NSX:IQN
GXG:IQN
OTC:IQNDY

iQnovate™
Life Science Organisation

Bridging science with business

27 November 2017

Announcements
National Stock Exchange of Australia
PO Box 283
NEWCASTLE NSW 2300

Market Announcement – 2017 Annual General Meeting Chairman Opening Address

Enclosed is a copy of the Opening Address, to be presented by Dr. George Symalis (Chair of iQnovate Limited), at 9:45am on 27th November 2017, at the iQnovate Limited Annual General Meeting to be held at the Grace Hotel, Sydney.

Gerardo Incollingo
Company Secretary

iQnovate
Bridging science with business
IQnovate is a scientifically driven life science asset management organisation. It has exceptional organic research and development capability. This enables iQnovate to conceptualise, source, validate and commercialise biotechnology assets that have extraordinary and potentially disruptive outcomes, thus advancing human health.

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Chairman's Opening Address

iQN, since its inception in 2011, has been a pure play company focused on developing early stage life science assets for its clients or for itself and taking advantage of risk by establishing a sustainable "risk advantage" which is as important for the entry in the investment today as creating an exit in the future.

Over the last three years iQN's financials have improved however still sustaining an operational cash burn of $6.5 million. Despite this cash burn, I believe the intrinsic value of the company remains multiple times higher than the market capitalisation of $37.3 million today.

This intrinsic value is ascribed to the company by the assets it owns and develops as well as its subsidiary entities FarmaForce (FFC) and Clinical Research Corporation (CRC).

My focus in this year's operational review will be more about the development programs the company is running than the subsidiary entities which are consolidated into this report.

iQN's revenue is generated through three separate streams – commercial sales, capital gains, and Research and Development.

- Sales of ethical pharmaceuticals and medical devices to physicians and other healthcare practitioners on behalf of our global Biopharma clients through FFC;
- Research and Development, clinical and medical services to client global Biopharma companies;
- Incubation and development of Intellectual property on behalf of clients; and
- Capital gains from ownership of IP.

Over the past four years, through a team of scientists, economists, analysts and external collaborators, we have been sourcing, identifying and validating discovery stage life science IP. In a field requiring the most highly skilled labour and scientific innovation to bring products to market, at any given time, the number of "good" opportunities to deploy capital that will be successful and offer a superior investment return is finite hence we have set very rigid and specific criteria of what we look for:

- Access the asset not the license; we have been looking to assign assignment of the IP as opposed to license the IP. (An assignment of IP is a transfer of ownership whereas an IP license allows the company to use the work without transferring ownership). It's far more complicated to execute an assignment than it is to license e.g. in 2014 in Australia, 732 licensing agreements were achieved and only 10 assignments.

- Create vehicles that access the biotech themes for which benefits accrue to the companies, and by extension the shareholders, as opposed to just the customers.
- Correlate the scientific milestones to the business milestones, adding value to the projects through the creation of early financial exits.
- Minimize IP acquisition cost, acquiring the asset at realistic price given the development risk and investment necessary to de-risk and commence exit process.

In the past, spikes of enthusiasm for the biotech markets have resulted in a very rapid advance in assets prices unjustified by the stage of development and therapeutic area, denoting a distortion in the perception of time by investors in their chase for outsized returns. Today a lot of the investors chasing returns in the biotechnology sector are doing so because of the performance of the past 5 years and not because they have a firm grasp of the science, the economic challenges involved or the earnings potential going forward, and are taking on a lot more risk than they assume they are. iQN actively seeks to take some of the risk away by its investment thesis.

After screening hundreds of early stage developments during the past few years IQN has a valuable and sustainable therapeutic and diagnostic portfolio.

Diagnostic Portfolio

The diagnostic platform we have acquired and are developing, creates an entire portfolio of diagnostic, screening and prognostic tests, for professional use, self-testing and point of care at clinic.

Our current development stage pipeline includes:

- hormones
- immunology
- biochemistry
- tumor markers
- communicable diseases
- nucleic acids

A significant franchise for our company is diabetes, and we are approaching the commercialisation stage with this asset. This non-invasive glucose test has the potential to become the substitute for every patient that currently needs to do the finger prick test several times per day.

This innovation enables a patient to monitor glucose without pricking their finger and it has the potential to address 415 million adults that currently have diabetes. By 2040 this number will rise to 642 million. (IDF Atlas 7th Edition).

The entire glucose self-monitoring market, according to Global Data, will reach $12.2 billion by the year 2017.

Therapeutic Portfolio

iQN is also undertaking a therapeutic research and development program of a first in class, novel mode of action, biologic compound for breast cancer. It is anticipated that following compilation of the completed preclinical data file, the company will submit to the FDA an investigative new drug application to commence human clinical trials. Following this pilot submission, we are expecting that separate INDA's will be filed for other oncology indications.

- Breast Cancer
- Prostate Cancer
- Melanoma
- Lung Cancer

It is forecast that the global breast cancer therapeutics market is set to increase in value from A$10.4 billion in 2014 to $17.2 billion by 2021, at a Compound Annual Growth Rate (CAGR) of 7.3%, according to business intelligence provider GBI Research.

Future Corporate Plans

As previously announced to the market, it remains the intention of the company to either migrate to the ASX or cross list on NASDAQ. Over the past year, management has focused on business imperatives to build shareholder value, primarily the therapeutic and diagnostic portfolio I have just discussed.

We do however remain committed to our previously stated intention to facilitate investor transactions and provide greater liquidity for investors by migrating the company's listing. At this stage, we anticipate providing greater detail to you regarding this process in the first half of next year.