

Dear Mr. Incollingo,

29 October 2020

The IQ Group Global Limited (the “Company” or “IQG”)

Periodic Disclosure Query

National Stock Exchange of Australia (“NSX”) refers to the Company’s 2020 Annual Report¹ lodged on 26 October 2020 and notes the following:

The IQ Group Global Limited
Attn: Mr. Gerardo Incollingo
Company Secretary
Level 9, 85 Castlereagh Street
Sydney NSW Australia
2000

- A. Note 25 of the Company’s 2020 Annual Report on page 64 states:

(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.

<i>In dollars</i>	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 liabilities	1,804,146
Non-current financial liabilities	198,292
Total liabilities	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).

Furthermore, we note the following from the Ethical Bioscience Investments (‘EBI’) website:²

- B. Disclaimer page³ stating: This website is owned and operated by The iQ Group Global Ltd (ACN: 149 731 644), iQX Limited (ACN: 155 518 380), iQ3Corp Ltd (ACN: 160 238 282), Clinical Research Corporation Pty Limited (ACN 167 749 233), FarmaForce Limited (ACN:167 748 843), iQX Investment

¹ <https://www.nsx.com.au/ftp/news/021738828.PDF>

² <https://ebifixedincome.com/>

³ <https://ebifixedincome.com/terms-of-use/>

Services Pty Ltd (ACN: 163 056 371) and iQ Capital LLC (referred to collectively as “the iQ Group Global Companies” or “the iQ Group Global”).

C. Fixed Income⁴ page providing a fixed rate of return



The screenshot shows the EBI Fixed Income website. The header includes the EBI logo (Ethical Bioscience Investments) and navigation links for HOME, FIXED INCOME, and ABOUT. The main heading is "Earn an 11% return p.a. over two years with EBI Fixed Income". Below this, there is a paragraph explaining that EBI offers fixed rates of return for qualified investors in the global bioscience sector. Another paragraph states that as interest rates are historically low, this is a good time to achieve consistent, high-yield returns. A third paragraph mentions that the EBI Fixed Income product allows investors to take advantage of a global portfolio of diversified investments in the biotechnology sector. A table lists three investment options: 7% for 6 months, 9% for 12 months, and 11% for 24 months. A footnote at the bottom of the table states that the EBI Fixed Income Notes are exclusively available to sophisticated/wholesale investors only, with a minimum investment amount of \$50,000.00 and limited allocations.

FIXED INVESTMENT TERM (P.A.)	7%	9%	11%
INVESTMENT TERM	6 months	12 months	24 months

⁴EBI Fixed Income Notes are exclusively available to sophisticated/wholesale investors only. Minimum investment amount of \$50,000.00 applies and allocations are limited.

In relation to the above information please respond to the following:

1. Please provide a list of the various fixed term debt instruments offered by EBI referred to in the 2020 Annual Report.
2. Which entity is the investment manager responsible for the investment of funds that may be raised from the sophisticated/wholesale investors through various fixed term debt instruments?
3. Please provide key terms of the joint venture agreement or the management services agreement between EBI, IQX Limited or IQG (this information will not be released to the market).
4. Noting the incorporation of EBI on 4 March 2020, please explain how EBI derives the interest and principal upon maturity to pay back the investors at the end of the Investment Term.
5. Please explain how the amounts invested by sophisticated/wholesale investors into EBI Fixed Income Notes will be reflected in the financial information of EBI.
6. Please provide NSX with a Product Disclosure Statement (PDS)/Financial Services Guide (FSG) or Information Memorandum (IM), outlining appropriate regulatory/licensing arrangements supporting the offer for investments in EBI Fixed Income financial product (this information will not be released to the market).
7. Given EBI is a joint venture between two related parties, has there been any assets that have been acquired or disposed of by the Company pursuant to Listing Rule 6.43 which may require shareholder approval? Please provide an explanation supporting your response.

⁴ <https://ebifixedincome.com/invest/>

8. Considering the date of incorporation of EBI, why was this not disclosed to the market in the form of an NSX announcement as required by NSX Listing Rule 6.4?

This request is made under, and in accordance with, Listing Rule 2.7. It goes to whether the Company is in compliance with Listing Rules Section IIA 6.4 and 6.5A.

Your response should be sent to me directly via email no later than **4 pm on 3 November 2020**. Your response will be released to the market along with this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Yours sincerely

Ron Kaushik
Senior Manager - Market Surveillance