (continued)

The Group transacted with the following related companies.

Related party	Relationship
The iQ Group Global Ltd (formerly iQnovate Ltd) and its controlled entities	Common directorship and key management personnel
iQX Limited and its controlled entities	Common directorship and key management personnel
OncoTEX Pty Ltd	Associate
OncoTEX Inc	Associate
Biosensx (North America) Pty Ltd	Common directorship and key management personnel
New Frontier Holdings LLC	Common directorship and key management personnel

Subsidiaries
Interests in subsidiaries are set out in note 32.

Associates
Interests in associates are set out in note 12.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the Directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2020 $	2019 $
Revenue:		
Capital raising and corporate advisory fees received from related parties	6,760,211	5,647,659
Office sharing fees received from related parties	139,757	513,190
Expenses:		
Office sharing costs paid to related parties	1,614,105	1,028,541

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

	Consolidated	
	2020 $	2019 $
Current receivables:		
Trade receivables from related parties	2,476,876	2,223,711
Current payables:		
Trade payables to related parties	-	947,304

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

	Consolidated	
	2020 $	2019 $
Non-current borrowings:		
Bond with related party	969,559	-

Note 30. Related party transactions (continued)

For details regarding the bond with related party, refer to note 18.

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

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2020 $	Parent 2019 $
Loss after income tax	(1,402,634)	(533,424)
Total comprehensive loss	(1,402,634)	(533,424)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	4,000,091	5,530,746
Total assets	4,251,821	6,004,519
Total current liabilities	1,289,099	2,586,375
Total liabilities	2,347,432	2,587,468
Net assets	1,904,389	3,417,051
Equity		
Contributed equity	7,184,247	7,184,247
Reserves	(60,225)	49,803
Accumulated losses	(5,219,633)	(3,816,999)
Total equity	1,904,389	3,417,051

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Note 31. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
iQ Group (Global) LLC	USA	100%	100%
The Biotech Company Pty Ltd	Australia	100%	100%
Sonholdings LLC (T/as Son Enterprise in NY)	USA	100%	100%
iQ Capital (USA) LLC	USA	100%	100%
The iQ Capital (Operations) LLC	USA	100%	100%
Capital Labs Pty Ltd	Australia	100%	100%

Note 33. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax expense for the year	(2,212,596)	(1,098,530)
Adjustments for:		
Depreciation	25,568	35,317
Share of (profits)/losses - associates	(47,360)	98,220
Consulting fees related parties	288,088	-
Interest non-cash	42,559	-
Other non-cash items	(1,170)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(234,958)	(861,974)
Decrease/(increase) in prepayments	44,447	(36,083)
Decrease/(increase) in other assets	378,034	(272,573)
Increase in trade and other payables	881,063	1,627,496
Increase/(decrease) in contract liabilities	(373,847)	373,847
Increase/(decrease) in employee benefits	348,636	(41,817)
Net cash used in operating activities	(861,536)	(176,097)

Note 34. Share-based payments

Performance rights
For the year ended 30 June 2020, the Group has recognised $58,128 share-based payment expense in the consolidated statement of profit or loss (30 June 2019: $243,005).

Note 34. Share-based payments (continued)

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees in exchange for the rendering of services.

These compensation benefits are provided to employees via the Employee Benefits Plan ('EBP'), unless otherwise stated. Under the EBP directors and employees may be awarded options and performance rights to acquire shares of the Company. The object of the EBP is to help the Group recruit, reward, retain and motivate its directors and employees. Further under the EBP, after 12 months of service an employee will annually receive a lot of shares based on an agreed quantity per their individual employment contract. The shares granted under the EBP will vest after an employee has served a further 3 years after receiving rights to the shares.

The fair value of equity-settled share-based payments is recognised as an expense proportionally over the vesting period with a corresponding increase in equity. The fair value of instruments is calculated under the grant date model where the Group measures the fair value of a share-based payment award issued to an employee on the grant date and recognised over the period during which the employees become unconditionally entitled to shares.

The fair value is calculated at grant date as the fair value of each share granted multiplied by the number of shares expected to eventually vest. There is a service condition (non-market vesting condition) which is taken into account by adjusting the number of shares which will eventually vest and are not taken into account in the determination of the grant date fair value.

Note 35. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 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, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Dr George Syrmalis
Chair

28 August 2020

VINCENTS
Audit Pty Ltd
ABN: 67 089 734 761
Authorised Audit Company No. 408893

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IQ3CORP LTD

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of iQ3Corp Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Going Concern Basis of Accounting	
Notwithstanding the loss generated for the current year and accumulated losses derived in previous years, the Directors have assessed that the accounts should continue be prepared on a going concern basis.	• We have performed procedures and obtained sufficient information to confirm that the accounts are properly prepared on a going concern basis. The company continues to receive the appropriate support of shareholders.
Related Party Transactions	
The Group comprises subsidiaries and other companies with varying ownership proportions. IQ3 Corp Ltd is a member of the Group and transacts with other companies in the Group. The company's business is the provision of corporate finance and advisory services to the life science sector. Other companies in the Group perform a similar function but in different market sectors. This was a key audit matter for us, in terms of the number of subsidiaries and companies in the Group, varied operations and the significance of these operations to the Group. We focused on: • Understanding the way in which each subsidiary fits into the Group and identifying significant risks of misstatement within the Group; • The scoping of relevant procedures consistent with the risks identified and to enable coverage of significant related party transactions; • The assessment of the compliance of the Related Party Transactions within the Group accounting policies, particularly in regard to correct receivables and payables recognition; • Correct recognition of related party transactions as part of the consolidation process and the correct recognition of information in the Annual Report.	• We performed procedures on the financial information prepared for reporting and consolidation purposes. The objective of this was to gather evidence on significant related party transactions that were effected during the year between the Company and its subsidiaries. We obtained sufficient appropriate audit evidence and identified and resolved any issues as the audit progressed. We evaluated the work performed in order to meet our overall audit purpose. We also considered compliance with Group's accounting policies, including receivable and payables recognition.

Recognition and Impairment of Intangible Assets

Recognition and impairment of intangible assets is a key audit matter as:

- Intangibles represent approximately 9% of the Group's total assets before impairment;
- Intangibles relate to purchase of licenses in the US banking sector;
- Ongoing judgment is required in order to assess the appropriate level of impairment relating to intangibles.

- After discussions with the directors and management, we have assessed valuation of intangibles are at fair value less costs of disposal.

- We obtained sufficient appropriate audit evidence and identified and resolved any issues as the audit progressed. We evaluated the work performed in order to meet our overall audit purpose. We also considered compliance with Group's accounting policies, including fair recognition of intangibles in the Annual Report. We also assessed management's determination of the Group's CGU's based on our understanding of the nature of the CGU's business. We also referred to internal reporting of the Group to assess how results are monitored and reported.

- We challenged the basis of impairment of intangibles with management and obtained an understanding as to their logic of accounting for intangibles. We have made them aware of the requirement to assess impairment of intangibles on an ongoing basis.

Other Information

The directors of iQ3Corp Ltd are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the financial statements comply with *International Financial Reporting Standards*.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 15 of the Directors' Report for the year ended 30 June 2020.

In our opinion the Remuneration Report of iQ3Corp Ltd for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of iQ3Corp Ltd are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Name of Firm:	**Vincents Audit Pty Ltd** **Chartered Accountants**
	PMiller.
Name of Auditor:	**Phillip W Miller CA**
Address:	**Level 2, 14 Moore Street, Canberra, ACT, 2601**
Dated:	**28 August 2020, Canberra**

The shareholder information set out below was applicable as at 14 August 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	10
1,001 to 5,000	14
5,001 to 10,000	90
10,001 to 100,000	177
100,001 and over	78
	369
Holding less than a marketable parcel	14

The number of shareholders holding less than a marketable parcel of ordinary shares is based on iQ3Corp Limited's closing share price of $0.24 on 14 August 2020.

Equity security holders

Twenty largest quoted equity security holders

The names of twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Numbers held	% of total shares issued
Bioworx Capital Pty Ltd	17,905,000	17.22
Derivative Investments Pty Ltd (Derivative Invest Disc A/C)	14,061,112	13.53
Biodynamic Investments Pty Ltd	8,888,888	8.55
Zeolite Holdings Pty Ltd (Zeolite Discretionary A/C)	8,800,000	8.46
Life Science Investments Pty Ltd (Life Science Superfund A/C)	6,400,000	6.15
Babi Holdings Pty Ltd (CLT Super Fund)	4,000,000	3.84
Champ Power Holdings Ltd	3,500,000	3.36
BG Ventures Ltd	3,250,000	3.12
Able Rise International Limited	3,200,000	3.07
Bartelm Pty Ltd (Precision Auto SER PL SF AC)	1,915,874	1.84
Biofarma Investments Pty Ltd (Biofarma A/C)	1,750,000	1.68
Colin J. Odams Pty Ltd (The Rangoon A/C)	1,716,666	1.65
Mr Spiro Sakiris & Ms Sophie Sakiris (Sakiris Family Super Fund)	1,500,000	1.44
Mr Daniel Morato & Mrs Sally Morato (Morato Family A/C)	1,233,333	1.18
Oceana Horizon Pty Ltd (Oceana Horizon Invest Super)	1,000,000	0.96
Mr Spiro Sakiris & Ms Sophie Sakiris (Sakiris Family Super Fund)	833,333	0.80
Nicky Constantine	666,666	0.64
Michael Constantine (Tucker Park Super Fund)	666,666	0.64
Mr James Simos & Mrs Christina Simos (Simos Super Fund A/C)	629,999	0.60
Dave Senogles & Patricia Senogles (Senogles Super Fund)	600,000	0.57
Markovic Family Pty Ltd (Lesko Constructions Super)	600,000	0.57
	83,117,537	79.87

Unquoted equity securities

	Number on issue	Number of holders
Performance rights over ordinary shares issued	1,815,000	13

Substantial holders

Substantial holders and their associates in the Company are set out below:

	Ordinary shares Numbers held	% of total shares issued
(i) Derivative Investments Pty Ltd (Derivative Invest Disc A/C)	14,061,112	13.53
Life Science Investments Pty Ltd (Life Science Superfund A/C)	6,400,000	6.15
George Syrmalis	34,000	0.04
	20,495,112	19.72
(ii) Bioworx Capital Pty Ltd	17,905,000	17.22
(iii) Zeolite Holdings Pty Ltd (Zeolite Discretionary A/C)	8,800,000	8.46
Babi Holdings Pty Ltd (CLT Super Fund)	4,000,000	3.84
	12,800,000	12.30
(iv) Biodynamic Investments Pty Ltd	8,888,888	8.55

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

On-market buy-back

There is no current on market buy-back.

There are no other classes of equity securities.

Restricted securities and securities subject to voluntary escrow

There are no restricted securities and securities subject to voluntary escrow on 14 August 2020.