

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2018**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **000-55049**

**ICOX INNOVATIONS INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction  
of incorporation or organization)

**27-3098487**

(I.R.S. Employer  
Identification No.)

**4101 Redwood Ave, Building F, Los Angeles, CA 90066**

(Address of principal executive offices) (Zip Code)

**424.570.9446**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 20,874,524 common shares issued and outstanding as at August 13, 2018.

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**PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

Our unaudited financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

It is the opinion of management that the unaudited interim financial statements for the periods ending June 30th, 2018 and June 30th, 2017 include all adjustments necessary in order to ensure that the unaudited interim financial statements are not misleading.

**ICOX Innovations Inc.**  
**Condensed Consolidated Balance Sheets**  
(Unaudited)

	June 30, 2018	December 31, 2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,013,760	\$ 214,993
Accounts receivable, related party	-	500,000
Prepaid expenses	109,882	30,000
Prepaid expenses, related party	40,000	35,000
Deferred service costs	230,560	21
Related party loans receivable and related accrued interest	-	100,752
<b>Total Current Assets</b>	<u>4,394,202</u>	<u>880,766</u>
Investment, related party	37	37
<b>Total Assets</b>	<u>\$ 4,394,239</u>	<u>\$ 880,803</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 251,079	\$ 131,303
Accounts payable and accrued expenses, related party	43,358	51,616
<b>Total Current Liabilities</b>	<u>294,437</u>	<u>182,919</u>
Convertible notes payable	500,325	500,325
Accrued interest on convertible notes	84,715	52,949
<b>Total Liabilities</b>	<u>879,477</u>	<u>736,193</u>
<b>Commitments and Contingencies</b>	-	-
<b>Stockholders' Equity</b>		
Common stock, \$0.001 par value, 75,000,000 shares authorized; 20,874,524 and 11,600,000 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	20,875	11,600
Additional paid-in-capital	6,174,957	826,018
Accumulated deficit	(2,681,070)	(693,008)
<b>Total Stockholders' Equity</b>	<u>3,514,762</u>	<u>144,610</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 4,394,239</u>	<u>\$ 880,803</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**ICOX Innovations Inc.**  
**Condensed Consolidated Statement of Operations**  
**(Unaudited)**

	<u>Three Months Ended June 30, 2018</u>	<u>Three Months Ended June 30, 2017</u>	<u>Six Months Ended June 30, 2018</u>	<u>Six Months Ended June 30, 2017</u>
<b>Revenues</b>				
Service revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Operating expenses</b>				
General and administrative expense	511,466	5,903	1,025,585	35,144
Consulting fees, related party	245,000	-	350,000	-
Service costs	185,840	-	572,920	-
Total operating expenses	<u>942,306</u>	<u>5,903</u>	<u>1,948,505</u>	<u>35,144</u>
Net loss from operations	(942,306)	(5,903)	(1,948,505)	(35,144)
<b>Other income (expense)</b>				
Interest income, related party	-	-	198	-
Note interest expense	(23,236)	(8,124)	(39,755)	(15,439)
Total other income (expense)	<u>(23,236)</u>	<u>(8,124)</u>	<u>(39,557)</u>	<u>(15,439)</u>
Provision for taxes	-	-	-	-
Net loss	<u>\$ (965,542)</u>	<u>\$ (14,027)</u>	<u>\$ (1,988,062)</u>	<u>\$ (50,583)</u>
Loss per common share – Basic and diluted	<u>\$ (0.07)</u>	<u>\$ -</u>	<u>\$ (0.15)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding, basic and diluted</b>				
	<u>14,555,618</u>	<u>6,000,000</u>	<u>13,085,973</u>	<u>6,000,000</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**ICOX Innovations Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
<b>Operating activities</b>		
Net loss for the period	\$ (1,988,062)	\$ (50,583)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	26,361	-
Stock-based compensation, related party	98,864	-
Changes in operating assets and liabilities		
Accounts receivable, related party	500,000	-
Prepaid expense	(79,882)	-
Prepaid expense, related party	(5,000)	-
Deferred service costs	(230,539)	-
Accrued interest receivable, related party	752	-
Accounts payable and accrued expenses	119,776	(43,143)
Accounts payable and accrued expenses, related party	(8,258)	-
Accrued interest on notes payable	31,766	15,439
Net cash (used in) operating activities	<u>(1,534,222)</u>	<u>(78,287)</u>
<b>Investing activities</b>		
Repayment of loan issued to related party	100,000	-
Net cash provided by investing activities	<u>100,000</u>	<u>-</u>
<b>Financing activities</b>		
Proceeds from issuance of convertible notes payable	-	30,000
Proceeds from issuance of loans payable	400,000	-
Repayment of loans payable	(400,000)	-
Proceeds from share issuance	5,468,195	-
Less share issue cost	(235,206)	-
Net cash provided by financing activities	<u>5,232,989</u>	<u>30,000</u>
Net changes in cash and cash equivalents	<u>3,798,767</u>	<u>(48,287)</u>
Cash and cash equivalents at beginning of the period	<u>214,993</u>	<u>56,050</u>
Cash and cash equivalents at end of the period	<u>\$ 4,013,760</u>	<u>\$ 7,763</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid in interest	<u>\$ 7,265</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**ICOX Innovations Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**As of June 30, 2018 and for the three and six months ended June 30, 2018 and 2017**

**1. NATURE AND CONTINUANCE OF OPERATIONS**

ICOX Innovations Inc. (formerly AppCoin Innovations Inc., formerly RedStone Literary Agents, Inc.) (the “Company”) was incorporated under the laws of the State of Nevada on July 20, 2010, with an authorized capital of 75,000,000 common shares, having a par value of \$0.001 per share. During the period ended December 31, 2010, the Company commenced operations by issuing shares and developing its publishing service business, focused on representing authors to publishers.

On February 14, 2018, the Company changed its name from “AppCoin Innovations Inc.” to “ICOX Innovations Inc.”

The Company’s new business model is to provide a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. The Company will enable its customers to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus cryptocurrency technologies into their business operations. The Company will be compensated on a fee-for-services model. The Company may also accept tokens or coins in payment for its services, to the extent permitted under applicable law.

The Company’s services will include strategic planning, project planning, structure development and administration, business plan modeling, technology development support, whitepaper preparation, due diligence reporting, governance planning and management.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in an accumulated deficit of \$2,681,070 and \$693,008 as of June 30, 2018 and December 31, 2017, respectively, and further losses are anticipated in the pursuit of the Company’s new service business opportunity, raising substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand, loans from directors and/or the private placement of common stock.

In order to address the above factors, during the six months ended June 30, 2018, the Company completed private placements of an aggregate of 9,113,659 shares of common stock at a price of \$0.60 per share for aggregate gross proceeds of \$5,468,195.

The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The interim condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Basis of Consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its subsidiary. All intercompany transactions and balances have been eliminated.

### Unaudited Interim Financial Information

The accompanying unaudited interim condensed consolidated financial statements and related notes have been prepared in accordance with U.S. GAAP for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission (the "SEC") to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim condensed consolidated financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. These unaudited interim condensed consolidated financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2017 and notes thereto contained in the information as part of the Company's Annual Report on Form 10-K, which was filed with the SEC on April 2, 2018.

### Use of Estimates

The preparation of interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and these differences could be material.

### Earnings per Share

The Company computes earnings (loss) per share in accordance with ASC 105, "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic earnings (loss) per share is computed by dividing net loss available to common stockholders by the weighted average number of outstanding common shares during the period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding during the period. At June 30, 2018, common shares from the conversion of debt (11,413,141 shares) (Note 3) and exercise of stock options (830,553 shares) (Note 8) have been excluded as their effect is anti-dilutive. At June 30, 2017, common shares from the conversion of debt (6,956,969) and exercise of stock options (nil) have been excluded as their effect is anti-dilutive.

### Revenue Recognition

Revenue is recognized in accordance with FASB ASC Topic 606, Revenue Recognition.

The Company primarily generates revenues from professional services consulting agreements. These arrangements are generally entered into on a contingent fee basis. There is no prepayment or retainer required prior to performing services and the entire fees is earned on a contingent basis. The Company also provides monthly post-business launch support services. The recurring monthly post-business launch support services are recognized as revenue each month that the subscription is maintained.

The Company generally enters into arrangements for which revenues are contingent upon achieving a pre-determined deliverable or future outcome. Any contingent revenue for these arrangements is not recognized until the contingency is resolved and collectability is reasonably assured.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Differences between the timing of billings and the recognition of revenue are recognized as either unbilled revenue (a component of accounts receivable) or deferred revenue on the consolidated balance sheet. Revenues recognized for services performed but not yet billed to clients are recorded as unbilled revenue.

Reimbursable expenses, including those relating to travel, other out-of-pocket expenses and any third-party costs, are included as a component of revenues. Typically, an equivalent amount of reimbursable expenses are included in total direct client service costs. Taxes collected from customers and remitted to governmental authorities are presented in the statement of operations on a net basis.

### Service costs

The Company's policy is to defer direct service costs that relate to the earning of contingent fee revenue. These deferred costs are expensed when the contingent fee revenue is recognized or when the earning the contingent fee revenue is in doubt.

### Reclassification

Certain reclassifications have been made to the 2017 financial statements in order for them to conform to the 2018 presentation. Such reclassifications have no impact on the Company's financial position or results or operations.

### Recently Adopted Accounting Pronouncements

#### *Statement of Cash Flows (ASU 2016-15)*

This update provides specific guidance to clarify how entities should classify certain cash receipts and cash payments on the statement of cash flows. The update also clarifies the application of the predominance principle when cash receipts and cash payments have aspects of more than one class of cash flows. The Company adopted this standard effective January 1, 2018.

The adoption of this update had no material effect on our financial statements.

#### *Financial Instruments – Recognition and Measurement (ASU 2016-01)*

This update retains the current accounting for classifying and measuring investments in debt securities and loans, but requires equity investments to be measured at fair value with subsequent changes recognized in net income, except for those accounted for under the equity method or requiring consolidation. The Company adopted this standard effective January 1, 2018. The adoption of this update had no material effect on our financial statements.

### Future Accounting Pronouncements

#### *Leases (ASU 2016-02)*

In February 2016, the FASB issued new guidance, ASU No. 2016-02, Leases (Topic 842). The main difference between current U.S. GAAP and the new guidance is the recognition of lease liabilities based on the present value of remaining lease payments and corresponding lease assets for operating leases under current U.S. GAAP with limited exception. Additional qualitative and quantitative disclosures are also required by the new guidance. Topic 842 is effective for annual reporting periods (including interim reporting periods) beginning after December 15, 2018. Early adoption is permitted. The Company is in the process of evaluating the amendments to determine if they have a material impact on the Company's financial position, results of operations, cash flows or disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instruments*, which changes the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. This guidance will be effective for reporting periods beginning after December 15, 2019, with early adoption permitted. The Company is currently in the process of evaluating the impact of the adoption of this ASU on the Company's consolidated financial statements.

### 3. NOTES PAYABLE

The Company has convertible notes outstanding as at June 30, 2018 and are as follows:

	<u>Start Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 <sup>(1)</sup>	09-14-2015	09-14-2020	18%	\$ 73,825	\$ 37,099	\$ 110,924
Note 2 <sup>(1)</sup>	12-30-2016	12-30-2021	18%	50,000	13,488	63,488
Note 3 <sup>(1)</sup>	12-30-2016	12-30-2021	18%	21,500	5,800	27,300
Note 4 <sup>(1)</sup>	03-02-2017	03-02-2022	18%	20,000	4,783	24,783
Note 5 <sup>(1)</sup>	06-08-2017	06-08-2022	18%	10,000	1,908	11,908
Note 6 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	250,000	16,644	266,644
Note 7 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	75,000	4,993	79,993
Total				<u>\$ 500,325</u>	<u>\$ 84,715</u>	<u>\$ 585,040</u>

<sup>(1)</sup> The note may be converted into shares of common stock of the Company at a conversion price of \$0.03 per share.

<sup>(2)</sup> The note may be converted into shares of common stock of the Company at a conversion price of \$0.10 per share.

The balances of the convertible notes outstanding as at December 31, 2017 are as follows:

	<u>Start Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 <sup>(1)</sup>	09-14-2015	09-14-2020	18%	\$ 73,825	\$ 30,509	\$ 104,334
Note 2 <sup>(1)</sup>	12-30-2016	12-30-2021	18%	50,000	9,025	59,025
Note 3 <sup>(1)</sup>	12-30-2016	12-30-2021	18%	21,500	3,880	25,380
Note 4 <sup>(1)</sup>	03-02-2017	03-02-2022	18%	20,000	2,998	22,998
Note 5 <sup>(1)</sup>	06-08-2017	06-08-2022	18%	10,000	1,016	11,016
Note 6 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	250,000	4,247	254,247
Note 7 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	75,000	1,274	76,274
Total				<u>\$ 500,325</u>	<u>\$ 52,949</u>	<u>\$ 553,274</u>

Based upon the balances as of June 30, 2018, the convertible notes and the related interest will come due in the following years:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ -	\$ -
2019	-	-	-
2020	398,825	58,736	457,561
2021	71,500	19,288	90,788
2022	30,000	6,691	36,691
Total	<u>\$ 500,325</u>	<u>\$ 84,715</u>	<u>\$ 585,040</u>

#### 4. LOANS PAYABLE – RELATED PARTY

On March 13, 2018, we entered into a loan agreement with Michael Blum, our Chief Financial Officer, whereby Mr. Blum advanced \$100,000 to us. The principal amount of \$100,000 is repayable on demand (but no longer than a term of six months) and bears simple interest at a rate of 12% per annum, which is payable upon repayment of the principal amount of \$100,000. We are entitled to repay the whole or any portion of the principal amount of \$100,000, plus accrued interest on the portion of the principal amount of \$100,000 being repaid, at any time. The loan agreement provides that we must, within five days of the release of funds to us from our private placement of subscription receipts that closed in March 2018, repay the principal amount of \$100,000 plus accrued interest in full. The loan agreement also provides that if we obtain any indebtedness on terms that are superior to the terms set forth in the loan agreement, then the terms under the loan agreement will be deemed to be amended, as of March 13, 2018, to match such superior terms in a manner and on terms as nearly equivalent as practicable to such superior terms. The loan was repaid on June 1, 2018 with interest of \$2,630.14.

On March 27, 2018, we entered into a loan agreement with Greg Burnett, a member of our Advisory Board, whereby Mr. Burnett advanced \$100,000 to us. The principal amount of \$100,000 is repayable on demand (but no longer than a term of six months) and bears simple interest at a rate of 12% per annum, which is payable upon repayment of the principal amount of \$100,000. We are entitled to repay the whole or any portion of the principal amount of \$100,000, plus accrued interest on the portion of the principal amount of \$100,000 being repaid, at any time. The loan agreement provides that we must, within five days of the release of funds to us from our private placement of subscription receipts that closed in March 2018, repay the principal amount of \$100,000 plus accrued interest in full. The loan agreement also provides that if we obtain any indebtedness on terms that are superior to the terms set forth in the loan agreement, then the terms under the loan agreement will be deemed to be amended, as of March 27, 2018, to match such superior terms in a manner and on terms as nearly equivalent as practicable to such superior terms. The loan was repaid on June 4, 2018 with interest of \$2,268.50.

On April 13, 2018, we entered into a loan agreement with a lender whereby the lender advanced \$200,000 to us. The principal amount of \$200,000 is repayable on demand (but no longer than a term of six months) and bears simple interest at a rate of 12% per annum, which is payable upon repayment of the principal amount of \$200,000. We are entitled to repay the whole or any portion of the principal amount of \$200,000, plus accrued interest on the portion of the principal amount of \$200,000 being repaid, at any time. The loan was repaid on June 12, 2018 with interest of \$3,090.

#### 5. COMMITMENTS

Starting May 1, 2018, the Company entered into a contract to lease its premises. The contract is effective until February 28, 2020 and is for \$16,500 per month.

The following commitments are outstanding as at June 30, 2018:

	<b>Total</b>
2018	\$ 99,000
2019	198,000
2020	33,000
Total	<u>\$ 330,000</u>

#### 6. RELATED PARTY TRANSACTIONS

In support of the Company's efforts and cash requirements, it may rely on advances from stockholders until such time as the Company can support its operations through revenue generation or attain adequate financing through sales of its equity or traditional debt financing. There is no formal written commitment for continued support by stockholders. Amounts represent advances or amounts paid in satisfaction of liabilities.

The Company's office premises were provided to it at no cost by one of its directors until April 30, 2018. This director did not take any fees for serving as director during the period ended June 30, 2018.

## 6. RELATED PARTY TRANSACTIONS (CONT'D)

In October 2017, the Company signed an agreement with a company in which the Company's Chairman is a director, officer, and 30.5% shareholder, to provide strategic management services. The agreement is for a two-year term that will automatically be renewed unless: (i) mutually agreed to by Business Instincts Group, Inc. ("BIG") and us, or (ii) written notice of non-renewal is provided by the non-renewing party to the other at least 90 days prior to the end of the term. This agreement committed the Company to pay \$35,000 a month and a signing bonus of \$100,000 payable as follows: (i) \$50,000 upon closing of up to \$750,000 of equity financing and (ii) \$50,000 payable on signing of the first client agreement. On June 26, 2018, the agreement was amended to pay \$105,000 a month as of June 1, 2018 and pay a bonus of \$280,000. \$140,000 of the bonus has been paid with the remaining portion to be paid upon signing of two additional clients. As of June 30, 2018, the Company had trade and other payables owing to this related party of \$43,358.

Future minimum payments per the agreement are:

2018	\$	630,000
2019		1,050,000
Total	\$	<u>1,680,000</u>

On December 29, 2017, the Company signed a master service agreement with WENN Digital Inc. ("WENN"), a company in which there is a common director. The agreement was amended on March 15, 2018, pursuant to which the Company changed the scope of services to provide WENN with the services in connection with WENN's development of an image rights management and protection platform (the "Platform") using blockchain technology, including (i) the business development and technical services, (ii) the business launch services and (iii) the post-business launch support services. The business services agreement with WENN provides that the fees for the services provided in connection with the development and launch of the Platform (the business development and technical services and business launch services) were deemed earned on the date of execution of the business services agreement. The Company has waived WENN's requirement to pay the \$250,000 fixed fee in connection with the business development and technical services as a concession. The Company has recognized the business development and technical service fee of \$500,000 during the year end December 31, 2017, paid in January by WENN upon the completion of its first round of pre-ICO fundraising.

The fees for the post-business launch support services (the "**Monthly Services**") are \$35,000 per month and they will be due at the beginning of each month in which the Monthly Services are performed. With respect to the Monthly Services, the Company has agreed to provide the Monthly Services for one year commencing on the date of the Platform Launch (as defined below), after which the business services agreement and the provision of the Monthly Services will automatically renew for a one year period and can be terminated by either our company or WENN with 30 days' written notice. "Platform Launch" means the publicized product launch of the Platform to the general public, including the ability of the general public to use Tokens as the primary means of exchange for transactions on the Platform.

In addition, the business services agreement with WENN provides that the work fee in the amount of \$4,175,000 is deemed earned on March 15, 2018 and the work fee is subject to a Renegotiation Obligation (as defined below). The business services agreement with WENN also provides that the additional fee of rights to receive an aggregate of 20,000,000 Platform tokens or coins (the "**Tokens**") pursuant to a Simple Agreement for Future Tokens is also deemed earned on the date of execution of the business services agreement and the additional fee is subject to a Renegotiation Obligation. However, for financial reporting purposes, the work fee and additional fee are deemed earned on the date of the launch of the Platform. If WENN does not raise more than \$40 million in connection with its offer and sale for cash of (i) one or more Simple Agreements for Future Tokens ("**SAFTs**"), which SAFTs will entitle the holders thereof to receive Tokens under certain circumstances, and/or, (ii) Tokens, in the event that WENN determines to offer and sell Tokens in lieu of or in addition to SAFTs in connection with its fundraising efforts (collectively, the "**WENN Offering**"), prior to May 31, 2018, the Company will be required to return the work fees and additional fee to WENN and WENN and our company will be required to negotiate in good faith the amount of each of such fee (such requirement to negotiate is referred to herein as the "**Renegotiation Obligation**").

## 6. RELATED PARTY TRANSACTIONS (CONT'D)

The Company has agreed that WENN will not be responsible for any out-of-pocket expenses incurred by our company in connection with our performance of the services. In addition, the Company has agreed to pay, and otherwise be financially responsible for (including through the reimbursement of disbursements made by WENN and its affiliates), (i) all legal costs and expenses incurred by WENN, our company and any of their affiliates in connection with the WENN Offering; (ii) all business and travel expenses incurred by WENN, our company and any of their affiliates in connection the WENN Offering; and (iii) all fees and expenses incurred by WENN in connection with its conversion of cryptocurrencies into US dollars in connection with the WENN Offering, including bank, exchange and other similar fees and expenses. WENN will have the right to deduct any such amounts from the fees otherwise payable by it to our company and apply such deducted amounts to the payments to our company.

The business services agreement will continue for a period of one year unless earlier terminated by either our company or WENN.

Either the Company or WENN may terminate the business services agreement upon the provision of 30 days' written notice to the other party. If the Company provides such notice, WENN may immediately terminate the business services agreement and the Company will be entitled to no further compensation except for any fees earned prior to the date of the termination. If WENN provides such notice, the Company may immediately terminate the business services agreement and will be entitled to no further compensation, except for the following lump sum payments: (i) any fees earned to the effective date of termination; and (ii) a lump sum payment of \$105,000.

For the purpose of determining our fees earned to the date of the termination in the event that either party terminates the business services agreement, all fees for services in connection with the development and launch of the Platform (the business development and technical services and business launch services) and the additional fee of rights to receive an aggregate of 20,000,000 Tokens are deemed earned on the date of execution of the business services agreement and the work fee is deemed earned as of March 15, 2018. However, the work fees and additional fee are subject to the Renegotiation Obligation. As such, our work fee and additional fee are not determinable or deemed collectible for the financial reporting purposes until the WENN Offering is completed or, if applicable, those fees are renegotiated pursuant to the Renegotiation Obligation.

The Company's chairman and one of its directors, Cameron Chell, is a director, officer and an indirect shareholder of Business Instincts Group Inc. which owns 10% of the common stock of WENN and he is also a director, officer and indirect shareholder of Blockchain Merchant Group, Inc. which owns 2.5% of the common stock of WENN and the Company owns 7.5% of the common stock of WENN. Mr. Chell is also a director, chairman, and officer of WENN. Mr. Elliott is a former officer of WENN.

## 7. SHARE CAPITAL

On March 12 and 19, 2018, we completed private placements of an aggregate of 9,113,659 subscription receipts at a price of \$0.60 per subscription receipt for aggregate gross proceeds of \$5,468,195. The escrow release condition (as defined below) was met, and each subscription receipt converted into one share of our common stock, for no additional consideration. The escrow release condition was the receipt by our company of conditional approval for the listing of the shares of our common stock on a Canadian stock exchange. In connection with the closing of the private placements, we paid cash finder's fees in the aggregate amount of \$29,400 and we issued 160,865 shares of our common stock at a deemed price of \$0.60 per share as the finder's fee.

In connection with this private placement, the Company agreed with each subscriber who purchased shares to prepare and file a registration statement with respect to 50% of the shares issued with the United States Securities and Exchange Commission within 90 days following the closing of the private placement and agreed to use commercially reasonable efforts to have the registration statement declared effective by the United States Securities and Exchange Commission as soon as possible after filing.

## 7. SHARE CAPITAL (CONT'D)

None of the securities issued in the private placement have been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act.

## 8. STOCK-BASED COMPENSATION

The Company has adopted the 2017 Equity Incentive Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees, or consultants of the Company. The terms of the Plan provide that our board of directors may grant options to acquire common shares of the Company at not less than 100% of the greater of: (i) the fair market value of the shares underlying the options on the grant date and (ii) the fair market value of the shares underlying the options on the date preceding the grant date at terms of up to ten years. No amounts are paid or payable by the recipient on receipt of the options. As of December 31, 2017, the maximum number of options available for grant was 3,000,000 shares. On January 22, 2018, the maximum number of options available for grant was increased to 3,900,000 shares. As of June 30, 2018, there are 3,350,000 stock options issued (December 31, 2017 – 2,900,000) and 550,000 stock options unissued (December 31, 2017 – 100,000).

On February 9, 2018, the Company granted a total of 100,000 stock options to a director. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 1/3 upon the date of grant;
- (ii) 1/3 on the first anniversary date; and
- (iii) 1/3 on the second anniversary date.

On February 16, 2018, the Company granted a total of 75,000 stock options to two consultants. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 1/3 on the first anniversary date;
- (ii) 1/3 on the second anniversary date; and
- (iii) 1/3 on the third anniversary date.

On May 17, 2018, the Company granted a total of 100,000 stock options to a director. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 2,778 upon the date of grant;
- (ii) 2,778 on the 17<sup>th</sup> of each of the following 34 months; and
- (iii) 2,770 on April 17, 2021.

## 8. STOCK-BASED COMPENSATION (CONT'D)

On June 7, 2018, the Company granted a total of 100,000 stock options to a director. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 1/3 upon the date of grant;
- (ii) 1/3 on the first anniversary date; and
- (iii) 1/3 on the second anniversary date.

On June 8, 2018, the Company granted 75,000 stock options to one consultant. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options become exercisable as follows:

- (i) 1/3 upon the date of grant;
- (ii) 1/3 on the first anniversary date; and
- (iii) 1/3 on the second anniversary date.

Stock options granted are valued at the fair value calculation based off the Black-Scholes valuation model. The weighted average assumptions used in the calculation are as follows:

	<u>Six Months Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Share price	\$ 0.60	N/A
Exercise price	\$ 0.60	N/A
Time to maturity (years)	10	N/A
Risk-free interest rate	2.83%-3.11%	N/A
Expected volatility	186.62%-187.29%	N/A
Dividend per share	\$ 0.00	N/A
Forfeiture rate	Nil	N/A

	<u>Number of Options</u>	<u>Weighted Average Grant-Date Fair Value (\$)</u>	<u>Weighted Average Exercise Price (\$)</u>	<u>Weighted Average Remaining Life (Yrs)</u>
<b>Options outstanding, December 31, 2017</b>	2,900,000	0.10	0.10	9.3
Granted	450,000	0.60	0.60	9.9
Exercised	-	-	-	-
Forfeited	-	-	-	-
<b>Options outstanding, June 30, 2018</b>	<b>3,350,000</b>	<b>0.17</b>	<b>0.17</b>	<b>9.4</b>
<b>Options exercisable, June 30, 2018</b>	<b>830,553</b>	<b>0.16</b>	<b>0.16</b>	<b>9.4</b>

## 9. SUBSEQUENT EVENTS

On July 9, 2018, we entered into a loan agreement with WENN whereby we provided to WENN a loan in the principal amount of \$750,000. The principal amount of the loan bears interest at the rate of 2% per annum, provided, however, any amounts not paid when due will immediately commence accruing interest at the default rate of 10% per annum. The principal amount of the loan, any accrued and unpaid interest thereon, and any other amounts owing under the loan matures on the earlier of (i) March 9, 2019 and (ii) the closing by WENN of a minimum of \$3,000,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity or otherwise. WENN can prepay all outstanding amounts on 10 days' notice to our company.

As a condition for entering into the loan agreement, Ryde GmbH ("Ryde") provided a corporate guarantee dated July 9, 2018 to our company, pursuant to which Ryde unconditionally guaranteed and promised to pay our company on demand all amounts that become due from WENN under the loan agreement with WENN and any other amounts that we may in the future loan or advance to WENN.

Also, as a condition for entering into the loan agreement, WENN entered into the amendment no. 2, dated as of July 9, 2018, to the business service agreement dated December 29, 2017 as amended as of March 15, 2018, with our company. Pursuant to the amendment no. 2, our company and WENN agreed that each party will be responsible for its respective expenses and agreed not to charge any out of pocket expenses to the other party unless expressly approved by the other party in advance in writing.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### Forward-Looking Statements

This quarterly report contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, forward-looking statements can be identified by the use of terminology such as "may", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" or "continues" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this quarterly report include or may include, among others, statements about:

- our proposed plan of operations;
- our financial and operating objectives and strategies to achieve them;
- the costs and timing of our services;
- our use of available funds;
- our capital and funding requirements; and
- our other financial or operating performances.

The material assumptions supporting these forward-looking statements include, among other things:

- our future growth potential, results of operations, future prospects and opportunities;
- execution of our business strategy;
- there being no material variations in current regulatory environments;
- our operating expenses, including general and administrative expenses;
- our ability to obtain any necessary financing on acceptable terms;
- timing and amount of capital expenditures;
- retention of skilled personnel;
- continuation of current tax and regulatory regimes; and
- general economic and financial market conditions.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- inability to efficiently manage our operations;
- general economic and business conditions;

- our negative operating cash flow;
- our ability to obtain additional financing;
- increases in capital and operating costs;
- general cryptocurrency risks;
- technological changes and developments in the blockchain and cryptocurrencies;
- risks relating to regulatory changes or actions;
- competition for blockchain platforms and technologies; and
- other risk factors discussed in our annual report on Form 10-K filed on April 2, 2018,

any of which may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although we have attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect management's current judgment regarding the direction of our business, actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend to update any of the forward-looking statements to conform these statements to actual results. All forward-looking statements in this quarterly report are qualified by this cautionary statement.

All financial information contained herein is shown in United States dollars unless otherwise stated. Our financial statements are prepared in accordance with United States generally accepted accounting principles. Unless otherwise stated, "\$" refers to United States dollars.

In this quarterly report, unless otherwise specified, all references to "shares" refer to shares of common stock in the capital of our company.

As used in this quarterly report, the terms "we", "us" "our" and "ICOX" mean ICOX Innovations Inc. and its wholly-owned subsidiary, AppCoin Innovations (USA) Inc., unless otherwise specified.

## **Overview**

We were incorporated under the laws of the State of Nevada on July 20, 2010. Following incorporation, we commenced the business of representing authors to publishers. Upon the resignation of Mary Wolf as an officer of our company on August 28, 2014, we ceased pursuing the business of representing authors to publishers and sought new business opportunities.

In July 2017, we decided to operate a new business of providing services for blockchain and cryptocurrency technologies.

Our new business is a services and development business that provides a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. We anticipate that we will enable companies to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus cryptocurrency technologies into their business operations. Our plan is to be compensated on a fee-for-services model. We may also accept tokens, coins or equity in payment for our services, to the extent permitted under applicable law.

On December 29, 2017, we entered into a business services agreement with WENN Digital Inc. ( “WENN” ), on March 19, 2018, we entered into the amendment no. 1 to business services agreement dated as of March 15, 2018 with WENN, and, on July 9, 2018, we entered into the amendment no. 2 to business services agreement dated as of July 9, 2018 with WENN. Pursuant to the business services agreement, we agreed to provide WENN with the services in connection with WENN’s development of an image rights management and protection platform (the “Platform” ) using blockchain technology, including (i) the business development and technical services, (ii) the business launch services and (iii) the post-business launch support services.

WENN has entered into a licensing partnership agreement with Eastman Kodak Company, which announced the launch of the KODAKOne blockchain platform and KODAKCoin ICO. We are providing the services relating to the KODAKOne blockchain platform and the KODAKCoin ICO pursuant to a business services agreement dated December 29, 2017, as amended as of March 15, 2018 and July 9, 2018 with WENN.

## **Results of Operations**

### ***Three Months Ended June 30, 2018 Compared to the Three Months Ended June 30, 2017***

#### *Revenue*

We had no revenue for the three months ended June 30, 2018 and 2017.

#### *Operating Expenses*

We incurred general and administrative expenses and related party consulting of \$756,466 and \$5,903 for the three months ended June 30, 2018 and 2017, respectively, representing an increase of \$750,563 between the two periods. These expenses consisted primarily of consulting fees, professional fees, bank charges, and other general and administrative costs. The increase in consulting fees between the two periods from \$600 in 2017 to \$469,338 in 2018 was due to the consulting agreement with Business Instincts Group Inc. to provide strategic and project management services as well as consulting agreements with our senior and executive staff. Business Instincts Group Inc. is a related party as Cameron Chell is a common director of the companies. Professional fees increased from \$4,583 in 2017 to \$9,932 in 2018 and the increase was primarily due to obtaining a legal opinion letter and higher review expenses. The increase in bank charges from \$nil in 2017 to \$1,583 in 2018 was due to the increased bank activity. The increase in other general and administrative costs increased from \$720 in 2017 to \$275,613 in 2018 due to increased travel costs, advertising and marketing costs, compliance fees, and stock-based compensation. Service costs increased from \$nil in 2017 to \$185,840 in 2018 is a result of services rendered for our client in our new business or operations.

Consulting fees of \$469,338 in the second quarter of 2018 relate in part to \$245,000 paid to Business Instincts Group Inc., \$52,016 to our directors, \$40,000 paid to our president, Bruce Elliott, for management services, \$33,386 paid to our Advisory Board members, \$30,000 paid to our chief financial officer, Michael Blum, for management services, \$30,000 paid for accounting services, \$23,133 in stock-based compensation, and \$15,803 paid for development services.

Service fees of \$185,840 in the second quarter of 2018 relate to \$125,194 for public relation and marketing services, \$47,372 for management costs, \$8,767 for travel, \$2,125 for legal fees, \$1,632 for token exchange listing assistance, and \$750 for website and graphic design.

#### *Net Loss from Operations*

We incurred net losses from operations of \$942,306 and \$5,903 for the three months ended June 30, 2018 and 2017, respectively, representing an increase of \$936,403, primarily attributable to the factors discussed above under the heading “Operating Expenses”.

## ***Six Months Ended June 30, 2018 Compared to the Six Months Ended June 30, 2017***

### ***Revenue***

We had no revenue for the six months ended June 30, 2018 and 2017.

### ***Operating Expenses***

We incurred general and administrative expenses and related party consulting of \$1,375,585 and \$35,144 for the six months ended June 30, 2018 and 2017, respectively, representing an increase of \$1,340,441 between the two periods. These expenses consisted primarily of consulting fees, professional fees, bank charges, and other general and administrative costs. The increase in consulting fees between the two periods from \$21,400 in 2017 to \$750,225 in 2018 was due to the consulting agreement with Business Instincts Group Inc. to provide strategic and project management services as well as consulting agreements with our senior and executive staff. Business Instincts Group Inc. is a related party as Cameron Chell is a common director of the companies. Professional fees increased from \$11,784 in 2017 to \$118,130 in 2018 and the increase was primarily due to an increase in legal services related to the evaluation of potential business opportunities, regulatory compliance, and higher review expenses. The increase in bank charges from \$nil in 2017 to \$2,034 in 2018 was due to the increased bank activity. The increase in other general and administrative costs increased from \$1,960 in 2017 to \$488,895 in 2018 due to increased travel costs, advertising and marketing costs, compliance fees, and stock-based compensation. Service costs increased from \$nil in 2017 to \$572,920 in 2018 is a result of services rendered for our client in our new business or operations.

Consulting fees of \$750,225 in the first half of 2018 relate in part to \$350,000 paid to Business Instincts Group Inc., \$89,011 to our directors, \$74,000 paid to our president, Bruce Elliott, for management services, \$60,000 paid to our chief financial officer, Michael Blum, for management services, \$54,000 paid for accounting services, \$42,649 paid for development services, \$42,508 paid to our Advisory Board members, \$26,361 in stock-based compensation, \$15,000 for financial services, and \$12,500 for recruiting services.

Service fees of \$572,920 in the first half of 2018 relate to \$312,804 for public relation and marketing services, \$115,416 for legal fees, \$50,750 for website and graphic design, \$47,372 for management costs, \$36,021 for travel, \$5,116 for due diligence, \$1,908 to establish a social media presence, \$1,632 for token exchange listing assistance, and \$1,051 for office supplies.

### ***Net Loss from Operations***

We incurred net losses from operations of \$1,948,505 and \$35,144 for the six months ended June 30, 2018 and 2017, respectively, representing an increase of \$1,913,361, primarily attributable to the factors discussed above under the heading “Operating Expenses”.

## **Liquidity and Capital Resources**

### ***Working Capital***

	<b>As at June 30, 2018</b>	<b>As at December 31, 2017</b>
Current Assets	\$ 4,394,202	\$ 880,766
Current Liabilities	294,437	182,919
Working Capital	<u>4,099,765</u>	<u>697,847</u>

### ***Current Assets***

Current assets were \$4,394,202 as at June 30, 2018 and \$880,766 as at December 31, 2017. The increase in current assets as at June 30, 2018 was due to the closing of the private placement partially offset by the payment of business expenses.

### *Current Liabilities*

Current liabilities as at June 30, 2018 were attributable to \$294,437 in accounts payable and accrued expenses compared to \$182,919 as at December 31, 2017.

### *Cash Flow*

	<b>Six months ended June 30, 2018</b>	<b>Six months ended June 30, 2017</b>
Net cash (used in) operating activities	\$ (1,534,222)	\$ (78,287)
Net cash provided by investing activities	100,000	-
Net cash provided by financing activities	5,232,989	30,000
Net changes in cash and cash equivalents	<u>\$ 3,798,767</u>	<u>\$ (48,287)</u>

### *Operating Activities*

Net cash used in operating activities was \$1,534,222 for the six-month period ended June 30, 2018, as compared to \$78,287 for the six-month period ended June 30, 2017, an increase of \$1,455,935. The increase in net cash used in operating activities was primarily due an increase in operating expenses, deferred service costs, and deferred offering costs partially offset by receipts of accounts receivable, and an increase in the accounts payable outstanding.

### *Investing Activities*

Investing activities provided cash of \$100,000 for the six-month period ended June 30, 2018 as compared to \$nil for the six-month period ended June 30, 2017. The cash received was from the repayment of the loan made to WENN Digital Inc.

### *Financing Activities*

Financing activities provided cash of \$5,232,989 for the six months ended June 30, 2018 and \$30,000 for the six months ended June 30, 2017. To help fund our operating activities until our private placement closed, we received a \$100,000 loan from Michael Blum, the chief financial officer of our company, and a \$100,000 loan from Greg Burnett, a member of our advisory board. These loans were repaid in June after the closing of the private placement for net proceeds of \$5,232,989.

### *Recent Investing Activities*

On July 9, 2018, we entered into a loan agreement with WENN whereby we provided to WENN a loan in the principal amount of \$750,000. The principal amount of the loan bears interest at the rate of 2% per annum, provided, however, any amounts not paid when due will immediately commence accruing interest at the default rate of 10% per annum. The principal amount of the loan, any accrued and unpaid interest thereon, and any other amounts owing under the loan matures on the earlier of (i) March 9, 2019 and (ii) the closing by WENN of a minimum of \$3,000,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity or otherwise. WENN can prepay all outstanding amounts on 10 days' notice to our company.

As a condition for entering into the loan agreement, Ryde GmbH ( "**Ryde**" ) provided a corporate guaranty dated July 9, 2018 to our company, pursuant to which Ryde unconditionally guaranteed and promised to pay our company on demand all amounts that become due from WENN under the loan agreement with WENN and any other amounts that we may in the future loan or advance to WENN.

Also, as a condition for entering into the loan agreement, WENN entered into the amendment no. 2, dated as of July 9, 2018, to the business services agreement dated December 29, 2017, as amended as of March 15, 2018, with our company. Pursuant to the amendment no. 2, our company and WENN agreed that each party will be responsible for its respective expenses and agreed not to charge any out of pocket expenses to the other party unless expressly approved by the other party in advance in writing.

### Cash Requirements

We expect that we will require \$5.515 million, including our current working capital, to fund our operating expenditures for the next twelve months. Projected working capital requirements for the next twelve months are as follows:

#### Estimated Working Capital Expenditures During the Next Twelve Months

Operating expenses	\$ 2,015,000
General and administrative expenses	3,350,000
Estimated costs of the listing on a Canadian stock exchange and related expenses	150,000
<b>Total</b>	<b>\$ 5,515,000</b>

We plan to continue to provide the services in connection with the development and launch of the Platform (with a targeted launch prior to October 31, 2018 pursuant to the business services agreement dated December 29, 2017, as amended as of March 15, 2018 and July 9, 2018 with WENN. As at June 30, 2018, we spent approximately \$773,000 and expect to spend additional \$200,000 to \$300,000 in connection with the development and launch of the Platform and post-launch support.

For the next 12 months, we plan to enter into one or two additional business services agreements with other clients on terms similar to the business services agreement dated December 29, 2017, as amended as of March 15, 2017 and July 9, 2018 with WENN. We intend to spend between \$500,000 and \$1,000,000 on various expenses to assist client companies to develop and integrate blockchain and cryptocurrency technologies into their business operations.

Our estimated operating expenses for the next 12 months are \$2,015,000 and are comprised of blockchain platform launch related expenses such as project management and consulting, legal fees, support agents and monitoring expenses, and blockchain and software expenses, all of which are included in the amounts between \$500,000 and \$1,000,000 we intend to spend on various expenses to assist client companies to develop and integrate blockchain and cryptocurrency technologies into their business operations.

Our estimated general and administrative expenses for the next 12 months are \$3,350,000 and are comprised of: \$2,250,000 for consulting fees, of which approximately \$1,260,000 is allocated to Business Instincts Group Inc., \$192,000 is allocated to our president, Bruce Elliott, \$120,000 is allocated to our chief financial officer, Michael Blum, \$120,000 is allocated to our lead director, James P. Geiskopf, \$120,000 is allocated for accounting services, \$60,000 is allocated for financial services, \$200,000 is allocated to our board of directors and our advisory board, \$110,000 is allocated to our marketing and development consultants, and \$68,000 is allocated to our public relations and marketing consultants; \$250,000 for legal and professional fees (including auditing fees); \$180,000 for marketing and advertising expenses; \$102,000 for trade shows; \$250,000 for travel expenses; \$198,000 for office rent and \$120,000 for miscellaneous and office expenses.

We will require additional cash resources to meet our planned capital expenditures and working capital requirements for the next 12 months. We expect to derive such cash through the sale of equity or debt securities or by obtaining a credit facility. The sale of additional equity securities will result in dilution to our stockholders. The incurrence of indebtedness will result in debt service obligations, could cause additional dilution to our stockholders, and could require us to agree to financial covenants that could restrict our operations or modify our plans to source a new business opportunity. Financing may not be available in amounts or on terms acceptable to us, if at all. Failure to raise additional funds could cause our company to fail.

## **Going Concern**

Our consolidated financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have not yet established a source of revenues sufficient to cover our operating costs and to allow us to continue as a going concern. We have incurred losses since inception resulting in an accumulated deficit of \$2,681,070 as at June 30, 2018 (December 31, 2017: \$693,008). Our ability to operate as a going concern is dependent on obtaining adequate capital to fund operating losses until we become profitable.

In its report on our financial statements for the years ended December 31, 2017 and 2016, our independent registered public accounting firm included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information under this item.

## **ITEM 4. CONTROLS AND PROCEDURES.**

### **Disclosure Controls and Procedures**

“**Disclosure controls and procedures**”, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), include controls and procedures designed to ensure that information required to be disclosed in our company’s reports filed under the Exchange Act recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Our principal executive officer and our principal financial officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2018. Based on this evaluation, they concluded that, as of June 30, 2018, our disclosure controls and procedures were not effective such that the information relating to us that is required to be disclosed in our SEC reports: (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and (ii) is accumulated and communicated to our management, including our principal executive and financial officer, to allow timely decisions regarding required disclosure.

### ***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2018, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

We know of no material pending legal proceedings to which our company is a party or of which any of our properties is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or has a material interest adverse to our company.

### ITEM 1A. RISK FACTORS.

As we are a smaller reporting company, we are not required to provide the information required by this item.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Since the beginning of the fiscal quarter ended June 30, 2018, we have not sold any equity securities that were not registered under the *Securities Act of 1933*, as amended, that were not previously reported in a quarterly report on Form 10-Q or a current report on Form 8-K.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

### ITEM 5. OTHER INFORMATION.

None.

### ITEM 6. EXHIBITS.

Exhibit Number	Description
<b>(3)</b>	<b>Articles of Incorporation and Bylaws</b>
3.1	<a href="#">Articles of Incorporation (incorporated by reference from our Current Report on Form S-1, filed on March 30, 2011)</a>
3.2	<a href="#">Bylaws (incorporated by reference from our Current Report on Form S-1, filed on March 30, 2011)</a>
3.3	<a href="#">Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on August 23, 2017)</a>
3.4	<a href="#">Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on February 15, 2018)</a>
<b>(10)</b>	<b>Material Contracts</b>
10.1	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated September 14, 2015 (incorporated by reference from our Current Report on Form 8-K, filed on September 15, 2015)</a>
10.2	<a href="#">18% Unsecured Convertible Note with Oceanside Strategies Inc. dated September 14, 2015 (incorporated by reference from our Current Report on Form 8-K, filed on September 15, 2015)</a>
10.3	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 5, 2017)</a>

- 10.4 [18% Unsecured Convertible Note with Oceanside Strategies Inc. dated December 30, 2016 \(incorporated by reference from our Current Report on Form 8-K, filed on January 5, 2017\)](#)
- 10.5 [Private Placement Subscription Agreement with Oceanside Strategies Inc. dated December 30, 2016 \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.6 [18% Unsecured Convertible Note with Oceanside Strategies Inc. dated December 30, 2016 \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.7 [Private Placement Subscription Agreement with Oceanside Strategies Inc. dated March 2, 2017 \(incorporated by reference from our Current Report on Form 8-K, filed on March 15, 2017\)](#)
- 10.8 [18% Unsecured Convertible Note with Oceanside Strategies Inc. dated March 2, 2017 \(incorporated by reference from our Current Report on Form 8-K, filed on March 15, 2017\)](#)
- 10.9 [Private Placement Subscription Agreement with Oceanside Strategies Inc. dated June 8, 2017 \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.10 [18% Unsecured Convertible Note with Oceanside Strategies Inc. dated June 8, 2017 \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.11 [Transfer Agreement dated August 21, 2017 with Blockchain Fund GP Inc. \(incorporated by reference from our Current Report on Form 8-K filed on August 23, 2017\)](#)
- 10.12 [Business Services Agreement with Business Instincts Group Inc. dated October 18, 2017. \(incorporated by reference from our Current Report on Form 8-K filed on October 19, 2017\)](#)
- 10.13 [Private Placement Subscription Agreement with Oceanside Strategies Inc. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.14 [10% Unsecured Convertible Note dated October 30, 2017 issued in connection with Private Placement Subscription Agreement with Oceanside Strategies Inc. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.15 [Private Placement Subscription Agreement with Hospitality Investors Special Situation Group Pvt. Ltd. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.16 [10% Unsecured Convertible Note dated October 30, 2017 issued in connection with Private Placement Subscription Agreement with Hospitality Investors Special Situation Group Pvt. Ltd. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.17 [Form of Private Placement Subscription Agreement for Common Stock Offering \(incorporated by reference from our Current Report on Form 8-K filed on October 31, 2017\)](#)
- 10.18 [Loan Agreement dated November 20, 2017 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K filed on November 27, 2017\)](#)
- 10.19 [Independent Consultant Agreement dated effective October 9, 2017 with Bruce Elliott \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.20 [Independent Consultant Agreement dated effective October 9, 2017 with Michael Blum \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.21 [Business Services Agreement dated effective December 29, 2017 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.22 [Form of Subscription Agreement \(incorporated by reference from our Current Report on Form 8-K, filed on March 14, 2018\)](#)
- 10.23 [Amendment No. 1 to Business Services Agreement dated as of March 15, 2018 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on March 20, 2018\)](#)
- 10.24 [Offer Letter dated January 22, 2018 with James P. Geiskopf \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.25 [Offer Letter dated February 9, 2018 with Edmund C. Moy \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.26 [2017 Equity Incentive Plan \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)

- 10.27 [Stock Option Agreement dated October 15, 2017 with James P. Geiskopf \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.28 [Stock Option Agreement dated October 15, 2017 with Cameron Chell \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.29 [Stock Option Agreement dated October 15, 2017 with Michael Blum \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.30 [Stock Option Agreement dated October 15, 2017 with Bruce Elliott \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.31 [Stock Option Agreement dated October 15, 2017 with Business Instincts Group Inc. \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.32 [Stock Option Agreement dated February 9, 2018 with Edmund C. Moy \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.33 [Indemnification Agreement dated December 20, 2017 with James P. Geiskopf \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.34 [Indemnification Agreement dated December 20, 2017 with Cameron Chell \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.35 [Indemnification Agreement dated December 20, 2017 with Michael Blum \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.36 [Indemnification Agreement dated December 20, 2017 with Bruce Elliott \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.37 [Indemnification Agreement dated February 9, 2018 with Edmund C. Moy \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.38 [Offer Letter dated May 17, 2018 with James Carter \(incorporated by reference from our Registration Statement on Form S-1/A, filed on July 17, 2018\)](#)
- 10.39 [Stock Option Agreement dated May 17, 2018 with James Carter \(incorporated by reference from our Registration Statement on Form S-1/A, filed on July 17, 2018\)](#)
- 10.40 [Indemnification Agreement dated May 17, 2018 with James Carter \(incorporated by reference from our Registration Statement on Form S-1/A, filed on July 17, 2018\)](#)
- 10.41 [Offer Letter dated June 22, 2018 with Alphonso Jackson \(incorporated by reference from our Registration Statement on Form S-1/A, filed on July 17, 2018\)](#)
- 10.42 [Stock Option Agreement dated June 7, 2018 with Alphonso Jackson \(incorporated by reference from our Registration Statement on Form S-1/A, filed on July 17, 2018\)](#)
- 10.43 [Indemnification Agreement June 22, 2018 with Alphonso Jackson \(incorporated by reference from our Registration Statement on Form S-1/A, filed on July 17, 2018\)](#)
- 10.44 [Amendment Agreement dated effective as of June 25, 2018 to Business Services Agreement dated October 18, 2017 with Business Instincts Group Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on June 29, 2018\)](#)
- 10.45 [Loan Agreement dated July 9, 2018 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018\)](#)
- 10.46 [Corporate Guaranty dated July 9, 2018 by Ryde GmbH \(incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018\)](#)
- 10.47 [Amendment No. 2 to Business Services Agreement dated as of July 9, 2018 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018\)](#)

**(31) Rule 13a-14(a) Certifications**

- 31.1\* [Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2\* [Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

**(32) Section 1350 Certifications**

- 32.1\* [Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2\* [Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

**(101) Interactive Data File**

- 101.INS\* XBRL Instance Document
- 101.SCH\* XBRL Taxonomy Extension Schema
- 101.CAL\* XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF\* XBRL Taxonomy Extension Definition Linkbase
- 101.LAB\* XBRL Taxonomy Extension Label Linkbase
- 101.PRE\* XBRL Taxonomy Extension Presentation Linkbase

\*Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ICOX INNOVATIONS INC.**

*/s/ Michael Blum*

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Michael Blum

Chief Financial Officer

(Duly Authorized Officer)

Dated: August 13, 2018

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce Elliott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICOX Innovations Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 13, 2018

*/s/ Bruce Elliott*

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Bruce Elliott

President

(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Blum, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICOX Innovations Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 13, 2018

*/s/ Michael Blum*

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Michael Blum

Chief Financial Officer, Secretary, Treasurer and Director

(Principal Financial Officer and Principal Accounting Officer)

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**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Bruce Elliott, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the quarterly report on Form 10-Q of ICOX Innovations Inc. for the period ended June 30, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of ICOX Innovations Inc.

August 13, 2018

*/s/ Bruce Elliott*

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Bruce Elliott

President

(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Michael Blum, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the quarterly report on Form 10-Q of ICOX Innovations Inc. for the period ended June 30, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of ICOX Innovations Inc.

August 13, 2018

*/s/ Michael Blum*

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Michael Blum

Chief Financial Officer, Secretary, Treasurer and Director

(Principal Financial Officer and Principal Accounting Officer)

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