The iQ Group Global Ltd.

ACN 149 731 644

Annual Report for the year ended - 30 June 2020

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CORPORATE DIRECTORY

ACN 149 731 644

Directors

Dr George Syrmalis, *Chair and Group Chief Executive Officer*

Con Tsigounis

Peter Buchanan Simpson

Company secretary

Gerardo Incollingo

Chief Executive Officer

Dr George Syrmalis

Registered office

Level 9, 85 Castlereagh Street
Sydney NSW 2000

Principal place of business

Level 9, 85 Castlereagh Street
Sydney NSW 2000

Share register

Boardroom Pty Ltd.
Level 12, 225 George Street
Sydney NSW 2000

Auditor

BDO Audit Pty Ltd.
Level 11, 1 Margaret Street
Sydney NSW 2000

Stock exchange listings

The iQ Group Global Ltd. shares are listed on the National Stock Exchange of Australia (NSX:IQG).

Website address

www.theiqgroupglobal.com

Corporate Governance Statement

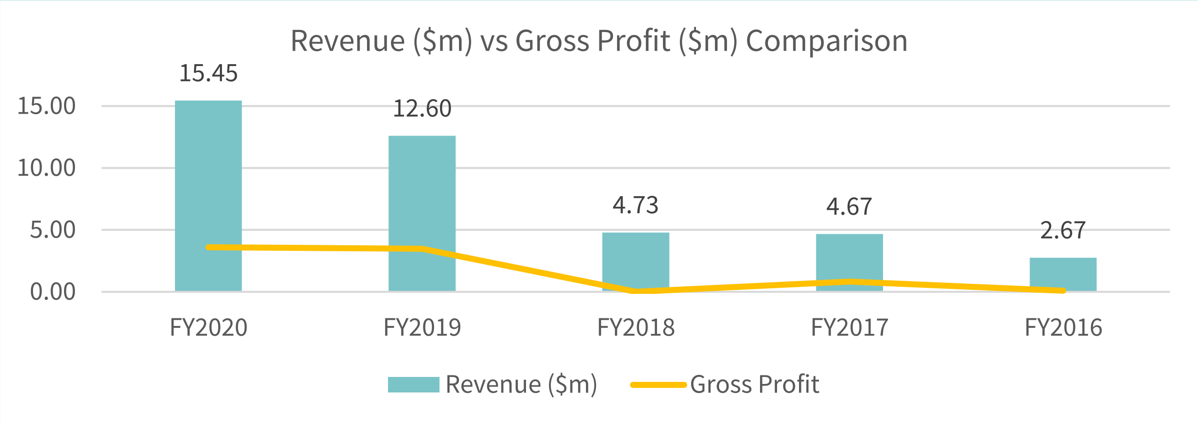
The Directors and management are committed to conducting the business of The iQ Group Global Ltd in an ethical manner and in accordance with the highest standards of corporate governance. The iQ Group Global Ltd's corporate governance policies and procedures comply with Practice Note 14 issued by the National Stock Exchange of Australia (**NSX**). The Board of Directors has included in its corporate governance policies those matters contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**ASXCGC Recommendations**), where applicable. However, the Board of Directors also recognises that full adoption of the ASXCGC Recommendations may not be practical or provide the optimal result given the circumstances of The iQ Group Global Ltd.

The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year, has been approved at the same time as the Annual Report and can be found at https://iqgltd.com/investorcentre/

CHAIR AND GROUP CEO'S REPORT

On behalf of the Board of Directors, I am pleased to report that The iQ Group Global Ltd. (formerly iQNovate Ltd.) has experienced significant growth in all asset management activities and subsidiary entities (Clinical Research Corporation (CRC) and Farmaforce (ASX: FFC)) for the financial year ended 30 June 2020.

The iQ Group Global Ltd. increased its revenue by 23% to $15.45m from prior year, accelerating a positive five-year trend for the Company (refer to graph below).



The iQ Group Global Ltd.'s revenue is generated through two separate activities –

- Commercial through the provision of commercialization and research and development services to the multinational Biopharmaceutical companies present in Australia.
- Research and development activity, regulatory and market access services, medical affairs services, pharmacovigilance and other very specialised scientific services.

The market capitalization of the company as of 12 September 2020 is $99.36m.

My focus for The iQ Group Global has been firmly on our bioscience development programs, where we have made significant progress. The Group currently owns and controls two distinctly different, but complementary portfolio company platforms, a novel Point of Care Test diagnostics platform and a first in class oncology therapy platform.

A) Diagnostic platform

During the year we have continued to heavily invest in the research and development program of the Saliva Glucose Biosensor and the expansion of the Biosensor Diagnostic Test Portfolio.

Key operational milestones include:

- The Biosensor research development program has now commenced the regulatory approval process.
- Given the events of this year and the COVID 19 pandemic, LSBD Pty Ltd., (the Biosensor company) has collaborated with Harvard's Wyss Institute to develop a COV-2 real time diagnostic test. Any commercial benefits stemming from this collaboration will flow to the LSBD commercial entities, GBS Inc and Biosensx Inc.
- The Biosensor development team has grown significantly, both here and in the USA and our research and development capability now extends beyond The Centre for Organic Electronics at The University of Newcastle to European research and development institutions.

- The initial test being developed from the Biosensor Diagnostic Platform is the Saliva Glucose Biosensor, a glucose test for people living with diabetes intended to replace finger-pick blood testing. Future tests now being incorporated within the development program include several new point of care diagnostic test portfolios for layman and professional use. These include:
    - Biochemistry
    - Immunology
    - Tumor markers
    - Endocrinology
    - Communicable diseases
    - Nucleic acids
- Infrastructure has been established for the impending launch of the Saliva Glucose Biosensor into the Asia Pacific region (APAC) and North America. This region consists of 37 countries, including Australia, New Zealand, Japan, China, Singapore, and Malaysia, as well as other smaller countries, addressing approximately 164 million people living with diabetes.

B) Oncology Platform

TEX Core is an anticancer drug platform that has the ability to develop a range of well-tolerated, MRI-detectable cancer therapeutics that target drug-sensitive and drug-resistant solid tumours.

The first cancer therapeutic to be commercialized from the platform is OxaliTEX, a new chemical entity (WO 2015/191797) that targets only solid tumor cells, activates within the tumor and overcomes drug-resistance mechanisms with minimal side effects. Oxalitex is currently at late preclinical stage and soon we contemplate commencing clinical trials. The first indication to trial is ovarian cancer, which is also classified by the FDA as an orphan disease, which may result into expedited regulatory approval by the FDA. This year the company increased its targeted chemotherapy pipeline by adding to its tumor targeting portfolio two more drug candidate programs, resulting in a pipeline of 3 novel cancer therapeutics; Oxalitex, GemTex and ParpTex.

The company has further enriched its core platform technology by developing a tumour localizing photothermal technology (MangaTex). This technology is different to the Texcore technology as it enables treatment of cancer via a process known as photothermal therapy which eliminates the tumor by heating it up. This is potentially well suited to targeting cancers that are close to the surface of the skin which can be accessible to tissue penetrating light.

Oncotex and TIGG continues to work with the Texas University and MD Anderson Cancer Center research and development group for advancing and bringing to the patients both of the above technologies and the resultant drugs. The TEX Core platform represents extremely valuable intellectual property for The iQ Group Global, as the IP portfolio consists of approximately twenty (20) patents and is expected to grow further.

To synopsise I would say that the company has met significant corporate and scientific milestones and will be in the future intensifying its capital investment into the assets it has acquired. The closer the assets get to market the more capital investment will be required. It's of significance to The iQ Group Global Limited's shareholders to realise that all these acquisitions and further development are self funded and not of dilutive nature to The iQ Group Global Limited's shareholders. Last but not least, I need to reiterate a business belief I try to practice in every acquisition we make "you make your money when you buy not when you sell" so in simple terms; it's the acquisition price that will determine our future capital gains rather than a reliance on an appreciating or bull market to create profit.

Dr George Syrmalis
Chair and Group CEO

OPERATING AND FINANCIAL REVIEW

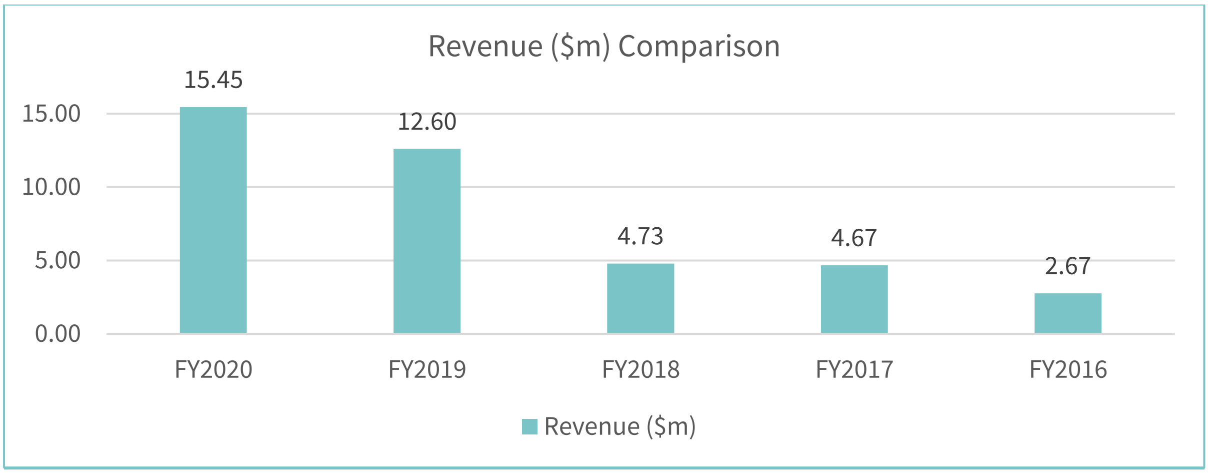
The Operating and Financial Review ("OFR") is provided to assist shareholders' understanding of the performance of The iQ Group Global Ltd. (formerly iQNovate Ltd.) ("iQGG" or the "Company") and its subsidiaries (collectively referred to as "the Group") and the factors underlying the Group's results and financial position for the period 1 July 2019 to 30 June 2020.

Revenue and net profit	Movement	Percentage change	2020
Revenue from ordinary activities	Up	23%	15,448,802
Loss from ordinary activities after tax	Up	54%	(22,229,461)
Loss from ordinary activities after tax attributable to members of the parent	Up	58%	(19,276,316)

Net tangible assets per security	Movement	2020	2019
Net tangible assets per security (cents per security)	Down	(8.85)	(6.53)

SUMMARY OF FINANCIAL RESULTS

- Revenue increased 23% to $15.45m as a result of increased market share and revenue within the contract sales business unit (Farmaforce);
- Increase in loss after tax to $22.23m; and
- Additional expenditure on development, regulatory approval preparation, patents and staff to develop portfolio of projects.



OPERATING HIGHLIGHTS

Refer to the Chair and Group CEO's Report on pages 4 to 5 for operating highlights.

About The iQ Group Global Ltd. (NSX: IQG)

The iQ Group Global Ltd. is a life science organisation providing intellectual asset property management services. It owns and manages bioscience assets and collaborates respected universities and research institutions around the world. The iQ Group Global Ltd. is a core member of The iQ Group Global, a consortium of companies that finds, funds and develops bioscience discoveries to create life-changing medical innovations.

iqgltd.com

About Farmaforce (ASX: FFC)

Farmaforce Limited is an award-winning contract sales organisation (CSO) that provides results-driven sales teams and solutions to the Australian healthcare market. Farmaforce are experts in the Australian healthcare industry and offer strategic and collaborative partnering that helps clients win.

Farmaforce.com.au

About Clinical Research Corporation (CRC)

CRC is a medical affairs services organisation that provides strategic solutions across market access, government affairs, PR and medical affairs to the pharmaceutical, device and healthcare industry throughout the entire product development life cycle.

crcaustralia.com

About GBS Inc.

GBS Inc. is a biosensor diagnostic technology company commercialising the Saliva Glucose Biosensor, the first non-invasive replacement for finger-prick testing for people with diabetes, in the Asia Pacific region and North-America.

gbs.inc

About OncoTEX Inc.

OncoTEX Inc. owns TEX Core, a novel anticancer drug platform that enables the development of well-tolerated, MRI-detectable cancer therapeutics that target drug-sensitive and drug-resistant solid tumours. OncoTEX Inc.'s major shareholders include The iQ Group Global (NSX: IQG) a life science organisation providing intellectual asset property management services, iQX Limited (NSX: IQX), a dedicated life science investment company and fund manager, and iQ3Corp Ltd (ASX: IQ3), a life science corporate advisory firm.

About The iQ Group Global

The iQ Group Global is a consortium of companies that finds, funds and develops bioscience discoveries to create life-changing medical innovations.

theiqgroupglobal.com

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of The iQ Group Global Ltd. ("iQGG" or the "Company") and controlled entities (collectively referred to as the "Group") as at and for the year ended 30 June 2020.

DIRECTORS

The names of Directors who held office of the Company at any time during the financial year and at the date of this report, together with information on their qualifications, experience, special responsibilities, other listed company directorships and other details, are as follows.

Dr George Syrmalis

Chair and Group Chief Executive Officer
Appointed: 8 March 2011

Trained in Nuclear Medicine-Radiation Immunology.

Dr Syrmalis founded and led as CEO and Chair of The Bionuclear Group SA, (1995-2005) incorporating Antisoma SA, Bionuclear Institute of Diagnosis and Therapy SA, Bionuclear Research and Development SA, and Vitalcheck SA.

Dr Syrmalis is currently an Executive Director of Farmaforce Limited, Chair and Executive Director of iQ3 Corp Ltd. and Chair and Executive Director of iQX Limited.

Dr Syrmalis is a member of each of the Remuneration and Nomination Committee, and the Audit and Risk Committee.

Con Tsigounis

Executive Director
Appointed: 8 March 2011

Member of the Australian Institute of Company Directors.

Mr Tsigounis has over 24 years' experience in business and investor relations, specifically in the wholesale and retail sectors. As a member of the Board of The iQ Group Global Ltd. since its inception, Con has been responsible for executing the company's investor relations and capital raising strategy. His experience in shareholder relationship management gives him the necessary skill set to assist the Company attain its corporate objectives.

Mr Tsigounis is currently a Non-Executive Director of Farmaforce Limited, a company listed on the Australian Securities Exchange.

Peter Simpson

Non-Executive Director
Appointed: 28 July 2011

Master of Pharmacy

Mr Simpson has extensive experience in the pharmaceutical industry and has been involved in the development of pharmaceutical products for both the Australian and international markets. For eight years he was the Research and Development Manager at David Bull Laboratories and oversaw the development and approval of over 80 products in the Australian, UK and US markets.

Mr Simpson is currently a Non-Executive Director of iQX Limited, a company listed on the National Stock Exchange of Australia.

Mr Simpson serves as a Chair of the Remuneration and Nomination Committee, and the Audit and Risk Committee.

COMPANY SECRETARY

Gerardo Incollingo

Bachelor of Commerce (University of Wollongong), Member CPA Australia

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

Gerardo is also a company secretary of each of Farmaforce Limited, iQ3 Corp Ltd. and iQX Limited.

PRINCIPAL ACTIVITIES

During the year, the principal activity for the Group consisted of the provision of asset management 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

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the operating and financial review ("OFR") on page 6 of this Annual Report.

Information in the OFR is provided to enable shareholders to make an informed assessment about the Group's strategies and prospects for future financial years. Details that could give rise to likely material detriment to the Group (for example, information that is commercially sensitive, is confidential or could give a third party commercial advantage) have not been included.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Farmaforce Limited, a subsidiary of the Group, successfully applied for the Australian Government's JobKeeper program and was eligible on 4 August 2020 with payments effective from 1 July 2020. The JobKeeper payment applied to a proportion of the Company's employees for total payments of approximately $750,000 over the first three months in FY2021.

GBS Inc., a subsidiary of the Group, received further cash subscriptions for approximately $4,392,993, which will be allotted as additional convertible preference shares prior to any potential IPO and listing on a US exchange.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Refer to operating and financial review section on page 6.

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.

REMUNERATION REPORT

The Remuneration Report is set out on pages 12 to 18 and forms part of the Directors' Report for the year ended 30 June 2020.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year ended 30 June 2020, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

CHANGE OF AUDITOR

BDO Audit Pty Ltd. was appointed as auditor during the year and continues in office in accordance with section 327 of the Corporations Act 2001. The appointment follows the resignation of BDO East Coast Partnership in accordance with section 329(5) of the *Corporations Act 2001*.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 30 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor's independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR INDEPENDENCE

The Lead Auditor's Independence Declaration is set out on page 19 and forms part of the Directors' Report for the year ended 30 June 2020.

MEETINGS OF DIRECTORS

The number of Directors' meetings held (including meetings of committees of the Board) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Full meetings of directors		Meetings of committees			
			Audit & Risk Management		Remuneration & Nomination	
	A	B	A	B	A	B
Dr George Syrmalis	4	4	1	1	1	1
Con Tsigounis	4	4	-	-	-	-
Peter Simpson	4	4	1	1	1	1

A – Eligible to attend **B** - Attended

DIRECTORS' INTERESTS

The relevant interests of each Director in the equity of the Company at the date of this report are set out in the following table.

Director	Number of Ordinary Shares	Number of Options over ordinary shares	Number of additional Ordinary Shares subject to escrow
Dr George Syrmalis	37,992,750	-	-
Con Tsigounis	37,148,750	-	-
Peter Simpson	-	-	-

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND 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 *Corporations Act 2001*.

In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

ROUNDING OF AMOUNTS

The amounts in the consolidated financial statements have been rounded off to the nearest dollar unless otherwise stated, in accordance with ASIC Corporation Instrument 2016/191.

The Directors' Report is signed in accordance with a resolution of the Directors.

Dr George Syrmalis
Chair
Sydney
12 September 2020

REMUNERATION REPORT (AUDITED)

This remuneration report outlines the remuneration arrangements for Non-Executive Directors, Executive Directors and other Key Management Personnel ("KMP") of the Company for the financial year ended 30 June 2020.

The information in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*. The report is presented under the following sections:

1. Key management personnel (KMP)
2. Remuneration governance
3. Executive KMP remuneration arrangements
    A. Remuneration principles and strategy
    B. Detail of incentive plans
4. Executive KMP remuneration outcomes for FY2020 (including link to performance)
5. Executive KMP contractual arrangements
6. Non-executive director arrangements
7. Additional disclosures relating to options and shares

1. KEY MANAGEMENT PERSONNEL

The table below outlines the KMP at any time during the financial year, and unless otherwise indicated, they were KMP for the entire year.

Name	Position	Term as KMP
Non-Executive Directors		
Peter Simpson	Non-Executive Director	Entire year
Executive Directors		
Dr George Syrmalis	Chair, Executive Director and Group CEO	Entire year
Con Tsigounis	Executive Director	Entire year

2. REMUNERATION GOVERNANCE

The Board has established a remuneration and nomination committee ("RNC"), which is currently comprised of the following members:

Committee member	
Dr George Syrmalis	Member
Peter Simpson	Chair of RNC

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.

3. EXECUTIVE KMP REMUNERATION ARRANGEMENTS

A. Remuneration principles and strategy

In FY2020, the executive remuneration framework consisted of fixed remuneration and short-term and long-term incentives, as outlined below. The Company aims to reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance within the Company and aligned with market practice. Remuneration levels are considered annually through a remuneration review, which considers market data and the performance of the Company and the individual.

B. Detail of incentive plans

Short-term incentive (STI)

The Company operates an annual STI program available to executives and awards a cash incentive subject to the attainment of clearly defined key performance measures.

A summary of the Executive STI plan in effect during FY2020 is provided below:

Who participates?	Dr George Syrmalis and Con Tsigounis
How is STI delivered?	Cash
What is the STI opportunity?	Up to 25% of base salary
What are the performance conditions for FY2020?	Individual performance goals against annual plans.
How is performance assessed?	On an annual basis, after consideration of performance against key performance indicators (KPI).

Employee benefit plan (EBP)

The following table explains the key features of the Employee Benefit Plan. Dr George Syrmalis and Con Tsigounis are eligible to receive 153,000 and 30,000 performance rights respectively per annum under the EBP.

Who participates?	All employees of the Group.
How is Long Term Incentive delivered?	Entitlement to shares and performance rights.
What are the performance conditions for the FY2020 grant?	Individual performance goals against annual plans.
How is performance assessed?	At the end of the relevant performance period, the Company 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 grants treated on termination?	The participant must be a current employee at vesting date in order to be entitled to shares.

Employee benefit plan (EBP) (CONTINUED)

How are grants 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 Company, participants will generally be entitled to request that all performance rights vest immediately, regardless of whether the relevant performance conditions have been satisfied.

4. EXECUTIVE KMP REMUNERATION OUTCOMES FOR FY2020

Group performance and its link to STI

Key Performance Indicators (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 and over which such individual has a level of control. The KPI's target areas the Company 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 Company and respective industry standards.

The table below provides a summary of the Company's performance in FY2020. The information below is taken into account by the Board when setting and determining short-term and long-term remuneration for KMP.

Short-term incentive payments or EBP awards were made in the period to 30 June 2020 and 30 June 2019 (see table below for details).

Share Performance				Earnings performance A$ million	
Period	Closing share price at 30 June	Dividend per share	EPS	Revenue	Loss after tax
FY2020	$0.58	NIL	(11.83)	$15.4	($22.2)
FY2019	$0.57	NIL	(7.53)	$12.6	($14.5)
FY2018	$0.40	NIL	(9.89)	$4.7	($14.8)
FY2017	$0.45	NIL	(7.60)	$4.7	($9.9)
FY2016	$0.61	NIL	(6.49)	$2.7	($7.4)
FY2015	$0.55	NIL	(10.80)	$0.8	($4.4)

Executive KMP remuneration disclosure for the year ended 30 June 2020

The following table of executive KMP remuneration has been prepared in accordance with accounting standards and the *Corporations Act 2001* requirements, for the period 1 July 2019 to 30 June 2020.

KMP		Short term benefits				Post employment benefits	Long term benefits	Share based payments	Total	
Name	**Year**	**Cash salary and fees**	**Cash bonus**	**Non-monetary**	**Other[1]**	**Superannuation**	**Long service leave**	**Performance Rights**	**Total**	**Performance related %**
George Syrmalis	2020	633,608	-	-	165,951	60,193	30,275	45,064	935,091	5%
	2019	468,829	87,891	3,000	82,786	55,263	20,512	84,456	802,737	21%
Con Tsigounis	2020	379,524	-	-	58,515	36,055	16,367	50,000	540,461	9%
	2019	286,945	58,594	3,000	44,529	35,201	3,908	16,560	448,737	17%
Total Executive KMP	**2020**	**1,013,132**	**-**	**-**	**183,725**	**96,248**	**46,642**	**95,064**	**1,475,552**	**7%**
	2019	**755,774**	**146,485**	**6,000**	**127,315**	**90,464**	**24,421**	**101,016**	**1,251,474**	**20%**

[1]This includes car allowance, FBT and annual leave.

5. EXECUTIVE KMP CONTRACTUAL ARRANGEMENTS

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

Executive	Position	Effective date	Fixed annual remuneration[1]	Term	Notice period[2]	Termination payment
George Syrmalis	Group Chief Executive Officer	1 January 2020	$659,779	Ongoing	6 months	Superannuation will be paid irrespective of the termination benefits cap under the *Corporations Act 2001.*
Con Tsigounis	Head, Investor Relations	1 January 2020	$344,268	Ongoing	1 month	Subject to the termination benefits cap under *Corporations Act 2001.*

[1] Fixed Annual Remuneration includes base salary, plus superannuation contributions in accordance with Superannuation Guarantee legislation.

[2] The Group 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.

6. NON-EXECUTIVE DIRECTOR ARRANGEMENTS

Determination of fees and maximum aggregate Non-Executive Director (NED) fee pool

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

Fee policy

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. A Non-Executive Directors who also Chairs the Audit and Risk Committee ('ARC') is entitled to an additional fee of $5,000 (including superannuation) per annum. A Non-Executive Director that serves as 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 Company's affairs. Non-Executive Directors do not receive retirement benefits.

Statutory remuneration table for FY2020

The table below sets out the elements of NED's fees and other benefits provided during FY2020.

Fees applicable for FY2020	Chair	Member
Board	$45,000	$50,000
Audit and Risk Committee	$5,000	Nil
Remuneration and Nomination Committee	Nil	Nil
Superannuation	Included in above amounts	
Other	Reimbursement of travel and other expenses	

Non-executive remuneration disclosure for the year ended 30 June 2020

The following table of non-executive remuneration has been prepared in accordance with accounting standards and the *Corporations Act 2001* requirements, for the period 1 July 2019 to 30 June 2020. All amounts are in AUD.

NED	Year	Board fees	Bonus	Non-cash benefit	Super-annuation	Total	Performance Related %
Peter Simpson	2020	36,530	-	-	3,470	40,000	0%
	2019	36,530	-	-	3,470	40,000	0%
Total NED	**2020**	**36,530**	**-**	**-**	**3,470**	**40,000**	**0%**
	2019	**36,530**	**-**	**-**	**3,470**	**40,000**	**0%**

7. ADDITIONAL DISCLOSURES RELATING TO OPTIONS AND SHARES

Movements in Equity Holdings of KMP

The following table sets out the movement during the reporting period in the number of ordinary shares in The iQ Group Global Ltd. held directly, indirectly, or beneficially by KMP including their related parties.

KMP	Held at 1 July 2019	Granted as remuneration	Received on vesting of rights	Net change other	Forfeited	Held at 30 June 2020
Non-Executive Directors						
Peter Simpson	-	-	-	-	-	-
Executive Directors						
George Syrmalis	37,992,750	-	-	-	-	37,992,750
Con Tsigounis	37,148,750	-	-	-	-	37,148,750
Total KMP	**75,141,500**	**-**	**-**	**-**	**-**	**75,141,500**

7 ADDITIONAL DISCLOSURES RELATING TO OPTIONS AND SHARES (CONTINUED)

Movements in Other Equity Holdings of KMP

There were no movements during the reporting period in the number of options in The iQ Group Global held directly, indirectly, or beneficially by KMP including their related parties.

Performance rights table

	Balance at the start of the year	Granted	Allotted	Expired/ Forfeitted	Balance at the end of the year
Performance rights over ordinary shares					
George Syrmalis	459,000	153,000	-	-	612,000
Con Tsigounis	90,000	30,000	-	-	120,000
Total	**549,000**	**183,000**	**-**	**-**	**732,000**

Reason for grant – Performance rights

All grants are in accordance with the Employee Share Scheme (ESS). Each Performance Right confers the entitlement to a fully paid ordinary share after three further years of employment after the first anniversary.

A total of 183,000 Performance rights vested during the year ended 30 June 2020.

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DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF THE IQ GROUP GLOBAL LTD

As lead auditor of The iQ Group Global Ltd. for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The iQ Group Global Ltd. and the entities it controlled during the period.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney

12 September 2020

In dollars	*Note*	2020	2019
Revenue	6	15,448,802	12,604,042
Cost of sales		(11,842,380)	(9,116,142)
Gross profit		**3,606,422**	**3,487,900**
Other income	7(a)	849,515	316,512
Expenses			
Impairment of intangibles	7(d)	(2,036,255)	-
Employee benefits expenses	7(c)	(9,135,506)	(7,071,090)
Shared based payment expenses	26	(480,106)	(81,959)
Depreciation and amortisation expenses	7(f)	(794,338)	(103,180)
Overhead sharing costs		(2,584,653)	(1,775,081)
Consultancy fees		(2,687,143)	(1,430,584)
Finance costs	7(b)	(3,636,699)	(1,073,273)
Other expenses	7(e)	(5,295,093)	(5,415,366)
Share of loss of associated companies net of tax		(12,573)	(98,222)
Loss before income tax		**(22,206,429)**	**(13,244,343)**
Income tax expenses	9	(23,032)	(1,233,364)
Loss for the period		**(22,229,461)**	**(14,477,707)**
Loss attributable to members of the parent		**(19,276,316)**	**(12,183,043)**

Loss per share for the period attributable to the ordinary equity holders of the Company:

Basic loss per share (cents per share)	23	(11.83)	(7.53)
Diluted loss per share (cents per share)	23	(11.83)	(7.53)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

In dollars	**2020**	**2019**
Net loss for the period	**(22,229,461)**	**(14,477,707)**
Other comprehensive income		
Exchange difference on translation of foreign operations net of tax	41,621	(843,612)
Other comprehensive income/ (loss) for the period, net of tax	**41,621**	**(843,612)**
Total comprehensive loss for the period	**(22,187,840)**	**(15,321,319)**
Comprehensive loss attributable to members of the parent	(19,254,359)	(13,035,888)
Comprehensive loss attributable to non-controlling interest	(2,933,481)	(2,285,431)
Total comprehensive loss attributed	**(22,187,840)**	**(15,321,319)**

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2020

In dollars	*Note*	30 June 2020	30 June 2019 (Restated)
Assets			
Current assets			
Cash	8	1,331,382	503,603
Term deposit	11	406,328	-
Trade and other receivables	10	9,352,430	4,255,676
Prepayments		103,206	174,404
Total current assets		**11,193,346**	**4,933,683**
Non-current assets			
Other receivables	10	-	101,582
Property, plant and equipment	12	224,749	283,217
Right-of-use assets	14	2,481,214	-
Intangible assets	13	1,563,965	3,754,452
Investment in associates and joint venture	25	523,465	440,697
Total non-current assets		**4,793,393**	**4,579,948**
Total assets		**15,986,739**	**9,513,631**
Liabilities			
Current liabilities			
Trade and other payables	15	12,091,026	7,066,597
Employee benefit liabilities	17	1,851,639	1,009,146
Lease liabilities	20	593,560	-
Contract liabilities	16	78,297	382,826
Borrowings	19	11,572,143	5,603,440
Derivative financial instruments	21	1,202,837	1,238,349
Provision for income tax		52,758	-
Deferred tax liability		-	35,718
Total current liabilities		**27,442,260**	**15,336,076**
Non-current liabilities			
Borrowings	19	11,162,056	876,418
Lease liabilities	20	2,017,009	-
Employee benefit liabilities	17	189,709	108,734
Total non-current liabilities		**13,368,774**	**985,152**
Total liabilities		**40,811,035**	**16,321,228**
Net liabilities		**(24,824,295)**	**(6,807,597)**
Equity			
Contributed equity		41,359,943	38,880,053
Reserves	22	640,949	232,937
Accumulated losses		(66,777,413)	(47,501,097)
Total equity attributable to holders of the company		**(24,776,521)**	**(8,388,107)**
Total equity attributable to non-controlling interests		(47,774)	1,580,510
Total equity		**(24,824,295)**	**(6,807,597)**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - 2020

In dollars	Contributed equity	Accumulated losses	Reserves	Non-controlling interest	Total
Balance at 1 July 2019	**38,880,053**	**(47,271,185)**	**232,937**	**1,580,510**	**(6,577,685)**
Adjustment due to change in intangibles accounting policy (refer to note 3)	-	(229,912)	-	-	(229,912)
Balance at 1 July 2019 (Restated)	**38,880,053**	**(47,501,097)**	**232,937**	**1,580,510**	**(6,807,597)**
Total comprehensive loss for the period	-	-	-	-	-
Loss for the period	-	(19,276,316)		(2,953,145)	(22,229,461)
Other comprehensive income for the period	-	-	21,957	19,664	41,621
Total comprehensive income/(loss) for the period	**-**	**(19,276,316)**	**21,957**	**(2,933,481)**	**(22,187,840)**
Transactions with owners recorded directly in equity					
Issued new equity	2,631,741	-	-	1,378,953	4,010,694
Capital raising costs	(151,851)	-	-	(73,756)	(225,607)
Cost of share based payments	-	-	374,763	-	374,763
Other	-	-	11,292	-	11,292
Total transactions with owners recorded directly in equity	**2,479,890**	**-**	**386,055**	**1,305,197**	**4,171,142**
Balance at 30 June 2020	**41,359,943**	**(66,777,413)**	**640,949**	**(47,774)**	**(24,824,295)**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - 2019

In dollars	Contributed equity	Accumulated losses	Reserves	Non-controlling interest	Total
Balance at 1 July 2018	**31,079,056**	**(35,309,143)**	**1,003,823**	**983,841**	**(2,242,423)**
Adoption of AASB 15 (1 July 2018)	-	221,000	-	-	221,000
Balance at 1 July 2018 (Restated)	**31,079,056**	**(35,088,142)**	**1,003,823**	**983,841**	**(2,021,423)**
Total comprehensive loss for the period					
Loss for the period	-	(12,183,043)	-	(2,294,664)	(14,477,707)
Other comprehensive income for the period	-	-	(852,845)	9,233	(843,612)
Total comprehensive income/(loss) for the period	**-**	**(12,183,043)**	**(852,845)**	**(2,285,431)**	**(15,321,319)**
Transactions with owners recorded directly in equity					
Issued new equity	8,136,761	-	-	3,069,826	11,206,587
Capital raising costs	(335,764)	-	-	(187,726)	(523,490)
Cost of share based payments	-	-	81,959	-	81,959
Total transactions with owners recorded directly in equity	**7,800,997**	**-**	**81,959**	**2,882,100**	**10,765,057**
Balance at 30 June 2019	**38,880,054**	**(47,271,185)**	**232,937**	**1,580,510**	**(6,577,684)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

In dollars	*Note*	2020	2019
Cash flows from operating activities			
Receipts from customers		16,728,811	11,189,003
Payments to suppliers and employees		(32,412,696)	(20,844,883)
Interest received		238	549
Interest paid		(223,768)	(151,621)
Government grants		180,000	-
Net cash used in operating activities	*29*	**(15,727,415)**	**(9,806,952)**
Cash flows from investing activities			
Payment for term deposit		(406,328)	-
Investments in associates		(74,942)	(82,800)
Purchase of property, plant and equipment		(53,709)	(140,598)
Investment in related party bond		-	876,418
Net cash generated (used in)/from investing activities		**(534,979)**	**653,020**
Cash flows from financing activities			
Proceeds from contributed equity		2,684,223	9,270,351
Capital raising costs		(225,607)	(523,490)
Repayments of convertible notes		(220,000)	-
Proceeds from corporate bonds (net of transaction costs)		16,530,000	-
Interest on corporate bonds		(891,626)	-
Lease payments		(295,955)	-
Interest on convertible notes		(491,012)	(511,914)
Net cash generated from financing activities		**17,090,023**	**8,234,947**
Net increase/(decrease) in cash and cash equivalents		827,629	(918,985)
Cash and cash equivalents at the beginning of the period		503,603	1,422,636
Effect of movements in exchange rates on cash held		150	(48)
Cash and cash equivalents at the end of the period	*8*	**1,331,382**	**503,603**

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

1. REPORTING ENTITY

The iQ Group Global Ltd. ("iQGG" or the "Company") is a for-profit company limited by shares which is incorporated and domiciled in Australia. These consolidated financial statements ("financial statements") as at and for the year ended 30 June 2020 comprise of the Company and its subsidiaries (collectively referred to as the "Group").

These financial statements were authorised for issue by the Board of Directors on 12 September 2020.

2. STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB) and the *Corporations Act, 2001.* The financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB").

3. SIGNIFICANT ACCOUNTING POLICIES

This section sets out the significant accounting policies upon which the financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in the current or later years.

Basis of preparation

These financial statements are presented in Australian dollars, which is the Group's functional currency.

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 1 April 2016 and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest dollar, unless otherwise stated.

The financial statements have been prepared on the historical cost basis.

The accounting policies have been consistently applied to all periods presented in these financial statements, unless otherwise stated.

Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any income and expenses arising from intra-group transactions, are eliminated.

Parent entity information

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars (AUD) at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into AUD at the average exchange rate of the month in which the transaction occurs.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of in its entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Goods and Services Tax (“GST”) and Value Added Tax (“VAT”)

Revenues, expenses and assets are recognised net of the amount of respective GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authority. In these circumstances, the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

Uses of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Significant judgement has been made in respect to the capitalisation of development costs for internally developed intangible assets, and the capitalization costs of acquired IP intangible assets. See note 13.

(ii) Estimates

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, including about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending 30 June 2020, are included in note 25.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, management assess the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of AASB, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group categorises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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 consolidated entity:

AASB 16 Leases

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

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. A new lease for office space was entered into in September 2019 for which a right-of-use asset and lease liability were recognised of $3,045,125 on 1 September 2019. In November 2019, a new lease was entered into for laptops and mobile phones for which the low value exemption has been applied, which allows for the expense to be recognised on a straight-line basis. Since no leases existed as at 30 June 2019, there was no impact on opening accumulated losses at 1 July 2019.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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 as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Interpretation 23 Uncertainity over Income Tax Treatments

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Rendering of services

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

Interest

Interest income 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 income

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

Contract assets

Contract assets are recognised when the Group has satisfied the performance obligations in the contract and either has not recognised a receivable to reflect its unconditional right to consideration or the consideration is not due. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered.

Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the consolidated entity that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

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, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Group recognises an 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 measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract liabilities

Contract liabilities are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Group has transferred the goods or services to the customer. The liability is the Group's obligation to transfer goods or services to a customer from which it has received consideration.

Non-controlling Interests

Subscriptions received from Non-controlling interests are recorded in Contributed Equity and reclassified to non-controlling interests when there is certainity that the Common shares and Preference shares being applied for will be allotted to the security holder.

Intangible assets

During the current period, the Group revised its accounting policy with respect to the amortisation of acquired IP in order to better reflect the carrying value of the asset. Acquired IP with a finite useful life was not amortised until it was ready for use. This was revised to amortisation commencing once the patent was granted and first filing with respect to the patent was made.

As a result of the change in accounting policy, the comparatives (30 June 2019) have been restated. The retrospective adjustment arising from the change in accounting policy has therefore been reflected in the restated balance sheet as at 30 June 2019. This adjustment resulted in a decrease of intangibles by $229,912 and an increase in accumulated losses by the same amount.

There was no material impact on the Statement of Cash Flows or earnings per share reported in the prior period.

Reclassification of comparatives

During the current period certain other expenses have been reclassified. As a result, the comparative information (30 June 2019) has been restated resulting in the reduction of other expenses by $1,430,584 with a corresponding increase in consultancy fees by the same amount.

There was no change in the loss, net assets, Statement of Cash Flows or earnings per share.

4. GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a comprehensive loss of $22,187,840 for the year ended 30 June 2020. As at that date, the Group had net current liabilities of $16,248,914, net liabilities of $24,824,295 and net operating cash outflows of $15,727,415. The loss and operating net cash outflows do prima facie give rise to a material uncertainty that may cast significant doubt upon the Group’s ability to continue as a going concern.

4. GOING CONCERN (CONTINUED)

However, the Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after considering the following factors:

- The Group's business model is based upon generating returns by acquiring early stage life science IP and with its specialist in-house knowledge, and developing the acquired IP in to diagnostic or therapeutic bioscience assets. Accordingly, profits are generated by increase in the value of the assets as they are developed and reach clinical milestones. Expenditure on improving these assets is expensed. The value of these assets cannot be recognised in the financial statements until they are realized.

  Given the stage of development and increase in value of these assets, management expects the entities that hold these assets to be able to pay to the Group appropriate amounts by way of:

  - License Fees on the use of these assets;
  - Research & Development Contributions; and
  - Reimbursement of the Group's overheads and resources to the extent that they have been utilised by these entities

  to cover the total outflows to the point of eliminating material uncertainty as to the basis of going concern; and

- As demonstrated previously, the outflows and funding of the development of these assets will be funded by continued capital raisings in relation to projects in which the Company is involved in, continued revenue from providing specialist health services based on the Medical Affairs Service agreement, and the related party pass through agreements.

In the event that the Group does not meet the above factors, it may not be able to continue its operations as a going concern and therefore, may face not being 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.

5. OPERATING SEGMENTS

The Group has identified operating segments based on internal reporting that is reviewed and used by the chief operating decision makers (The Group CEO and the Board of Directors, who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance of the respective segments and in determining the allocation of resources. There is no aggregation of the operating segments.

In FY2020, the Group provided two types of services being: (1) contract sales and marketing services to external customers; and (2) shared services to related parties. Segment analysis of revenue and gross profit is provided below. Information on net assets by segment is not provided to the CODM.

In dollars	2020	2019
Revenue		
Contract sales and marketing services	13,988,368	10,834,738
Related party services	1,460,434	1,769,304
Total revenue	**15,488,802**	**12,604,042**
Gross profit		
Contract sales and marketing services	2,145,988	1,718,596
Related party services	1,460,434	1,769,304
Total gross profit	**3,606,422**	**3,487,900**

Information on geographical segments

One hundred percent of the Group's revenue, expenses and loss are derived in Australia.

Reliance on major customers

On an individual basis, three customers represent more than 10% of the FY2020 revenue. Total revenue from these major customers amounts to $9,056,905 (58.98%) of total revenue (FY2019: $7,797,959; 61.90%).

6. REVENUE

In dollars	2020	2019
Contract and service fee revenue	13,988,368	10,834,738
Office and shared services revenue	1,460,434	1,769,304
Total revenue	**15,448,802**	**12,604,042**

6. REVENUE (CONTINUED)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Major service line

In dollars	2020	2019
Contract sales and marketing services	13,988,368	10,801,405
Training	-	33,333
Shared services	1,460,434	1,769,304
Total revenue	**15,448,802**	**12,604,042**

7. INCOME AND EXPENSES

(a) Other income

In dollars	2020	2019
Interest income	238	549
Government grants	380,000	-
Rental recharges	408,814	-
Other	60,463	315,963
Total other income	**849,515**	**316,512**

Government grants

During the year the Company received payments from the Australian Government amounting to $200,000 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 will be recognised as income only once there is reasonable assurance that the Company will comply with any conditions attached.

The Group also received $180,000 from JobKeeper support payments from the Australian Government, which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense.

Rental recharges

During the year the Company incurred costs relating to rent and utilities at its office location. The recharge represents cost recoveries for the provision of the above services to related parties of the Company.

7. INCOME AND EXPENSES (CONTINUED)

(b) Finance costs

In dollars	2020	2019
Bank fees	30,027	19,745
Finance costs on convertible notes	1,248,240	1,028,739
Finance costs on corporate bonds	2,083,891	-
Other interest expenses	274,541	24,789
Total finance costs	**3,636,699**	**1,073,273**

(c) Employee benefits expenses

In dollars	2020	2019
Wages and salaries	7,751,830	6,418,490
Compulsory superannuation contributions	626,454	553,629
Increase in liability for annual leave[1]	676,247	73,771
Increase in liability for long service leave[1]	80,975	25,200
Total employee benefits expenses	**9,135,506**	**7,071,090**

[1] Increase in liability for annual leave and long service leave does not include the increase in liability for annual leave and long service leave allocated to cost of sales.

(d) Impairment of intangibles

In dollars	2020	2019
Development expenditure	1,966,175	-
Website and software	70,080	-
Total impairment of intangibles	**2,036,255**	-

7. INCOME AND EXPENSES (CONTINUED)

(e) Other expenses

In dollars	2020	2019[1]
Accounting fees	431,064	314,320
Advertising and marketing	535,703	425,847
Exchange and listing fees	408,518	1,798,324
Insurance	144,249	405,186
Legal and consulting fees	722,165	652,633
Occupancy costs (including outgoings)	290,472	96,090
Recruitment fees	97,850	192,173
Software licensing and subscriptions	305,748	275,839
Travel and accommodation	508,499	206,845
IT related costs	52,597	118,238
Office and administration costs	320,465	248,473
Research and development costs	751,984	-
Expected credit loss	98,450	13,520
Other	627,329	667,878
Total other expenses	**5,295,093**	**5,415,366**

[1]Note: During the current period certain other expenses have been reclassified. Refer to note 3 for further details.

(f) Depreciation and amortisation

In dollars	2020	2019
Depreciation:		
Leasehold improvements	7,368	4,555
Plant and Equipment	58,881	53,934
Furniture, fixtures and fittings	9,944	9,850
Right-of-use assets	563,911	-
Amortisation:		
Website and software	34,280	34,841
Development expenditure	119,954	-
Total depreciation and amortisation	**794,338**	**103,180**

8. CASH

In dollars	2020	2019
Bank balance	1,331,382	503,603

Significant accounting policies:

Cash and cash equivalents include 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.

9. INCOME TAXES

In dollars	2020	2019
Loss for the period	(22,206,429)	(13,244,343)
Tax rate	27.5%	27.5%
Tax benefit	(6,106,768)	(3,642,194)
Add tax effect of:		
Expenditure not allowable for Income tax purposes	1,690,755	310,870
Effect of different tax rate of subsidiary	320,865	(671,699)
Write off of deferred (liability)/tax assets previously recognised	(35,718)	1,233,364
True up adjustment	58,750	-
Deferred tax assets not brought to account	4,095,148	4,003,023
Income tax expenses	**23,032**	**1,233,364**

Unrecognised deferred tax assets

Deferred tax assets were not recognised since the utilisation of the tax losses against future taxable profits are not deemed probable in the foreseeable future (FY 2020: $9,834,205, FY 2019: $6,896,760).

9. INCOME TAX (CONTINUED)

Significant accounting policies

Current tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations when the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to the offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

10. TRADE AND OTHER RECEIVABLES

In dollars	**2020**	**2019**
Trade receivables	1,635,650	715,073
Other receivables[1]	2,848,023	3,254,050
Related party receivables	4,967,207	401,655
Allowance for expected credit losses	(98,450)	(13,520)
Total trade and other receivables	**9,352,430**	**4,357,258**
Current	9,352,430	4,255,676
Non-current	-	101,582
Total trade and other receivables	**9,352,430**	**4,357,258**

[1]Other receivables includes $2,715,449 relating to offering costs that have been capitalised as deferred amounts, with the remaining balance relating to contract assets.

Allowance for expected credit losses

The Company has recognised a loss of $98,450 (30 June 2019: $13,520) in profit/loss in respect of the expected credit losses for the year ended 30 June 2020.

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

Particulars	**Expected credit loss rate**		**Carying amount**		**Allowance for expected credit losses Expected credit loss rate**	
	2020 %	**2019 %**	**2020 $**	**2019 $**	**2020 $**	**2019 $**
Not overdue	1.13%	0.33%	8,743,757	4,124,529	98,450	13,520
30 to 60 days overdue	-	-	253,000	79,841	-	-
60 to 90 days overdue	-	-	225,500	51,306	-	-
> 90 days	-	-	130,173	101,582	-	-
Total	**1.13%**	**0.33%**	**9,352,430**	**4,357,258**	**98,450**	**13,520**

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

In dollars	**2020**	**2019**
Opening balance	13,520	-
Unused amount reversed	(13,520)	-
Allowance for expected credit loss recognised under AASB 9	98,450	13,520
Closing balance	**98,450**	**13,520**

10. TRADE AND RECEIVABLES (CONTINUED)

The Company has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the COVID-19 pandemic. As a result, the calculation of expected credit losses has been revised as at 30 June 2020 using the increased rate.

Significant accounting policies

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-60 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

11. TERM DEPOSIT

In dollars	**2020**	**2019**
Term deposit	406,328	-

The term deposit represents guarantee for lease at Level 3, 333 George Street, Sydney, NSW 2000, maturing in November 2020.

12. PROPERTY, PLANT AND EQUIPMENT

In dollars	**2020**	**2019**
Non current assets		
Leasehold improvements- at cost	105,509	69,256
Less: Accumulated depreciation	(19,895)	(15,982)
	85,614	**53,274**
Plant and equipment- at cost	348,221	388,005
Less: Accumulated depreciation	(263,533)	(223,685)
	84,688	**164,320**
Furniture, fixtures and fittings - at cost	98,442	100,253
Less: Accumulated depreciation	(43,995)	(34,630)
	54,447	**65,623**
Total property, plant and equipment	**224,749**	**283,217**

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

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

In dollars	**Leasehold Improvements**	**Plant and equipment**	**Furniture, fixtures and fittings**	**Total**
Balance at 1 July 2018	29,248	112,463	69,247	210,958
Additions	28,581	105,791	6,226	140,598
Depreciation expense	(4,555)	(53,934)	(9,850)	(68,339)
Balance at 30 June 2019	**53,274**	**164,320**	**65,623**	**283,217**
Additions	43,500	10,209	-	53,709
Disposals	(3,792)	(30,960)	(1,233)	(35,985)
Depreciation expense	(7,368)	(58,881)	(9,943)	(76,192)
Balance at 30 June 2020	**85,614**	**84,688**	**54,447**	**224,749**

Significant accounting policies

Carrying value

All property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the business and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period.

Depreciation

Depreciation of assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

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

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

13. INTANGIBLE ASSETS

Costs

In dollars	**Acquired IP**	**Development expenditure**	**Website and software**	**Total**
Balance at 30 June 2018	**1,871,613**	**2,398,035**	**233,890**	**4,503,538**
Additions	-	-	-	-
Impairment	-	(431,860)	-	(431,860)
Balance at 30 June 2019	**1,871,613**	**1,966,175**	**233,890**	**4,071,678**
Additions	-	-	-	-
Impairment	-	(1,966,175)	(70,080)	(2,036,255)
Balance at 30 June 2020	**1,871,613**	**-**	**163,810**	**2,035,423**

Amortisation

In dollars	**Acquired IP**	**Development expenditure**	**Website and software**	**Total**
Balance at 30 June 2018	**-**	**-**	**52,473**	**52,473**
Amortisation expense	229,912	-	34,841	264,753
Balance at 30 June 2019 (Restated-refer to note 3)	**229,912**	**-**	**87,314**	**317,226**
Amortisation expense	119,954	-	34,280	154,234
Balance at 30 June 2020	**349,866**	**-**	**121,594**	**471,460**

Carrying amount

In dollars	**Acquired IP**	**Development expenditure**	**Website and software**	**Total**
Carrying balance at 30 June 2019	**1,641,701**	**1,966,175**	**146,576**	**3,754,452**
Carrying balance at 30 June 2020	**1,521,747**	**-**	**42,216**	**1,563,965**

The recoverable amount of the consolidated entity's development expenditure has been determined using fair value less costs to sell, based the following key judgements approved by management: (a) it is technically feasible that the asset will be completed for use/sale; (b) the Group intends to complete and use/sell the asset; (c) the Group are able to use/sell the asset; (d) the Group has adequate resources available to complete the asset for use/sale; and (e) the Group is able to reliably measure expenditure during the development phase.

13. INTANGIBLE ASSETS (CONTINUED)

Significant accounting policies

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Acquired IP with a finite useful life, is not amortised until it is ready for use.

Impairment

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

13. INTANGIBLE ASSETS (CONTINUED)

Significant accounting policy (continued)

Website and software

Costs incurred in acquiring website software and licenses that will contribute to future financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

Website development costs include only those directly attributable to the development phase and are only recognised following completion of technical feasibility and where the business has an intention and ability to use the asset. The website and software have finite useful life and are amortised as follows:

- Website and software – 3 years

Research and development costs

Research expenditure is recognised as an expense as incurred. Development costs include externally acquired and internally generated costs of materials and services, which can be directly attributable to the development activities of acquiring or generating an intangible asset.

Costs incurred on development projects (relating to the design and testing of new or improved intangible assets) are recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group, the cost of the asset can be measured reliably, technical and commercial feasibility of the asset for sale or use have been established, and the Group intends and is able to complete the intangible asset and either use it or sell it.

Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

14. RIGHT-OF-USE ASSETS

In dollars	**2020**	**2019**
Land and building – right-of-use	3,045,125	-
Less: Accumulated depreciation	(563,911)	-
Balance as at 30 June 2020	**2,481,214**	**-**

Additions to the right-of-use assets during the year were $3,045,125. Refer to note 3 - AASB 16 Leases for further details.

The Group leases office equipment under agreements of less than 4 years. These leases are either short-term or low value, so have been expensed as incurred and not capitalised as right-of-use assets.

14. RIGHT OF USE ASSETS (CONTINUED)

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company 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 as incurred.

15. TRADE AND OTHER PAYABLES

In dollars	**2020**	**2019**
Trade payables	2,750,116	1,616,499
Sundry payables and accrued expenses	6,097,532	3,225,112
Related party payables	3,243,378	2,224,986
Total trade and other payables	**12,091,026**	**7,066,597**
Current	12,091,026	7,066,597
Total trade and other payables	**12,091,026**	**7,066,597**

Refer to note 24 for further information on financial instruments.

At 30 June 2020, sundry payables and accrued expenses included accruals and payables amounting to $5,764,518 due to the Australian Tax Office.

Significant accounting policies

Trade and other payables represent liabilities for goods and services provided to the business prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at the amortised cost using the effective interest method.

16. CONTRACT LIABILITIES

In dollars	2020	2019
Contract liabilities	**78,297**	**382,826**

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $78,297 as at 30 June 2020 (30 June 2019: $328,826) and is expected to be recognised as revenue in future periods.

Significant accounting policies

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

17. EMPLOYEE BENEFIT LIABILITIES

In dollars	2020	2019
Current liabilities		
Liability for annual leave	1,151,692	628,314
Liability for superannuation	579,032	378,056
Liability for payroll	120,915	2,776
	1,851,639	**1,009,146**
Non- Current liabilities		
Liability for long service leave	189,709	108,734
	189,709	**108,734**
Total employee benefit liabilities	**2,041,348**	**1,117,880**

17. EMPLOYEES BENEFIT LIABILITIES (CONTINUED)

Significant accounting policies

Employee benefits represents amounts accrued for employee payroll, superannuation, annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled in the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods to service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

18. SHARE CAPITAL

	Number of shares[1]	$
In issue at 1 July 2018	156,612,032	15,711,326
Shares issued during the reporting period	6,279,560	2,386,233
In issue at 30 June 2019	**162,891,592**	**18,097,559**
Shares issued during the reporting period	-	-
In issue at 30 June 2020	**162,891,592**	**18,097,559**

[1]The share capital relates to the parent company, The iQ Group Global Ltd, therefore does not agree directly to the statement of the financial position.

All ordinary shares rank equally with regard to the Company's residual assets. The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

The Company does not have authorised capital or par value in respect of its shares. All issued shares are fully paid.

18. SHARE CAPITAL (CONTINUED)

Shares issued

	Number of shares	$
Number of shares at 30 June 2018	**156,612,032**	**15,711,326**
Capital raised for business objectives 6 August 2018	1,599,343	607,750
Capital raised for business objectives 18 September 2018	4,456,533	1,693,483
Strategic placement of shares 19 September 2018	223,684	85,000
Number of shares at 30 June 2019	**162,891,592**	**18,097,559**
Capital raised for business objectives during the year	-	-
Number of shares at 30 June 2020	**162,891,592**	**18,097,559**

Dividends

No dividends were declared or paid by the Group for the year (2019: nil).

Significant accounting policies

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. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

19. BORROWINGS

In dollars	2020	2019
Convertible notes[1]	6,170,364	5,603,440
Bond held with related party[2]	1,022,993	876,418
Corporate bonds[3]	15,540,842	-
Total borrowings	**22,734,199**	**6,479,858**
Current	11,572,143	5,603,440
Non-current	11,162,056	876,418
Total borrowings	**22,734,199**	**6,479,858**

[1]Convertible notes are at a coupon rate of 7% per annum. The convertible notes were initially scheduled to mature on 31 December 2019, and the maturity was extended for additional 12 months to 31 December 2020. The extension was considered to be substantial modification and was accounted in accordance with *AASB 9 Financial Instruments.*

[2]Bond held with related party iQX Limited with a coupon rate of 9% per annum and matures in June 2021.

[3]Corporate bonds are at coupon rates of 9-20% per annum and with maturities between 12 and 24 months.

Refer to note 24 for further information on financial instruments.

19 BORROWINGS (CONTINUED)

Significant accounting policies

Convertible notes

Convertible notes that are compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible notes, the fair value of the liability component is estimated using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity. The carrying amount of the conversion option is not re-measured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Convertible notes that are hybrid contracts containing an embedded derivatives are separated between the host contract and the embedded derivatives on initial recognition. The embedded derivatives are measured at fair value on initial and subsequent recognition. The host contract is initially recorded at the residual amount and subsequently at amortised cost.

Corporate bonds

Corporate bonds are recognised initially at fair value less attributable transaction costs. Subsequent borrowings are stated at amortised cost.

20. LEASE LIABILITIES

In dollars	**2020**	**2019**
Current liabilities		
Lease liability	593,560	-
Non-current liability		
Lease liability	2,017,009	-
Total	**2,610,569**	**-**

Refer to note 24 for further information on financial instruments.

20. LEASE LIABILITIES (CONTINUED)

Significant accounting policies

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

21. DERIVATIVE FINANCIAL INSTRUMENTS

In dollars	**2020**	**2019**
Convertible note options	1,202,837	1,238,349

During FY2017, the Group's subsidiary Glucose Biosensor Systems (Greater China) Pty Ltd. ("GBSGC") issued convertible notes with a face value of $7,036,075, which were initially scheduled to mature on 31 December 2019. The maturity was extended for additional 12 months, to 31 December 2020. During the year $220,000 was repaid to the convertible note holders resulting in a remaining face value of $6,816,075. Of this amount, $1,202,837 has been classified as a derivative financial instrument as the notes benefit from a 15% discount on the Initial Public Offering Price from the date of GBSGCs (or its nominee entity's) admission on an approved stock exchange.

Significant accounting policies

Derivatives are initially recognised at fair value on the date a derivative contact is entered into and subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

22. RESERVES

In dollars	Subscriptions for equity	Options reserve	Share based payments reserve	Foreign currency translation reserve	Total
Balance at 30 June 2018 (Restated)	**45,236**	**142,605**	**-**	**815,982**	**1,003,823**
Share based expenses	-	-	81,959	-	81,959
Foreign currency translation differences	-	-	-	(852,845)	(852,845)
Balance at 30 June 2019	**45,236**	**142,605**	**81,959**	**(36,863)**	**232,937**
Share based expenses	-	-	374,763	-	374,763
Movement between equity reserve classes	(45,236)	-	-	45,236	-
Foreign currency translation differences	-	-	-	21,957	21,957
Other	-	-	-	11,292	11,292
Balance at 30 June 2020	**-**	**142,605**	**456,722**	**41,622**	**640,949**

Foreign currency translation reserve (FCTR)

The FCTR comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the Group's presentation currency.

Share based payments reserves

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

23. EARNING PER SHARE (EPS)

The calculation of basic earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Loss attributable to ordinary shareholders

In dollars	**2020**	**2019**
Loss for the period attributable to owners of The iQ Group Global	**(19,276,316)**	**(12,183,043)**

Weighted-average number of ordinary shares

In number of shares	**2020**	**2019**
Weighted-average number of ordinary shares at end of the period	162,891,592	161,720,257
Weighted-average number of securities if outstanding options exercised	162,891,592	161,720,257

Earning per share

In cents per share	**2020**	**2019**
Basic loss per share	(11.83)	(7.53)
Diluted loss per share	(11.83)	(7.53)

Basic earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares.

Diluted earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares which has been adjusted to reflect the number of shares which would be issued if outstanding options and performance rights were to be exercised. However, due to the statutory loss attributable to the Company for both the financial year ended 30 June 2020 and the comparative period ended 30 June 2019, the effect of these instruments has been excluded from the calculations of diluted earnings per share for both periods as they would reduce the loss per share.

24. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair values

The Group has financial assets of cash and cash equivalents, and trade and other receivables. The financial assets are measured at amortised cost and the carrying amount is a reasonable approximation of fair value at 30 June 2020.

The Group has financial liabilities of derivatives, trade and other payables, lease liabilities, contract liabilities, and borrowings. Derivatives are measured at fair value. Other financial liabilities are measured at amortised cost, and the carrying amount is a reasonable approximation of fair value at 30 June 2020.

24. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

Financial risk management

There have been no substantive changes in the types of risk the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring these risks from the previous period. The Group has exposure to the following risks arising from financial instruments:

- credit risk – refer (ii)
- liquidity risk – refer (iii)
- market risk – refer (iv)

(i) Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors 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 of Directors on its activities.

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

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

(ii) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within note 10.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped by past due date. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 30 June 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among 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.

24 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

On that basis, the loss allowance as at 30 June 2020 under AASB 9 was determined to be $98,450 (30 June 2019: $13,520) for trade and other receivables.

Trade and other receivables

The main source of credit risk to the Group is considered to relate to the class of assets described as trade and other receivables. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 10.

No collateral is held over other receivables.

The ageing of the trade and other receivables as at 30 June 2020 are set out in the following table.

In dollars	**2020**	**2019**
Not overdue	8,743,757	4,124,529
30 to 60 days past due	253,000	79,841
60 to 90 days past due	225,500	51,306
Over 90 days past due	130,173	101,582
Total trade and other receivables	**9,352,430**	**4,357,258**

Cash and cash equivalents

The Group held cash and cash equivalents of $1,331,382 at 30 June 2020 (30 June 2019: $503,603). 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.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group aims to maintain cash at a level appropriate to fund operations. At 30 June 2020, the expected cash flows from trade and other receivables maturing within two months were $8,898,307.

Remaining contractual maturities

The following tables detail the Company'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.

24. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

Financial instruments at fair value

2020

In dollars	Weighted Avg. Int. Rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	6,326,508	-	-	-	6,326,508
Interest bearing						
Convertible notes	7%	6,170,364	-	-	-	6,170,364
Related party bond	9%	1,022,993	-	-	-	1,022,993
Corporate bonds	9.32%	4,378,786	11,162,056	-	-	15,540,842
Payable to ATO	8.08%	5,764,518	-	-	-	5,764,518
Lease liability	7.50%	593,560	678,716	1,338,293		2,610,569
Total non-derivative financial liabilities	-	**24,256,729**	**11,840,772**	**1,338,293**	-	**37,435,794**

Financial instruments at fair value

2019

In dollars	Weighted Avg. Int. Rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	5,925,317	-	-	-	5,925,317
Interest bearing						
Convertible notes	7%	5,603,440	-	-	-	5,603,440
ATO	8.08%	1,141,280	-	-	-	1,141,280
Lease liability	-	-	-	-	-	-
Total non-derivative financial liabilities	-	**12,670,037**	-	-	-	**12,670,037**

24. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

Fair value of financial instruments

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

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group's exposure to foreign currency risk is limited due to the natural hedge afforded to the Group by predominately purchasing and selling in local currency in all countries in which it operates. The Group does not hold any foreign currency contracts.

The following significant exchange rates have been applied in preparing the consolidated statement of financial position and consolidated statement of profit or loss.

Average rate (USD per AUD)	**2020**	**2019**
Average rate	0.67	0.72
Year-end spot rate	0.69	0.70

Fair value measurement

(i) Fair value hierarchy

The following table detail the Group's assets and liabilities for the current reporting period 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 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.

24. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

2020

In dollars	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative convertible note options	-	-	1,202,837	1,202,837
Total liabilities			**1,202,837**	**1,202,837**

2019

In dollars	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative convertible note options	-	-	1,238,349	1,238,349
Total liabilities	**-**	**-**	**1,238,349**	**1,238,349**

There were no transfers between levels during the financial year.

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

The gain recognised in profit or loss for the period from level 2 and 3 valuations is $35,512 (2019: nil).

Valuation techniques for fair value measurements categorised within level 3

The derivative convertible note options were revalued on 30 June 2020 based on internal assessments performed by management.

The valuation technique of the $1,202,837 derivative component of the convertible notes has been calculated taking into account the 15% IPO price discount on the current face value of the notes ($6,816,075).

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

Interest rate risk arises from 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 no variable interest rate borrowings.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

No sensititvity analysis has been performed for the exposure to interest rate risk on the Company's bank balance as the exposure is not significant.

24. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

Significant accounting policies

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.

25. INVESTMENTS IN ASSOCIATES, JOINT VENTURE (ACCOUNTED USING EQUITY METHOD), AND INTEREST IN SUBSIDIARIES

The percentage ownership interest is equivalent to the percentage voting rights for all investments.

(a) Interests in subsidiaries, associates, and joint venture

Entity name	Country of incorporation	Ownership interest 2020	Ownership interest 2019
Subsidiaries[1]			
Life Science Enterprises (No.1) Pty Ltd.	Australia	100%	100%
Life Science Enterprises (No.2) Pty Ltd.	Australia	100%	100%
Life Science Enterprises (No.3) Pty Ltd.	Australia	100%	100%
Life Science Enterprises (No.4) Pty Ltd.	Australia	100%	100%
Life Science Enterprises (No.5) Pty Ltd.	Australia	100%	100%
Life Science Biosensor Diagnostics Pty Ltd.	Australia	81%	81%
Bio-vital Sensor Pty Ltd.	Australia	81%	81%
Oracle Health Analytics Pty Ltd.	Australia	81%	81%
Bio Diagnostics Investments Pty Ltd.	Australia	81%	81%
Bio Diagnostics America Pty Ltd.	Australia	81%	81%
Bio Diagnostics Europe Pty Ltd.	Australia	81%	81%
BioSensX (North America) Inc.	USA	81%	81%
BioSensX (North America) Pty Ltd.	Australia	81%	-
Bio Diagnostics India Pty Ltd.	Australia	81%	81%
Bio Diagnostics MENA Pty Ltd.	Australia	81%	81%
Glucose Biosensor Systems (MENA) Pty Ltd.	Australia	81%	81%
GBS Inc.	USA	81%	81%
Glucose Biosensor Systems (Greater China) Pty Ltd.	Australia	81%	81%
Glucose Biosensor Systems (Greater China) Inc.	USA	81%	81%
FarmaForce Limited	Australia	69.89%	70.42%

25. INVESTMENTS IN ASSOCIATES, JOINT VENTURE (ACCOUNTED USING EQUITY METHOD), AND INTEREST IN SUBSIDIARIES

(a) Interests in subsidiaries, associates, and joint venture (continued)

Entity name	Country of incorporation	Ownership interest 2020	Ownership interest 2019
Subsidiaries			
Antisoma Therapeutics Pty Ltd.	Australia	100%	100%
Antisoma Therapeutics (No.2) Pty Ltd.	Australia	100%	100%
Antisoma Therapeutics (No.3) Pty Ltd.	Australia	100%	100%
Antisoma Therapeutics (No.4) Pty Ltd.	Australia	100%	100%
Antisoma Therapeutics (No.5) Pty Ltd.	Australia	100%	100%
Clinical Research Corporation Pty Ltd.	Australia	100%	100%
Associates and Joint Ventures[1]			
New Frontier Holdings LLC ("New Frontier")	USA	20%	20%
Nereid Enterprises Pty Ltd.[3]	Australia	20%	20%
Nereid Enterprises LLC[3]	USA	20%	20%
OncoTEX Holdings Inc.	USA	40.5%	40.5%
OncoTEX Inc.[2]	USA	40.5%	40.5%
OncoTEX Pty Ltd.[2]	Australia	40.5%	40.5%
Ethical Bioscience Investments Fund Pty Ltd.	Australia	50%	-

[1] Percentage shown is net of non-controlling interest.

[2] Subsidiaries of OncoTEX Holdings Inc.

[3] Subsidiaries of New Frontier Holdings LLC

Nereid Enterprises Pty Ltd. provides corporate events and promotional services to the healthcare industry and related parties of The iQ Group Global Ltd.

25. INVESTMENTS IN ASSOCIATES, JOINT VENTURE (ACCOUNTED USING EQUITY METHOD), AND INTEREST IN SUBSIDIARIES

Summary financial information

None of the associates are listed on a stock exchange. The investments in associates is equity accounted.

(i) New Frontier Holdings LLC

In dollars	2020	2019
Summarised statement of financial position		
Current assets	51,175	13,026
Non-current assets	836,247	1,092,651
Total assets	**887,422**	**1,105,677**
Current liabilities	48,483	3,932
Total liabilites	**48,483**	**3,932**
Net assets	**838,939**	**1,101,745**
Summarised statement of profit or loss and other comprehensive income		
Revenue	72,709	36,809
Expenses	(374,998)	(427,848)
Loss before income tax	(302,289)	(391,039)
Other comprehensive (loss)/ income	(11,113)	145,487
Total comprehensive loss	**(313,402)**	**(245,552)**
Reconciliation of the company's carrying amount		
Opening carrying amount	440,697	456,118
Share of loss after income tax	(120,916)	(156,416)
Share of other comprehensive income	(4,444)	58,195
Share of additional investment	74,942	82,800
Closing carrying amount	**390,549**	**440,697**

25. INVESTMENTS IN ASSOCIATES, JOINT VENTURE (ACCOUNTED USING EQUITY METHOD), AND INTEREST IN SUBSIDIARIES

(ii) OncoTEX Holdings Inc.

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

In dollars	2020	2019
Summarised statement of financial position		
Cash and cash equivalents	6,293	71,367
Current assets	197,759	1,695,480
Non-current assets	3,694,077	-
Total assets	**3,898,129**	**1,766,847**
Trade and other payables	59,951	645,904
Current financial liablities	2,691,440	3,222,624
Non-current financial liabilities	717,475	-
Total liabilites	**3,468,886**	**3,868,528**
Net assets/(liabilities)	**429,263**	**(2,101,681)**
Summarised statement of profit or loss and other comprehensive income		
Revenue	55	17
Expenses	(1,814,837)	(2,101,797)
Loss before income tax	(1,814,782)	(2,101,780)
Other comprehensive loss	(47,481)	-
Total comprehensive loss	**(1,862,263)**	**(2,101,780)**

As at 30 June 2020, the Group's share of profit in its investment in associate OncoTEX Holdings Inc. was $173,852 (2019: $nil). This represents the Group's ownership interest of 40.5% in OncoTEX Holdings Inc.

25. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (ACCOUNTED USING EQUITY METHOD), AND INTEREST IN SUBSIDIARIES

(iii) Ethical Bioscience Investments Fund Pty Ltd. ('EBI') – Joint Venture

EBI was incorporated on 4th March 2020. The Group has a 50% interest in EBI. EBI offers various fixed term debt instruments for investors looking to invest across the global bioscience sector. This is a joint venture with iQX Limited, a related party of the Group.

In dollars	**2020**
Summarised statement of financial position	
Cash and cash equivalents	539
Current assets	69,248
Non-current assets	1,636,320
Total assets	**1,706,107**
Trade and other payables	88,323
Current financial liablities	1,804,146
Non-current financial liabilities	198,292
Total liabilites	**2,090,761**
Net assets/(liabilities)	**(384,654)**
Summarised statement of profit or loss and other comprehensive income	
Revenue	7
Expenses	(384,661)
Loss before income tax	(384,654)
Other comprehensive loss	-
Total comprehensive loss	**(384,654)**

As at 30 June 2020, Ethical Bioscience Investments Fund Pty Ltd. has a loss of $384,654 (FY 2019: nil). The Group's share of this loss from associate being 50%, $192,327 has not been recognised as the net investment in Ethical Bioscience Investments Fund Pty Ltd. is nil, as at 30 June 2020. The cumulative net loss not recognised as at 30 June 2020 is $192,327 (30 June 2019: nil).

25. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (ACCOUNTED USING EQUITY METHOD), AND INTEREST IN SUBSIDIARIES

Significant accounting policies

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to or has rights to variable rates of returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for in the Group's financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of the associates post-acquisition profits or losses are recognised in the statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

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

Joint Ventures

A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Group's investments in joint venture entities are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and are subsequently adjusted to recognise the Group's share of the post-acquisition profits or losses of the investee in the income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received are recognised as a reduction in the carrying amount of the investment.

Shares in listed companies

Shares in listed companies are a financial asset carried at fair value, or the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value at measurement date.

To the extent possible, market information is extracted from either the principal market for the asset, or in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period.

26 SHARE-BASED PAYMENTS

Share based compensation benefits are provided to employees via the Employee Benefit Plan. This is a plan under which directors and employees may become holders of performance rights to acquire beneficial interests in the shares of the Company. The objective of this plan is to help the Group recruit, reward, retain and motivate its directors and employees. After 12 months of service, an employee will annually receive an allocation of the performance rights based on an agreed quantity per their individual employment contract. The performance rights granted under the Employee Benefit Plan will vest after an employee has served for a further 3 years.

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.

For the year ended 30 June 2020, the Group has recognised $480,106 (30 June 2019 : $81,959) share-based payment expense. Within the total expense recognized, $374,763 relates to performance rights issued. The remaining expense is recorded directly within contributed equity under the employee benefit plan.

Significant accounting policies:

Share based compensation benefits are provided to employees via the Employee Benefit Plan.

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.

27 CONTINGENCIES

The Group has no contingent liabilities or assets as at the reporting date (2019: nil).

28 TRANSACTIONS WITH RELATED PARTIES

(i) Parent and ultimate controlling party

The iQ Group Global Ltd. was the parent and ultimate controlling party of the Group throughout the year ended 30 June 2020.

(ii) Key management personnel compensation

In dollars	**2020**	**2019**
Short-term employee benefits	1,274,128	1,096,524
Post-employment benefits	146,360	93,934
Share based payments	95,064	101,016
Total key management personnel compensation[1]	**1,515,552**	**1,291,474**

[1] Includes Non-Executive remuneration of $40,000.

Compensation of the Group's key management personnel includes salaries and non-cash benefits. Executive officers also participate in the Group's employee incentive plan.

Further details of key management personnel compensation are included in the Remuneration Report within the Directors' Report.

(iii) Transactions with related parties

The Group transacted with the following related companies. Transactions with other related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity name	Relationship
iQX Limited and controlled entities	Common directorship and/ key management personnel
iQ3Corp Ltd. and controlled entities	Common directorship and/ key management personnel
New Frontier Holdings LLC ("New Frontier")	An associate with common directorship and/key management personnel
Nereid Enterprises LLC	An associate with common directorship and/key management personnel
Nereid Enterprises Pty Ltd.	An associate with common directorship and/key management personnel
OncoTEX Holdings Inc.	An associate with common directorship and/key management personnel
OncoTEX Inc.	An associate with common directorship and/key management personnel
OncoTEX Pty Ltd.	An associate with common directorship and/key management personnel
Ethical Bioscience Investments Fund Pty Ltd.	Joint venture

The aggregate value of transactions and outstanding balances relating to subsidiaries and associates are set out in the following table.

28 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

In dollars	2020	2019
Revenue:		
Shared services fees received from related parties	1,460,434	1,769,304
Other Income:		
Rental recharges	408,814	-
Total fees received from related parties	**1,869,248**	**1,769,304**
Consulting fees paid to related parties	2,687,143	1,430,584
Payment of shared services fees to related parties	2,584,653	1,655,080
IP procurement pass through expenses	247,331	-
Total costs received from related parties	**5,519,127**	**3,085,664**

In dollars	2020	2019
Trade payable accounts with related parties[1]	(3,243,378)	(2,224,986)
Trade receivable accounts with related parties[2]	4,967,207	401,654
Bond issued to related party[3]	(1,022,993)	(876,418)
Net trade receivable/(payable) from related parties	**700,836**	**(2,699,750)**

[1] Trade payables with related parties include amounts payable to iQ3Corp Limited of $1,716,839 and iQX Limited of $1,491,499.

[2] Trade receivables with related parties include amounts receivable from OncoTEX Pty Ltd of $2,265,263, iQX Limited and controlled entities of $2,598,697.

[3] On the 10 September 2018, the Company issued bond instrument to a related entity, iQX Limited. The maturity date of the bond is 30 June 2021, and the bond has a simple annual coupon rate of 9%.

29 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

In dollars	**2020**	**2019**
Cash flows from operating activities		
Loss for the period	(22,229,461)	(14,477,707)
Adjustments for:		
Income on partial disposal of the subsidiary	(102,024)	(100,275)
Non-cash finance cost on the corporate bonds/convertible notes	1,287,454	485,404
Share-based payments	480,106	132,962
Provision for expected credit loss	98,450	122,986
Non-cash capital raising costs	-	284,355
Share subscription classified from other payables to equity	327,845	659,536
Share of (profit)/loss in associates	(12,573)	98,222
Taxation – Movement in deferred taxes	35,717	1,233,364
Depreciation and amortisation expenses	794,338	103,180
Development costs written off	2,036,255	-
Unwinding of lease liability under AASB 16	178,459	-
Provision for long service leave	80,975	-
Other-non cash items	(93,360)	154,344
	(17,117,819)	**(11,303,629)**
Changes in:		
Trade and other receivables	(4,995,172)	(3,178,749)
Trade and other payables	5,776,413	3,692,336
Prepayments	71,199	356,391
Other assets	-	412,604
Income in advance	(304,529)	90,702
Employee benefits	842,493	123,393
	1,390,404	**1,496,667**
Net cash used in operating activities	**(15,727,415)**	**(9,806,952)**

30 AUDITORS' REMUNERATION

In dollars	2020	2019
Auditors of the Group - BDO* and related network firms		
Audit and review of financial statements		
Group	130,500	30,000
Controlled entities	232,000	143,000
Non-audit services		
Taxation advice	32,490	80,000
Other assurance services	20,300	24,920
Total services provided by BDO	**415,290**	**277,920**
Other auditors and their related network firms		
Non-audit services		
Independent Expert Report – RSM Australia Partners	-	16,715

*The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd. on 1 August 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Ltd. and their respective related entities.

31 PARENT ENTITY FINANCIAL INFORMATION

Financial information for the parent entity, The iQ Group Global Ltd., is as follows:

In dollars	2020	2019
Assets		
Current assets	15,327,637	11,652,507
Non-current assets	501,293	1,924,814
Total assets	**15,828,930**	**13,577,321**
Liabilities		
Current liabilities	8,627,411	6,439,244
Non-current liabilities	11,351,765	985,152
Total liabilities	**19,979,176**	**7,424,396**
Net assets/ (liabilities)	**(4,150,246)**	**6,152,925**
Equity		
Issued capital	18,331,106	18,331,106
Reserves	473,351	251,254
Accumulated losses	(22,954,702)	(12,429,435)
Total equity	**(4,150,246)**	**6,152,925**
Net loss	**(9,291,903)**	**(2,140,377)**
Total comprehensive loss	**(9,263,009)**	**(2,113,690)**

32 SUBSEQUENT EVENTS

Farmaforce Limited, a subsidiary of the Group, successfully applied for the Australian Government's JobKeeper program and was assessed as eligible on 4 August 2020 with payments effective 1 July 2020. The JobKeeper payment applied to a proportion of the Company's employees for total payments of approximately $750,000 over the first three months in FY2021.

GBS Inc., a subsidiary of the Group, received further cash subscriptions for approximately $4,392,993, which will be allotted as additional convertible preference shares prior to any potential IPO and listing on a US exchange.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2020

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

Dr George Syrmalis

Chair

Sydney

12 September 2020

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Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of The iQ Group Global Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The iQ Group Global Ltd. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

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

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* 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 (including Independence Standards)* (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 4 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 6, the Group recognised revenue of $15.45 million for the year ended 30 June 2020. The recognition of revenue was considered as a key audit matter as it is a key performance indicator to the users of the financials; and there is a key judgement surrounding the determination of performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.	We have evaluated revenue recognition in accordance with AASB 15: *Revenue from Contracts with Customers*. Our procedures, included, amongst others: • Evaluating the revenue recognition policies for all material sources of revenue and from our detailed testing performed below, ensured that revenue was being recognised appropriately, in line with Australian Accounting Standards and policies disclosed within Note 3; • Performing cut-off procedures in relation to revenue transactions immediately prior to and subsequent to the year-end, to ensure items have been recorded in the correct period; • Performing detailed analytical procedures to establish expectations for revenue and gross margins on an annual basis, and comparing those expectations to actual results; • Recalculating discounts provided to customers during the period and ensuring these were recognised appropriately throughout the contract; • Substantively testing a sample of revenue transactions throughout the financial year; and • Reviewing the monthly shared labour charge-through and verifying completeness and accuracy by testing the underlying inputs.

Borrowings

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 19, the Group recognised borrowings of $22.73 million, which included convertible notes of $6.17 million, bonds held with related party of $1.02 million and corporate bonds of $15.54 million as at 30 June 2020. Due to the complexity of accounting treatment, significant judgements and estimations applied by management, along with the significance of the balance in the Consolidated Statement of Financial Position, we considered this area to be a key audit matter.	We have evaluated the accounting treatment and related disclosures of the borrowings in accordance with AASB 9: *Financial Instruments and* AASB 132: *Financial Instruments: Presentation*. Our procedures, included, amongst others: • Obtaining a schedule of borrowings issued by the Group from management and agreeing these to supporting documentation; • Obtaining an understanding of and assessing the terms and conditions of the relevant borrowings agreements to determine the appropriate initial recognition and subsequent measurement in accordance with the Australian Accounting Standards; • Assessing the terms of the related party bond agreement to determine whether the terms and conditions are on an arm's length basis; • Reviewing the valuation model for the convertible notes and assessing management's treatment of the loan extension as a substantial modification in accordance with the accounting standard; • Agreeing the transaction costs incurred to supporting documentation and reviewing managements treatment of unwinding these costs over the life of the respective liabilities using the effective interest rate method; • Reviewing management's calculation of accrued interest against the rates stipulated in the agreements and ensured the accrual is adequate at year end; and • Reviewing the adequacy of the disclosures in the financial report, ensuring these accurately reflect management's documentation.

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

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

Responsibilities

The directors of the Company 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.

BDO Audit Pty Ltd

BDO

Tim Aman

Director

Sydney, 12 September 2020

NSX ADDITIONAL INFORMATION

Additional information required by the NSX and not disclosed elsewhere in this report is set out below. The information is current as at 28th August 2020.

SHAREHOLDINGS

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number of ordinary shares held	% of total ordinary shares held
Biotechnology Holdings Pty Ltd.	37,992,750	23.32%
Con Tsigounis Pty Ltd.	37,148,750	22.81%
Total of substantial shareholders	**75,141,500**	**46.13%**

Distribution of equity security shareholders

Category	Holders	Ordinary shares	%
1-1,000	7	2,692	0.00%
1,001-5000	5	17,617	0.01%
5,001-10,000	180	1,251,484	0.77%
10,001-100,000	173	8,510,019	5.22%
100,001 and over	194	153,109,780	94.00%
Total	**559**	**162,891,592**	**100.00%**

Shareholders with less than marketable parcel

There are 7 shareholders each with an unmarketable parcel of shares being a holding of 806 or less, for a combined total of 2,692 shares. This is based on a closing price of $0.62 per share as at 28th August 2020 and represents 0.0017% of the fully paid ordinary shares on issue.

Shares subject to escrow

There is no security class subject to escrow as at 28th August 2020.

Unquoted equity securities

There are no unquoted redeemable preference shares or redeemable convertible notes on issue.

SECURITIES EXCHANGE

The Company is listed on the National Stock Exchange of Australia (NSX).

ON-MARKET BUY-BACK

There is no current on-market buy-back.

TEN LARGEST SHAREHOLDERS

Shareholders	Number of ordinary shares held	% of total ordinary shares
Biotechnology Holdings Pty Ltd <Biotechnology A/C>	37,992,750	23.32%
Con Tsigounis Pty Ltd <Con Tsigounis Family A/C>	37,148,750	22.81%
Anthony Tsigounis Pty Ltd <Anthony Tsigounis Family A/C>	4,012,500	2.46%
Priority One Group Pty Ltd <The Utopia Investment A/C>	1,612,903	0.99%
Steven & Patricia Chambers Partnership	1,612,903	0.99%
Mr Terence Rego & Mrs Carina Rego	1,500,000	0.92%
Mr Anthony Kousoulis & Mrs Angela Kousoulis <Kastanlika Super Fund A/C>	1,320,000	0.81%
Ju Ye Tian Cheng Holdings Pty Ltd <Ju Ye Tian Cheng Family A/C>	1,315,790	0.81%
Yuqiduo Pty Ltd <Chen Yuqiduo Family A/C>	1,315,789	0.81%
Persefone Abdallah	1,294,319	0.79%
Total securities of top 10 holdings	**89,125,704**	**54.71%**

Period	Closing share price at 30 June	Dividend per share	EPS (cents)	Revenue	Loss after tax	Assets	Liabilities
FY 2020	$0.58	NIL	(11.83)	$15.4	($22.2)	$15.9	$40.8
FY2019	$0.57	NIL	(7.53)	$12.6	($14.5)	$9.5	$16.3
FY2018	$0.40	NIL	(9.89)	$4.7	($14.8)	$9.8	$12.0
FY2017	$0.45	NIL	(7.6)	$4.7	($9.9)	$7.6	$16.3
FY2016	$0.61	NIL	(6.5)	$2.7	($7.4)	$5.8	$7.2
FY2015	$0.55	NIL	(10.8)	$0.8	($4.4)	$4.4	$5.0

WAIVERS

There are no arrangements where: (a) the Directors have agreed to waive any emoluments; or (b) where a shareholder has waived or agreed to waive any dividends.

SIGNIFICANT CONTRACTS WITH DIRECTORS, CHILD ENTITIES OR CONTROLLING SHAREHOLDERS

Refer to note 28 of the Notes to the Consolidated Financial Statements for details of material related party transactions.

OTHER

There are no period's unexpired of any service contract of any Director proposed for election at the forthcoming annual general meeting.