

24 February 2021

Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

### **Appendix 4D and Half-yearly Financial Report**

In accordance with ASX Listing Rule 4.2A.3, iQ3Corp Limited (**ASX:IQ3**) announces the half yearly reports, for the year ended 31 December 2020.

For and on behalf of the Board of iQ3Corp Limited.



Aysha Hollingdale  
Company Secretary

## 1. Company details

Name of entity:	iQ3Corp Limited
ABN:	63 160 238 282
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	47.5% to	2,247,845
Loss from ordinary activities after tax attributable to the owners of iQ3Corp Limited	up	129.6% to	(2,181,068)
Loss for the half-year attributable to the owners of iQ3Corp Limited	up	129.6% to	(2,181,068)

### Dividends

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

### Comments

The loss for the Group after providing for income tax amounted to \$2,181,068 (31 December 2019: \$949,764).

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

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(3.35)</u>	<u>(0.03)</u>

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### Current period

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

### Previous period

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

## 7. Dividend reinvestment plans

Not applicable.

## 8. Details of associates and joint venture entities

	Reporting entity's percentage holding	
	Reporting period %	Previous period %
New Frontier Holding 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 were subject to a review by the auditors and the review report is attached as part of the Interim Report.

## 11. Attachments

*Details of attachments (if any):*

The Interim Report of iQ3Corp Limited for the half-year ended 31 December 2020 is attached.

## 12. Signed

Authorised by the Board of Directors.

Signed  \_\_\_\_\_

Date: 23 February 2021

Dr George Syrmalis  
Chair  
Sydney

**iQ3Corp Limited**

**ABN 63 160 238 282**

**Interim Report - 31 December 2020**

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Directors	Dr George Syrmalis, Chair Monika Pawel Lei Xu
Chief Executive Officer	Dr George Syrmalis
Company secretary	Aysha Hollingdale
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	<a href="http://www.iQ3Corp.com">www.iQ3Corp.com</a>

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 half-year ended 31 December 2020.

### Directors

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

Dr George Syrmalis  
Monika Pawel  
Lei Xu

### Principal activities

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

### Review of operations

The loss for the Group after providing for income tax amounted to \$2,181,068 (31 December 2019: \$949,764).

During this first half, iQ3 has significantly invested into the development of strategic new projects, and collaborations with US business partners. This follows the successful completion of key projects which included the completion of an IPO for a client.

The Group was able to further cushion the impact of COVID-19 through government supplementary funds. This supplementary funding will be used to minimise the impact of COVID-19 on the business in FY21.

Management has also secured an additional facility and the expansion of an existing facility. This provides the Group access to a total of \$9 million, through working capital facilities, to solidify its position and allow for further business development.

The iQ3 Corp Group is expected to deliver a stronger second half from these strong investments into its key projects in the first half of FY21.

### Significant changes in the state of affairs

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

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Dr George Syrmalis  
Chair

23 February 2021  
Sydney

**LEAD AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the half year financial report of IQ3Corp Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of IQ3Corp Limited and the entities it controlled during the financial period.

**Vincent's Audit Pty Ltd**



**Phillip Miller CA**  
**Director**

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

Dated: 23 February 2021

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

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**iQ3Corp Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Revenue	4	2,247,845	4,282,321
Cost of sales		<u>(1,629,982)</u>	<u>(2,093,106)</u>
Gross profit		<u>617,863</u>	<u>2,189,215</u>
Share of losses of associates accounted for using the equity method		(137,194)	(64,536)
Other income	5	253,400	-
Interest revenue calculated using the effective interest method		82	69
<b>Expenses</b>			
Employee benefits expense		(1,021,563)	(948,683)
Office sharing cost		(908,316)	(1,018,406)
Depreciation expense		(9,653)	(13,335)
Consultancy fees		(356,620)	(584,602)
Other expenses		(439,665)	(458,326)
Finance costs		<u>(179,402)</u>	<u>(51,160)</u>
<b>Loss before income tax expense</b>		(2,181,068)	(949,764)
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of iQ3Corp Limited</b>		(2,181,068)	(949,764)
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		43,349	(63,749)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(106,568)</u>	<u>383,381</u>
Other comprehensive (loss)/income for the half-year, net of tax		<u>(63,219)</u>	<u>319,632</u>
<b>Total comprehensive loss for the half-year attributable to the owners of iQ3Corp Limited</b>		<u><u>(2,244,287)</u></u>	<u><u>(630,132)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	6	(2.10)	(0.91)
Diluted earnings per share	6	(2.10)	(0.91)

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

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	652,160	227,377
Receivables	8	3,864,930	2,373,428
Prepayments		31,188	5,327
Deposits		24,397	65
Total current assets		<u>4,572,675</u>	<u>2,606,197</u>
<b>Non-current assets</b>			
Investments in associates accounted for using the equity method	9	437,963	581,206
Financial assets at fair value through other comprehensive income	10	113,476	70,126
Property, plant and equipment		64,287	69,502
Intangibles		274,437	307,986
Total non-current assets		<u>890,163</u>	<u>1,028,820</u>
<b>Total assets</b>		<u>5,462,838</u>	<u>3,635,017</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	5,097,914	2,976,618
Employee benefits		473,217	589,443
Total current liabilities		<u>5,571,131</u>	<u>3,566,061</u>
<b>Non-current liabilities</b>			
Borrowings	12	3,008,172	969,559
Employee benefits		87,789	87,681
Total non-current liabilities		<u>3,095,961</u>	<u>1,057,240</u>
<b>Total liabilities</b>		<u>8,667,092</u>	<u>4,623,301</u>
<b>Net liabilities</b>		<u>(3,204,254)</u>	<u>(988,284)</u>
<b>Equity</b>			
Contributed equity	13	7,184,247	7,184,247
Reserves	14	33,528	68,430
Accumulated losses		<u>(10,422,029)</u>	<u>(8,240,961)</u>
<b>Total equity</b>		<u>(3,204,254)</u>	<u>(988,284)</u>

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

**iQ3Corp Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**



<b>Consolidated</b>	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	7,184,247	(264,310)	(6,028,365)	891,572
Loss after income tax expense for the half-year	-	-	(949,764)	(949,764)
Other comprehensive income for the half-year, net of tax	-	319,632	-	319,632
Total comprehensive (loss)/income for the half-year	-	319,632	(949,764)	(630,132)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	11,466	-	11,466
Balance at 31 December 2019	<u>7,184,247</u>	<u>66,788</u>	<u>(6,978,129)</u>	<u>272,906</u>
<b>Consolidated</b>	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	7,184,247	68,430	(8,240,961)	(988,284)
Loss after income tax expense for the half-year	-	-	(2,181,068)	(2,181,068)
Other comprehensive loss for the half-year, net of tax	-	(63,219)	-	(63,219)
Total comprehensive loss for the half-year	-	(63,219)	(2,181,068)	(2,244,287)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	28,317	-	28,317
Balance at 31 December 2020	<u>7,184,247</u>	<u>33,528</u>	<u>(10,422,029)</u>	<u>(3,204,254)</u>

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

**iQ3Corp Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**



**Consolidated**  
**31 Dec 2020    31 Dec 2019**  
**\$                    \$**

**Cash flows from operating activities**

Receipts from customers	2,505,120	4,365,195
Payments to suppliers and employees	(4,972,534)	(4,980,563)
Government grants received	229,800	-
Proceeds as client monies from capital raisings	2,218,696	-
Payments to client from capital raisings	(2,104,640)	-
Interest received	82	69
Interest paid	(26,487)	(48,434)
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	(2,149,963)	(663,733)

**Cash flows from investing activities**

Payments for property, plant and equipment	-	(16,050)
Investment in associates	(36,370)	(46,800)
	<u>                    </u>	<u>                    </u>
Net cash used in investing activities	(36,370)	(62,850)

**Cash flows from financing activities**

Proceeds from borrowings	2,702,000	927,000
Repayment of borrowings	(102,509)	-
	<u>                    </u>	<u>                    </u>
Net cash from financing activities	2,599,491	927,000

Net increase in cash and cash equivalents	413,158	200,417
Cash and cash equivalents at the beginning of the financial half-year	227,377	252,995
Effects of exchange rate changes on cash and cash equivalents	11,625	76
	<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial half-year	<u>652,160</u>	<u>453,488</u>

*The above 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 half-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 23 February 2021.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

### **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 \$2,181,068 (31 December 2019: net loss of \$949,764) for the half-year ended 31 December 2020. At 31 December 2020, iQ3Corp had net current liabilities of \$998,456 (30 June 2020: net current liabilities of \$959,864), net liabilities of \$3,204,254 (30 June 2020: net liabilities of \$988,284) and net operating cash outflows of \$2,149,963 (30 June 2020: outflows of \$861,536). 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 will have adequate financial resources to continue as a going concern based on the following:

- expected capital raising fees in relation to projects from its related parties to provide funds to allow iQ3Corp to operate as a going concern;
- availability of additional funding by the way of a \$6m working capital facility (facility unused as at 31 December 2020 \$4m) with a related party, iQX Limited (NSX: IQX); and
- availability of additional funding by the way of a \$3m working capital facility (Refer to note 18 – subsequent events) with a related party, the iQ Group Global Limited (NSX: IQG);

## Note 2. Significant accounting policies (continued)

In the event should the Group not be able to obtain the necessary capital from the above mentioned sources of funds, 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.

## Note 3. Operating segments

### Identification of reportable operating segments

The Group is organised into two operating segments: 1) consulting services; and 2) shared services, provided to related parties. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors and Chief Executive Officer (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

### Major customers

The majority of the Group's revenue is derived from related parties.

### Operating segment information

The following segment information is provided to the CODM.

Segment	Description	Consolidated	
		31 Dec 2020 \$	31 Dec 2019 \$
Consulting services	Capital raising and corporate advisory fees	2,235,587	4,170,253
Shared services	Office and shared services revenue	12,258	112,068
		<u>2,247,845</u>	<u>4,282,321</u>

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

### Geographical information

The majority of the Group's revenue is derived from Australia.

## Note 4. Revenue

	Consolidated	
	31 Dec 2020 \$	31 Dec 2019 \$
Capital raising and corporate advisory fees	2,235,587	4,170,253
Office and shared services revenue	12,258	112,068
Total revenue	<u>2,247,845</u>	<u>4,282,321</u>

### Timing of revenue recognition

All revenue is recognised over a period of time.

## Note 5. Other income

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Government grants	253,400	-

### Government grants

During the half-year, the Company received \$203,400 from JobKeeper support payments from the Australian Government 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. In addition the Company received a \$50,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic.

## Note 6. Earnings per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Loss after income tax attributable to the owners of iQ3Corp Limited	(2,181,068)	(949,764)
	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	(2.10)	(0.91)
Diluted earnings per share	(2.10)	(0.91)

As at 31 December 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 7. Cash and cash equivalents

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Current assets		
Cash at bank	575,916	227,377
Restricted cash	76,244	-
	652,160	227,377

Restricted cash is held by the Company on behalf of its clients. These deposits are subject to regulatory restrictions and are therefore not available for general use by the other entities within the Group.

## Note 8. Receivables

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Other receivables	23,921	56,411
Related party receivables	4,000,868	2,476,876
Less: Allowance for expected credit loss	(159,859)	(159,859)
	<u>3,864,930</u>	<u>2,373,428</u>

### Allowance for expected credit losses

The Group has recognised a loss of \$nil (31 December 2019: \$nil) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2020.

## Note 9. Investments in associates accounted for using the equity method

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Non-current assets</i>		
Investment in associate	<u>437,963</u>	<u>581,206</u>

### 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:

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

\* Subsidiaries of New Frontier Holdings LLC

\*\* Subsidiaries of OncoTEX Holdings Inc

## Note 10. Financial assets at fair value through other comprehensive income

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Non-current assets</i>		
Shares in listed company	<u>113,476</u>	<u>70,126</u>

Refer to note 16 for further information on fair value measurement.



## Note 11. Trade and other payables

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	147,414	626,349
Related party payables	1,895,754	-
Sundry payables and accrued expenses	3,054,746	2,350,269
	<u>5,097,914</u>	<u>2,976,618</u>

At 31 December 2020, sundry payables and accrued expenses include \$2,828,683 payable to the Australian Tax Office (30 June 2020: \$2,168,783)

## Note 12. Borrowings

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Non-current liabilities</i>		
Bond with related party (i)	1,013,959	969,559
Loan from related party (ii)	1,994,213	-
	<u>3,008,172</u>	<u>969,559</u>

### (i) 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%.

### (ii) Loan from related party

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%. This facility was extended to \$6,000,000 effective 31 December 2020.

As at 31 December 2020, \$1,994,213 has been drawn down from the facility.

## Note 13. Contributed equity

	Consolidated			
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>103,925,001</u>	<u>103,925,001</u>	<u>7,184,247</u>	<u>7,184,247</u>

### Ordinary shares

Ordinary shares entitle the holder to participate in 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 14. Reserves

	Consolidated 31 Dec 2020 \$	30 Jun 2020 \$
Financial assets at fair value through other comprehensive income reserve	(269,027)	(312,376)
Foreign currency reserve	(26,895)	79,673
Share-based payments reserve	329,450	301,133
	<u>33,528</u>	<u>68,430</u>

#### Movements in reserves

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

Consolidated	Financial assets at fair value through other comprehens- ive income \$	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2020	(312,376)	79,673	301,133	68,430
Foreign currency translation	-	(106,568)	-	(106,568)
Change in fair value of financial assets	43,349	-	-	43,349
Share-based payment	-	-	28,317	28,317
	<u>(269,027)</u>	<u>(26,895)</u>	<u>329,450</u>	<u>33,528</u>

#### Note 15. Dividends

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

#### Note 16. 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 - 31 Dec 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Shares in listed company	113,476	-	-	113,476
Total assets	<u>113,476</u>	<u>-</u>	<u>-</u>	<u>113,476</u>

Consolidated - 30 Jun 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Shares in listed company	70,126	-	-	70,126
Total assets	<u>70,126</u>	<u>-</u>	<u>-</u>	<u>70,126</u>

## Note 16. Fair value measurement (continued)

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

## Note 17. Related party transactions

### Parent entity

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

The Group transacted with the following related companies.

Related party	Relationship
The iQ Group Global Limited and its controlled entities	Common directorship and key management personnel
iQX Limited and its controlled entities	Common directorship and key management personnel
Ethical Bioscience Investments Fund Pty Ltd	Common directorship and key management personnel
Biosensx (North America) Pty Ltd	Common directorship and key management personnel
New Frontier Holding LLC	Associate
OncoTEX Pty Ltd	Associate
OncoTEX Inc	Associate

### Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Revenue:		
Capital raising and corporate advisory fees received from related parties	2,076,189	4,170,253
Office sharing fees received from related parties	12,258	112,068
Expenses:		
Office sharing costs paid to related parties	908,316	1,018,406

### Receivable from and payable to related parties

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

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Current receivables:		
Trade receivables from related parties	4,000,868	2,476,876
Current payables:		
Trade payables to related parties	1,895,754	-

## Note 17. Related party transactions (continued)

### Loans to/from related parties

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

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Non-current borrowings:		
Bond with related party	1,013,959	969,559
Loan from related party	1,994,213	-

For details regarding the non-current borrowing from related party, refer to note 12.

### Terms and conditions

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

## Note 18. Events after the reporting period

At the Annual General Meeting held on the 29 January 2021, the shareholders approved the issue of ordinary shares under the Group's Employee Share Scheme to the following Directors :

- 306,000 ordinary shares to Dr George Symmalis; and
- 110,000 ordinary shares to Ms Lei Xu.

Subsequent to 31 December 2020, management entered into a strategic partnership with a related party (The iQ Group Global Ltd) by securing additional facility of \$3 million to allow for further development in its strategic projects. The additional funding relates to a working capital facility with an interest rate of 9% per annum, maturing on 30 June 2023.

No other matter or circumstance has arisen since 31 December 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, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Dr George Syrmalis  
Chair

23 February 2021  
Sydney

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

### **Report on the half-year Financial Report**

#### **Conclusion**

We have reviewed the accompanying half-year consolidated financial report of IQ3Corp Limited (the company and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration for IQ3Corp Limited.

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

- a. giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Emphasis of Matter-material uncertainty related to Going concern**

We draw attention to Note 2 of the financial report which describes the principal conditions that raise doubt the Group's ability to continue as a going concern. These conditions or events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### **Directors' Responsibility for the half-year Financial Report**

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

#### **Auditor's Responsibilities**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's consolidated

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financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we could become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

#### Vincent's Audit Pty Ltd

**Phillip Miller CA**  
**Director**

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

Dated: 23 February 2020