

15 December 2021

Announcements
ASX Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Addendum to 2021 Financial Report for the year ended 30 June 2021

This is an addendum to the Directors' report of the 2021 Financial Report for the year ended 30 June 2021 released by iQ3Corp Ltd (the "**Company**") on 27 August 2021. In response to ASIC's correspondence, the company provides the following information.

In accordance with section 299A(1) of the Corporations Act 2001, this addendum summarizes the material business risks that could adversely affect the Company's achievement of its financial prospects, and which are relevant to the expectations of the directors that the Company has adequate financial resources to continue as a going concern in as set out in Note 2 of the Financial Statements for the year ended 30 June 2021.

1) Capital raising fees and other revenue:

In the year ending 30 June 2022 ("**FY 2022**"), The Company anticipates to generating \$3.2m income from Capital raising and corporate finance consultancy fees to its clients.

i) Planned successful Initial Public Offering of its subsidiary / client

The directors of the company believe that the inherent risk of delays in proposed listing of one of its major clients would materially impact the income that the Company expects to generate from the listing. In FY 2022, The Company anticipates to generating significant income as its corporate advisory and capital raising teams would play a pivotal role in the listing of this major client.

The directors of the company also believe that the delay in proposed listing of this major client could materially adversely affect the value of company's holdings of this major client. As of today, iQ3Corp Ltd holds 40.5% of common stock shares of this major client.

While delay is an inherent risk in any proposed listing, given the progress made by this major client to date, in the opinion of the directors, it is likely that this major client will complete the Initial Public Offering as planned.

ii) Capital raising of approximately \$20 million in FY2022 which generates 10% income to the Company

The Company generates 10% of capital raising income from any capital raised for its clients, including its related entities.

The Company was able to raise \$23.7 million and \$23.2 million for its clients in the year ended 30 June 2020 and the year ended 30 June 2021 respectively. Given the past history and various projects in the pipeline, the directors believe that the Company will be able to achieve a capital raising of approximately \$20 million in FY2022.

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However, if the Company was not able to achieve capital raising of approximately \$20 million for its clients, that would have a corresponding adverse effect on the Company's income.

2) Current Liabilities

As disclosed in the 2021 Financial Report, the Company made a net loss of \$5,666,356 for the year ended 30 June 2021. As at that date, the Company had net current liabilities of \$4,824,727, net liabilities of \$6,699,546 and net operating cash outflows of \$3,884,495. The net current liability position, net asset deficiency and net operating cash outflows do prima facie give rise to a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

As of 30 June 2021, the Company has \$3.4 million in tax liabilities, and it has been in regular contact with the Australian Taxation Office ("**ATO**") to arrange a payment plan to repay those liabilities.

Given the continued support from other related parties and the continual communication that the Company maintains with the ATO regarding its tax liabilities, the directors have reasonable expectations that the Company will continue to operate as a going concern and realize its assets and discharge its liabilities in the ordinary course of operations.

However, the directors of the Company consider that if the Company was not able to negotiate a payment plan with the ATO to repay its tax liabilities, that could impede the Company's ability to function as a going concern.

This ASX announcement was approved and authorised for release by the Board of iQ3Corp Limited.

On behalf of the directors

Dr George Syrmalis
Chairperson
13 December 2021