Translating science into capital and beyond

27 August 2021

ASX Market Announcements Office
Australian Securities Exchange Limited

Appendix 4E and Annual Report

Attached for release is the iQ3Corp Ltd Appendix 4E and 2021 Annual Report for the year ended 30 June 2021.

Authorised by: Ron Hollands, Company Secretary

iQ3 CORP LTD ABN 63 160 238 282
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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 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	(58%)	to	2,897,311
Loss from ordinary activities after tax attributable to the owners of iQ3Corp Limited	up	156%	to	(5,666,356)
Loss for the year attributable to the owners of iQ3Corp Limited	up	156%	to	(5,666,356)

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 $5,666,356 (30 June 2020: $2,212,596).

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	(6.69)	(1.25)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding Reporting period %	Reporting entity's percentage holding 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%

* Subsidiaries of New Frontier Holdings LLC

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 2021 is attached.

12. Signed

Approved by the Board of Directors.

Signed ______________________________

Date: 27 August 2021

Dr George Symralis
Chair
Sydney

iQ3Corp Limited

ABN 63 160 238 282

Annual Report for the year ended - 30 June 2021

Directors	Dr George Symralis, Chair Lei Xu Peter Mercouris
Chief Executive Officer	Dr George Syrmalis
Company secretary	Ron Hollands
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 Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Company’s 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 and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Company’s website - www.IQ3corp.com/corporate-governance.

In a challenging year with the ongoing effects of the COVID-19 pandemic, revenue in FY21 was $2,897,311 compared to $6,899,968 in the prior corresponding period. The net loss after tax of the Group for the year ended 30 June 2021, was $5,666,356 (FY20: $2,212,596). The increase in losses were largely driven by challenging market conditions presented by the COVID-19 pandemic.

In response, iQ3Corp has executed cost saving initiatives during the year. The savings realised was represented by a $119,607 reduction in operating expenses compared to the prior corresponding period. The Group intends to continue the cost saving initiatives into FY22. This will involve scaled operations with a focus on critical expenditure for investing in the infrastructure to continue executing the Group's strategy.

Additional revenue is contemplated to be made available through strategic partnerships that iQ3Corp entered during the year. The opportunities include advice provided for merger and acquisition activity as well as advice for sublicensing and out licensing of life science assets and identification of out licensing business partners. iQ3Corp is forecasting to capitalise on these opportunities and rebound in FY22.

Finally, I would like to thank my fellow Directors of the iQ3Corp Board and the executive management team for the continuing commitment and professionalism they have displayed during an extremely challenging year. Without this dedicated team of individuals, we could not deliver our core business mandate.

Dr 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 2021.

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
Lei Xu
Peter Mercouris (appointed on 14 April 2021)
Monika Pawel (resigned on 14 April 2021)

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
iQ3Corp is a 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. iQ3Corp is a corporate authorised representative of AFSL 451144.

During the year, iQ3Corp continued to provide advisory and consulting services on several disruptive life science projects. The Company has worked with ventures 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.

The loss for the Group after providing for income tax amounted to $5,666,356 (30 June 2020: $2,212,596). The increase in losses were largely driven by challenging market conditions presented by the COVID-19 pandemic resulting in delays on new and existing projects.

During the year, the Group initiated various cost saving initiatives in response to the challenging market conditions. This has resulted in a $119,607 reduction in operating expenses compared to the prior corresponding period. The Group intends continue the cost saving initiatives into FY22.

Furthermore, additional funding has been made available through strategic partnerships the Group entered ,that will strengthen the Group’s position in these challenging times. Access to $9 million in working capital facilities with related parties, iQX Limited and The iQ Group Global Ltd, will allow the Group to continue to develop its existing portfolio of clients and deliver on the new projects it is undertaking in the USA and Australia, as planned. This will set a path for the Group to rebound in FY22.

Summary of financial results:

	2021 $	2020 $	Change $	Change %
Revenue	2,897,311	6,899,968	(4,002,657)	(58%)
Gross profit	(1,237,841)	2,255,579	(3,493,420)	(155%)
Loss after tax	(5,666,356)	(2,212,596)	(3,453,760)	156%

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 2021 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 Symralis
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 (1995-2005), the Bionuclear Group SA, 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., 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:	20,801,112 ordinary shares
Interests in rights:	612,000 performance rights over ordinary shares

Name:	Lei Xu
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:	130,000 ordinary shares
Interests in rights:	200,000 performance rights over ordinary shares

Name:	Peter Mercouris (appointed on 14 April 2021)
Title:	Non-Executive Director
Qualifications:	Associate Diploma in Policing (Charles Sturt University), Member of the Australian Institute of Company Directors
Experience and expertise:	Peter brings to iQ3Corp Limited his experience and qualifications in investigations and security which originated from a successful career with NSW Police Service. Peter has been personally acknowledged for business excellence, whilst his company has received continued recognition for Excellence in Business Services since 2010.
Other current directorships:	Non-Executive Director of The iQ Group Global Ltd.
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:	Monika Pawel (resigned on 13 April 2021)
Title:	Former 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. 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:	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 Member of 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
Ron Hollands (Appointed on 3 May 2021) - Ron is a Chartered Accountant, a Registered Tax Agent and Self-Managed Superannuation Fund Auditor and holds a Certificate of Public Practice. He holds a Bachelor of Business from University of Technology, Sydney, an MBA from MGSM and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Ron has over 30 years' experience in a range of industries including professional practice, financial services and real estate. Ron is currently also the Company Secretary of Farmaforce Limited (ASX: FFC), iQX Limited (NSX: IQX), The iQ Group Global Ltd (NSX: IQG), Ashley Services Group Limited (ASX: ASH) and Pure Hydrogen Corporation Limited (ASX: PH2).

Aysha Hollingdale - Appointed on 13 January 2021, resigned on 3 May 2021

Gerardo Incollingo - Resigned on 13 January 2021

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 2021, 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*	7	9	1	1	1	1
Lei Xu*	9	9	1	1	1	1
Peter Mercouris*	2	2	-	-	-	-
Monika Pawel**	7	7	1	1	1	1

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

* Member of Audit and Risk Committee and Remuneration and Nomination Committee
** Former Member of the Audit and Risk Committee and Member of 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 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:		
Peter Mercouris	Non-Executive Director	From 14 April 2021 to 30 June 2021
Monika Pawel	Non-Executive Director	From 1 July 2020 to 14 April 2021
Executive Directors:		
Dr George Syrmalis	Executive Director, Chair and Group CEO	
Lei Xu	Executive Director	

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
Lei Xu	Member
Peter Mercouris	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 29 January 2021, 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 FY21 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 FY21?	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 2021, 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 2020 Annual General Meeting ('AGM')
At the 2020 AGM, 98.62% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. 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.

	Short-term benefits				Post-employme-nt benefits	Long-term benefits	Share-based payments	
2021	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Other $**	**Super-annuation $**	**Long service leave $**	**Equity - settled $**	**Total $**
Non-Executive Directors:								
Peter Mercouris (a)	7,508	-	-	-	713	-	-	8,221
Monika Pawel (b)	28,716	-	-	-	2,728	-	-	31,444
Executive Directors:								
Dr George Syrmalis (c)	665,703	-	-	24,284	4,848	1,081	22,950	718,866
Lei Xu (c)	324,863	-	-	27,491	21,694	11,707	7,500	393,255
	1,026,790	-	-	51,775	29,983	12,788	30,450	1,151,786

(a) includes remuneration from date of appointment 14 April 2021 to 30 June 2021
(b) includes remuneration from 1 July 2020 up to date of resignation 14 April 2021
(c) includes remuneration for the entire financial year

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
2020	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
Executive Directors:								
Dr George Syrmalis (c)	499,234	-	-	71,573	47,427	48,776	18,360	685,370
Lei Xu (d)	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 to 30 June 2020
(b) includes remuneration from 1 July 2019 up to date of resignation 20 March 2020
(c) includes remuneration for the entire financial year
(d) includes remuneration from date of appointment 20 March 2020 to 30 June 2020

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Peter Mercouris	100%	-	-	-	-	-
Monika Pawel	100%	100%	-	-	-	-
Kosmas Dimitriou	-	100%	-	-	-	-
Peter Coolentianos	-	100%	-	-	-	-
Executive Directors:						
Dr George Syrmalis	97%	97%	-	-	3%	3%
Lei Xu	98%	95%	-	-	2%	5%

The Group did not pay bonus during the year ended 30 June 2021. No bonus was payable at the year end.

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 2021 are outlined in the table below.

Executive name:	**Dr George Symralis**	**Lei Xu**
Position:	Chief Executive Officer	Executive Director
Effective date:	20 March 2020	1 January 2021
Fixed annual remuneration: *	$625,560	$350,400
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. Lei Xu's fixed annual remuneration changes are as follows: fixed annual remuneration up to 31 July 2020 was $240,900, fixed annual remuneration from 1 August 2020 up to 31 December 2020 was $289,080. This was further revised to $350,400 effective 1 January 2021.

** 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 relating to the year ended 30 June 2021.

On 19 February 2021, 306,000 ordinary shares were issued to Dr George Syrmalis on the vesting of performance rights after satisfaction of the service conditions.

On 19 February 2021, 110,000 ordinary shares were issued to Lei Xu on the vesting of performance rights after satisfaction of the service conditions.

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 2021.

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	18/05/2018	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
George Syrmalis	18/05/2021	18/05/2024	153,000
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
Lei Xu	15/05/2021	15/05/2024	50,000

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

The value of the performance rights granted during the year ended 30 June 2021 as part of the remuneration is $30,450 (2020: $24,360).

Additional information
The earnings of the Group for the five years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue	2,897,311	6,899,968	6,160,849	6,462,082	5,875,288
Loss after income tax	(5,666,356)	(2,212,596)	(1,098,530)	(1,062)	(49,595)

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

	2021	2020	2019	2018	2017
Share price at financial year end ($)	0.15	0.13	0.29	0.25	0.25
Basic earnings per share (cents per share)	(5.44)	(2.13)	(1.06)	-	(0.05)
Diluted earnings per share (cents per share)	(5.44)	(2.13)	(1.06)	-	(0.05)

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 Symralis	20,495,112	306,000	-	-	20,801,112
Lei Xu	20,000	110,000	-	-	130,000
	20,515,112	416,000	-	-	20,931,112

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 and exercised	Balance at the end of the year
Performance rights over ordinary shares				
Dr George Symralis	765,000	153,000	(306,000)	612,000
Lei Xu	260,000	50,000	(110,000)	200,000
	1,025,000	203,000	(416,000)	812,000

	Vested and exercisable	Unvested and un-exercisable	Balance at the end of the year
Performance rights over ordinary shares			
Dr George Symralis	153,000	459,000	612,000
Lei Xu	50,000	150,000	200,000
	203,000	609,000	812,000

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 2021 and up to the date of this report.

Shares under performance rights
As of the date of this report, 1,612,000 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 relating to the year ended 30 June 2021 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

27 August 2021

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 2021, 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: 27 August 2021

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 2021

	Note	Consolidated 2021 $	2020 $
Revenue			
Revenue	5	2,897,311	6,899,968
Cost of sales		(4,135,152)	(4,644,389)
Gross (loss)/profit		(1,237,841)	2,255,579
Share of profits/(losses) of associates accounted for using the equity method		(241,299)	47,360
Other income	6	399,691	191,000
Interest revenue calculated using the effective interest method	5	82	61
Expenses			
Employee benefits expense	7	(1,703,290)	(1,759,352)
Office sharing cost		(1,313,086)	(1,614,105)
Depreciation expense	7	(19,183)	(25,568)
Consultancy fees		(227,651)	(251,774)
Other expenses	7	(817,704)	(897,944)
Finance costs	7	(506,075)	(157,853)
Loss before income tax expense		(5,666,356)	(2,212,596)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of iQ3Corp Limited		(5,666,356)	(2,212,596)
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		21,675	(121,124)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(96,324)	395,736
Other comprehensive (loss)/income for the year, net of tax		(74,649)	274,612
Total comprehensive loss for the year attributable to the owners of iQ3Corp Limited		(5,741,005)	(1,937,984)
		Cents	Cents
Basic earnings per share	9	(5.44)	(2.13)
Diluted earnings per share	9	(5.44)	(2.13)

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 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	10	239,356	227,377
Receivables	11	3,478,136	2,373,428
Prepayments		9,471	5,327
Deposits		739	65
Total current assets		3,727,702	2,606,197
Non-current assets			
Investments in associates accounted for using the equity method	12	372,066	581,206
Financial assets at fair value through other comprehensive income	13	91,801	70,126
Property, plant and equipment	14	54,951	69,502
Intangibles	15	281,153	307,986
Total non-current assets		799,971	1,028,820
Total assets		4,527,673	3,635,017
Liabilities			
Current liabilities			
Trade and other payables	16	3,534,830	2,976,618
Borrowings	18	4,463,302	-
Employee benefits	17	554,297	589,443
Total current liabilities		8,552,429	3,566,061
Non-current liabilities			
Borrowings	18	2,571,724	969,559
Employee benefits	17	103,066	87,681
Total non-current liabilities		2,674,790	1,057,240
Total liabilities		11,227,219	4,623,301
Net liabilities		(6,699,546)	(988,284)
Equity			
Contributed equity	19	7,310,062	7,184,247
Reserves	20	(102,291)	68,430
Accumulated losses		(13,907,317)	(8,240,961)
Total equity		(6,699,546)	(988,284)

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 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 (loss)/income for the year	-	274,612	(2,212,596)	(1,937,984)
Transactions with owners in their capacity as owners:				
Share-based payments (note 32)	-	58,128	-	58,128
Balance at 30 June 2020	7,184,247	68,430	(8,240,961)	(988,284)

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	7,184,247	68,430	(8,240,961)	(988,284)
Loss after income tax expense for the year	-	-	(5,666,356)	(5,666,356)
Other comprehensive loss for the year, net of tax	-	(74,649)	-	(74,649)
Total comprehensive loss for the year	-	(74,649)	(5,666,356)	(5,741,005)
Transactions with owners in their capacity as owners:				
Issue of shares (note 19)	125,815	(125,815)	-	-
Share-based payments (note 32)	-	29,743	-	29,743
Balance at 30 June 2021	7,310,062	(102,291)	(13,907,317)	(6,699,546)

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

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from customers		3,184,760	7,210,733
Payments to suppliers and employees		(6,853,968)	(8,154,020)
Government grants received		311,200	191,000
Proceeds as client monies from capital raisings		2,218,696	-
Payments to client from capital raisings		(2,218,696)	-
Interest received		-	61
Interest paid		(26,487)	(109,310)
Net cash used in operating activities	31	(3,384,495)	(861,536)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(5,262)	(18,473)
Investment in associates		(62,530)	(74,942)
Net cash used in investing activities		(67,792)	(93,415)
Cash flows from financing activities			
Proceeds from borrowings		4,321,573	927,000
Repayment of borrowings		(866,809)	-
Net cash from financing activities		3,454,764	927,000
Net increase/(decrease) in cash and cash equivalents		2,477	(27,951)
Cash and cash equivalents at the beginning of the financial year		227,377	252,995
Effects of exchange rate changes on cash and cash equivalents		9,502	2,333
Cash and cash equivalents at the end of the financial year	10	239,356	227,377

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 27 August 2021. 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:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

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.

Note 2. Significant accounting policies (continued)

As disclosed in the financial statements, iQ3Corp made a net loss of $5,666,356 (2020: net loss of $2,212,596) for the year ended 30 June 2021. As at that date iQ3Corp had net current liabilities of $4,824,727 (2020: net current liabilities of $959,864), net liabilities of $6,699,546 (2020: $988,284) and net operating cash outflows of $3,384,495 (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 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 to provide funds to allow iQ3Corp to operate as a going concern;
- availability of additional funding by the way of a $6 million working capital facility with a related party, iQX Limited (NSX: IQX);
- availability of additional funding by the way of a $3 million working capital facility with a related party, the iQ Group Global Limited (NSX: IQG);
- current liabilities as at 30 June 2021 includes an amount of $3,356,837 payable to the Australian Tax Office ('ATO'). The funding of this amount will be addressed by finalising the payment arrangements with the ATO and support from related entities.

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.

Reclassification of comparatives
During the current period certain consultancy fees have been reclassified to cost of sales.

As a result, the comparative information (for the year ended 30 June 2020) has been reclassified as follows:

	Reported 30 June 2020 $	Adjustment $	Reclassified 30 June 2020 $
Consultancy fees	941,714	(689,940)	251,774
Cost of sales	3,954,449	689,940	4,644,389
	4,896,163	-	4,896,163

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

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 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of iQ3Corp Limited as at 30 June 2021 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.

Note 2. Significant accounting policies (continued)

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

Foreign currency transactions
Foreign currency transactions are translated into the Group'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.

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.

Note 2. Significant accounting policies (continued)

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.

Leases
The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss on a straight-line basis.

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.

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 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

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

Note 4. Operating segments (continued)

Operating segment information

The following segment information is provided to the CODM.

		Consolidated	
Segment	**Description**	**2021 $**	**2020 $**
Consulting services	Capital raising and corporate advisory fees	2,825,766	6,760,211
Shared services	Office and shared services revenue	71,545	139,757
		2,897,311	6,899,968

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.

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	
	2021 $	**2020 $**
Capital raising and corporate advisory fees	2,825,766	6,760,211
Office and shared services revenue	71,545	139,757
Total revenue	2,897,311	6,899,968

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

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.

Note 5. Revenue (continued)

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	
	2021 $	2020 $
Government grants	313,200	191,000
Office sharing costs waiver	31,540	-
Other	54,951	-
Other income	399,691	191,000

Government grants
During the year the Group received payments from the Australian Government amounting to $50,000 (2020: $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 $263,200 (2020: $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.

Accounting policy for government grants
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Note 7. Expenses

	Consolidated 2021 $	Consolidated 2020 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	3,372	3,372
Plant and equipment	12,988	19,361
Fixtures and fittings	2,823	2,835
Total depreciation	19,183	25,568
Employee benefit expenses		
Wages and salaries	1,412,968	1,336,117
Superannuation	71,048	73,046
Annual leave	82,490	205,627
Share based payment expenses	29,743	58,128
Payroll tax	62,862	72,045
Other	44,179	14,389
Total employee benefit expenses	1,703,290	1,759,352
Other expenses		
Accounting fees	70,763	77,650
Advertising and marketing	20,072	47,453
Travel and accommodation	2,217	890
ASX and other compliance costs	35,264	40,777
Allowance for expected credit losses	228,117	-
Short-term lease	16,793	21,974
Legal and consultancy fees	50,640	45,962
Insurance	67,645	62,999
Software licensing and subscriptions	105,646	141,675
Other	220,547	458,564
Total other expenses	817,704	897,944
Finance costs		
Bank fees	6,250	13,721
Interest expense	499,825	144,132
Total finance costs	506,075	157,853

Note 8. Income tax

	Consolidated 2021 $	Consolidated 2020 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(5,666,356)	(2,212,596)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(1,473,253)	(608,464)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	167,601	113,247
Adjustments to deferred tax liability	3,814	(3,181)
Temporary differences not brought to account	1,228,585	478,140
Others	73,253	20,258
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 (2021: $8,093,337; 2020: $4,003,325).

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.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

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. Earnings per share

	Consolidated	
	2021	2020
	$	$
Loss after income tax attributable to the owners of iQ3Corp Limited	(5,666,356)	(2,212,596)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	104,075,445	103,925,001
Weighted average number of ordinary shares used in calculating diluted earnings per share	104,075,445	103,925,001
	Cents	Cents
Basic earnings per share	(5.44)	(2.13)
Diluted earnings per share	(5.44)	(2.13)

As at 30 June 2021 and 30 June 2020, 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.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of iQ3Corp Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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

Note 10. Cash and cash equivalents

	Consolidated	
	2021	2020
	$	$
Current assets		
Cash at bank	239,356	227,377

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 11. Receivables

	Consolidated 2021 $	Consolidated 2020 $
Current assets		
Other receivables	58,693	56,411
Related party receivables	3,807,419	2,476,876
Less: Allowance for expected credit losses	(387,976)	(159,859)
	3,478,136	2,373,428

Allowance for expected credit losses
The Group has recognised a loss of $228,117 (30 June 2020: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

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	2021 %	2020 %	2021 $	2020 $	2021 $	2020 $
Not overdue	10.04%	6.31%	3,866,112	2,533,287	387,976	159,859

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

	Consolidated 2021 $	Consolidated 2020 $
Opening balance	159,859	159,859
Additional provisions recognised	228,117	-
Closing balance	387,976	159,859

The Group has increased its monitoring of debt recovery as there is an increased probability of delayed payment due to COVID-19. As a result, the calculation of expected credit losses has been revised and rates have increased.

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Investment in associates	372,066	581,206

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

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 2021 %	Ownership interest 2020 %
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

Percentages disclosed above are net of non-controlling interest.

Nereid Enterprises Pty Ltd. provides corporate events and promotional services to the healthcare industry and related parties of iQ3Corp Limited.

OncoTEX Inc. specialises in the development of oncology drugs. OncoTEX currently does capital raisings to develop its oncology drug platform.

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

Summarised financial information - New Frontier Holdings LLC and its subsidiaries

	2021 $	2020 $
Summarised statement of financial position		
Current assets	58,754	51,175
Non-current assets	707,402	836,247
Total assets	766,156	887,422
Current liabilities	125,136	48,483
Non-current liabilities	10,478	-
Total liabilities	135,614	48,483
Net assets	630,542	838,939
Summarised statement of profit or loss and other comprehensive income		
Revenue	60,947	72,709
Expenses	(441,844)	(374,998)
Loss before income tax	(380,897)	(302,289)
Other comprehensive (loss)/income	164,437	(11,113)
Total comprehensive loss	(216,460)	(313,402)
Reconciliation of the Group's carrying amount		
Opening carrying amount	581,206	440,698
Additional investment	68,370	74,942
Share of (loss)/profit	(68,395)	47,360
Write-down of investment	(172,904)	-
Foreign currency translation	(36,211)	18,206
Closing carrying amount	372,066	581,206

Share in OncoTEX Inc.
As at 30 June 2021, the Group’s share of loss in its investment in associate OncoTEX Inc. was $172,904 (2020: $173,619). This represents the Group's ownership interest of 40.5% in OncoTEX 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 2021 $	Consolidated 2020 $
Non-current assets		
Shares in listed company	91,801	70,126

Refer to note 23 for further information on fair value measurement.

Note 14. Property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Leasehold improvements - at cost	33,720	33,720
Less: Accumulated depreciation	(12,000)	(8,628)
	21,720	25,092
Plant and equipment - at cost	127,959	125,358
Less: Accumulated depreciation	(107,995)	(97,038)
	19,964	28,320
Fixtures and fittings - at cost	28,664	28,664
Less: Accumulated depreciation	(15,397)	(12,574)
	13,267	16,090
	54,951	69,502

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 improve-ments $	Plant and equipment $	Fixtures and fittings $	Total $
Balance at 1 July 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
Additions	-	5,262	-	5,262
Exchange differences	-	(630)	-	(630)
Depreciation expense	(3,372)	(12,988)	(2,823)	(19,183)
Balance at 30 June 2021	21,720	19,964	13,267	54,951

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
Fixtures and fittings	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	
	2021 $	2020 $
Non-current assets		
Licences - at cost	281,153	307,986

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 2019	301,399
Exchange differences	6,587
Balance at 30 June 2020	307,986
Exchange differences	(26,833)
Balance at 30 June 2021	281,153

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. Management considers that the useful lives of licences are indefinite because there is no foreseeable limit to the cash flows these assets can generate.

Note 16. Trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Trade payables	108,728	626,349
Related party payables (refer to note 28)	13,103	-
Sundry payables and accrued expenses	3,412,999	2,350,269
	3,534,830	2,976,618

At 30 June 2021, sundry payables and accrued expenses included $3,356,837 (2020: $2,168,783) due to the Australian Tax Office.

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. Employee benefits

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Annual leave	481,672	415,872
Superannuation	72,625	173,571
	554,297	589,443
Non-current liabilities		
Long service leave	103,066	87,681
	657,363	677,124

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 18. Borrowings

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Bond with related party (i)	927,000	-
Loan from related parties (ii)	3,536,302	-
	4,463,302	-
Non-current liabilities		
Bond with related party (i)	-	969,559
Loan from related parties (ii)	2,571,724	-
	2,571,724	969,559
	7,035,026	969,559

Refer to note 22 for further information on financial instruments.

(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) Loans from related parties
On 30 April 2020, the Group also entered into a strategic partnership with IQX providing it access to a working capital facility of $6,000,000 (2020: $3,000,000), with annual interest rate of 9%, expiring on 30 June 2022. As at 30 June 2021, $3,175,913 (30 June 2020: $nil) has been drawn down from the facility. Remainder primarily relates to interest payable with respect to the loan facilities.

On 1 January 2021, the Group also entered into a strategic partnership with a related party (The iQ Group Global Ltd ('IGG')) IQG providing it access to a working capital facility of $3,000,000, with annual interest rate of 9%, expiring on 30 June 2023. As at 30 June 2021, $2,571,724 (30 June 2020: $nil) has been drawn down from the facility.

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. Contributed equity

	Consolidated 2021 Shares	Consolidated 2020 Shares	Consolidated 2021 $	Consolidated 2020 $
Ordinary shares - fully paid	104,341,001	103,925,001	7,310,062	7,184,247

Note 19. Contributed equity (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2019	103,925,001		7,184,247
Balance	30 June 2020	103,925,001		7,184,247
Issue of shares	19 February 2021	416,000	$0.30	125,815
Balance	30 June 2021	104,341,001		7,310,062

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.

Capital risk management
Management controls 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 2020 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 20. Reserves

	Consolidated	
	2021 $	2020 $
Financial assets at fair value through other comprehensive income reserve	(290,701)	(312,376)
Foreign currency reserve	(16,651)	79,673
Share-based payments reserve	205,061	301,133
	(102,291)	68,430

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.

Note 20. Reserves (continued)

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

Movements in reserves
Movements in each class of reserve during the current and previous financial 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 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
Foreign currency translation	-	(96,324)	-	(96,324)
Change in fair value of financial assets	21,675	-	-	21,675
Share-based payments	-	-	(96,072)	(96,072)
Balance at 30 June 2021	(290,701)	(16,651)	205,061	(102,291)

Note 21. 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 22. 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.

Note 22. Financial instruments (continued)

The Board has also established a 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 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 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	**2021 $**	**2020 $**	**2021 $**	**2020 $**
US dollars	53,885	74,902	47,908	172,179

The Group had net assets denominated in foreign currencies of $5,977 (assets of $53,885 less liabilities of $47,908) as at 30 June 2021 (2020: net liabilities of $97,277 (assets of $74,902 less liabilities of $172,179).

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.

At the reporting date, the Group had a fixed rate bond with a related party and fixed rate related party borrowings. 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. As disclosed in note 11, due to COVID-19, the calculation of expected credit losses has been revised and rates have increased.

Note 22. Financial instruments (continued)

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 11 for aging of trade and other receivables.

Cash and cash equivalents
The Group held cash and cash equivalents of $239,356 at 30 June 2021 (2020: $227,377). 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 - 2021	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	-	3,534,830	-	-	-	3,534,830
Interest-bearing - fixed						
Loans from related parties	9.00%	3,536,302	2,571,724	-	-	6,108,026
Bond with related party	9.00%	927,000	-	-	-	927,000
Total non-derivatives		7,998,132	2,571,724	-	-	10,569,856

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

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 23. 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 - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in listed company	91,801	-	-	91,801
Total assets	91,801	-	-	91,801

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

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 used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

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 24. 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	
	2021	2020
	$	$
Short-term employee benefits	1,078,565	747,840
Post-employment benefits	42,771	133,866
Share-based payments	30,450	24,360
	1,151,786	906,066

Note 25. 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	
	2021	2020
	$	$
Audit or review of the financial statements	21,420	19,974

Note 26. Contingencies

The Group has no contingent liabilities or assets as at 30 June 2021 and 30 June 2020.

Note 27. Commitments

The Group has no capital commitments as at 30 June 2021 and 30 June 2020.

Note 28. 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 Ltd. 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

Subsidiaries
Interests in subsidiaries are set out in note 30.

Associates
Interests in associates are set out in note 12.

Note 28. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

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

	Consolidated 2021 $	Consolidated 2020 $
Revenue:		
Capital raising and corporate advisory fees received from related parties	2,671,507	6,760,211
Office sharing fees received from related parties	71,545	139,757
Other income:		
Office sharing costs waiver from related parties	31,540	-
Expenses:		
Office sharing costs	1,313,086	1,614,105
Consultancy fees (includes consultancy fees allocated to cost of sales)	327,151	689,940
Finance costs	317,854	42,559

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

	Consolidated 2021 $	Consolidated 2020 $
Current receivables:		
Receivables from related parties (before allowances for expected credit losses)	3,807,419	2,476,876
Current payables:		
Payables to related parties	13,103	-

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

	Consolidated 2021 $	Consolidated 2020 $
Current liability:		
Bond with related party	927,000	-
Loans from related parties	3,536,302	-
Non-current liability:		
Bond with related party	-	969,559
Loans from related parties	2,571,724	-

For details regarding the bond with related party and loans from related parties, refer to note 18.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates except for loans from related parties (refer to note 18).

Note 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2021 $	Parent 2020 $
Loss after income tax	(4,861,022)	(1,402,634)
Total comprehensive loss	(4,861,022)	(1,402,634)

Statement of financial position

	Parent 2021 $	Parent 2020 $
Total current assets	8,257,403	4,000,091
Total assets	8,433,300	4,251,821
Total current liabilities	8,540,945	1,289,099
Total liabilities	11,291,088	2,347,432
Net (liabilities)/assets	(2,857,788)	1,904,389
Equity		
Contributed equity	7,310,062	7,184,247
Reserves	(87,195)	(60,225)
Accumulated losses	(10,080,655)	(5,219,633)
Total equity	(2,857,788)	1,904,389

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 2021 and 30 June 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

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 30. 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 2021 %	Ownership interest 2020 %
The 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 31. Cash flow information

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

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax expense for the year	(5,666,356)	(2,212,596)
Adjustments for:		
Depreciation	19,183	25,568
Share of losses/(profits) of associates accounted for using the equity method	241,299	(47,360)
Consulting fees related parties	-	288,088
Reclassification of the receivables to borrowings	1,881,729	-
Allowance for expected credit losses	228,117	-
Interest non-cash	499,825	42,559
Other non-cash items	(1,836)	(1,170)
Change in operating assets and liabilities:		
Increase in receivables	(1,104,708)	(234,958)
Decrease/(increase) in prepayments	(4,144)	44,447
Decrease/(increase) in other assets	(674)	378,034
Increase in trade and other payables	558,216	881,063
Increase/(decrease) in contract liabilities	-	(373,847)
Increase/(decrease) in employee benefits	(35,146)	348,636
Net cash used in operating activities	(3,384,495)	(861,536)

Note 32. Share-based payments

Performance rights
For the year ended 30 June 2021, the Group has recognised $29,743 share-based payment expense in the consolidated statement of profit or loss (30 June 2020: $58,128).

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.

Note 32. Share-based payments (continued)

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 33. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 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 2021 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

27 August 2021

INDEPENDENT AUDITOR'S REPORT
To the members of iQ3Corp Limited

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 2021, 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, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including;

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(c) 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 2 (Significant accounting policies: Going concern) in the financial report, the net current liability position, net asset deficiency and net operating cash outflows do prima facie indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

In addition to the matter in the *Material Uncertainty Related to Going Concern* we have determined the matters described below to be a key audit matters to be communicated in our report.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Going Concern Basis of Accounting Notwithstanding the net loss of $5,666,356, net current liabilities of $4,824,727, net liabilities of $6,699,546 and net operating cash outflows of $3,384,494, the Directors have assessed that the accounts should continue to be prepared on a going concern basis.	• We have performed procedures and obtained sufficient information to confirm that the financial report is properly prepared on a going concern basis. The company continues to receive the appropriate support of shareholders and related entities. The directors have a reasonable expectation that the Group has adequate financial resources to continue operations as a going concern.
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 affected 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. • 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

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 2021, 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 6 to 11 of the Directors' Report for the year ended 30 June 2021.

In our opinion the Remuneration Report of iQ3Corp Ltd for the year ended 30 June 2021, 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

Name of Auditor: **Phillip W Miller CA**

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

Dated: **27 August 2021**

The shareholder information set out below was applicable as at 30 July 2021.

Distribution of equitable securities

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

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	11	-
1,001 to 5,000	14	0.04
5,001 to 10,000	88	0.68
10,001 to 100,000	173	6.80
100,001 and over	79	92.48
	365	100.00
Holding less than a marketable parcel	18	0.02

The number of shareholders holding less than a marketable parcel of ordinary shares is based on iQ3Corp Limited's closing share price of $0.155 on 30 July 2021.

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	
	Number held	% of total shares issued
Bioworx Capital Pty Ltd	17,905,000	17.16
Derivative Investments Pty Ltd (Derivative Invest Disc A/C)	14,061,112	13.48
Biodynamic Investments Pty Ltd	8,888,888	8.52
Zeolite Holdings Pty Ltd (Zeolite Discretionary A/C)	8,800,000	8.43
Life Science Investments Pty Ltd (Life Science Superfund A/C)	6,400,000	6.13
Babi Holdings Pty Ltd (CLT Super Fund)	4,000,000	3.83
Champ Power Holdings Ltd	3,500,000	3.35
BG Ventures Ltd	3,250,000	3.11
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	0.58
	82,517,537	79.09

Unquoted equity securities

	Number on issue	Number of holders
Performance rights over ordinary shares issued	1,612,000	11

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	13.48
Life Science Investments Pty Ltd (Life Science Superfund A/C)	6,400,000	6.13
Zero Hedge Investments	306,000	0.30
George Syrmalis	34,000	-
	20,801,112	19.91
(ii) Bioworx Capital Pty Ltd	17,905,000	17.16
(iii) Zeolite Holdings Pty Ltd (Zeolite Discretionary A/C)	8,800,000	8.43
Babi Holdings Pty Ltd (CLT Super Fund)	4,000,000	3.84
	12,800,000	12.27
(iv) Biodynamic Investments Pty Ltd	8,888,888	8.52

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 30 July 2021.