



iQX LIMITED

ACN 155 518 380

APPENDIX 3 AND INTERIM FINANCIAL REPORT

For the period ended 31 December 2017

iQX LIMITED
ACN 155 518 380

APPENDIX 3

Reporting Period: Six months ended 31 December 2017
Previous Corresponding Period: Six months ended 31 December 2016

Results for announcement to the market

	31 December 2017	Percentage change	Amount change
Revenue and net profit			
Revenue from ordinary activities	865,436	61%	327,365
Loss from ordinary activities after tax	(1,309,913)	2%	31,034
Loss from ordinary activities after tax attributable to owners	(1,309,913)	2%	31,034
Dividends			
	Dividend	Amount per security	Franked amount per security
Interim dividend in respect of the six months ended 31 December 2017:	NIL	NIL	NIL
Net tangible assets per security			
		31 December 2017	31 December 2016
Net tangible assets per security (cents per security)		9.99	(2.11)

Commentary on results

Commentary for the interim financial results for the six months ended 31 December 2017 is contained in the National Securities Exchange (NSX) release and on page 2 of the Interim Financial Report included with this announcement.

Details of associates

Details of iQX Limited's associates are contained on page 13 of the Interim Financial Report included with this announcement.

Compliance Statement

The information provided in the Appendix 3 and throughout iQX Limited's Interim Financial Report is based on iQX Limited's interim financial statements for the half-year ended 31 December 2017.

iQX Limited's interim financial statements for the half-year ended 31 December 2017 have been subject to a review. A copy of the independent auditor's review report is set out on page 16 of the Interim Financial Report included with this announcement.



INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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This Interim Financial Report is provided to the National Securities Exchange (NSX) and should be read in conjunction with the 2017 Annual Report and any announcements made to the market during the current reporting period.

DIRECTORS' REPORT

The directors present their report together with the interim consolidated financial statements of iQX Limited ("iQX" or the "Company") and its subsidiaries (collectively referred to as the "Group") as at and for the half-year ended 31 December 2017.

DIRECTORS

The following persons were directors of iQX during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Dr George Syrmalis
- Mr Kosmas Dimitriou
- Mr Peter Simpson
- Mr John Stratilas

PRINCIPAL ACTIVITIES

During the financial half-year, the principal activity for the Group consisted of general investing activities and exploring investment opportunities in the Life Science industry.

OPERATING AND FINANCIAL REVIEW

Operating highlights:

The iQX team has successfully continued to implement the Group's strategy in the first half of 2018.

Capital Labs, a business of iQX Investment Services Pty Ltd, became one of the first ASIC-authorized equity crowdfunding platforms in Australia (capitallabs.com.au). Capital Labs is a first to market platform, dedicated to biotechnology and life science equity crowdfunding investments.

Globally, equity crowdfunding is fast becoming the leading source of funds for startups and innovative companies.

Series 8 Life Science Fund (Global) ESVCLP LP (Series 8), also managed by iQX Investment Services Pty Ltd, was granted unconditional registration from the Department of Industry, Innovation and Science as an early stage venture capital limited partnership. The iQ Series 8 Fund is currently capped at A\$100 million.

A current SPV holding of iQX Limited has continued to edge closer to commercialisation stage and is preparing for the launch rollout in China and Hong Kong Region whilst in preparation for a proposed Initial Public Offering in the USA.

Financial highlights:

Revenue increased 61% when compared to half-year 2017 (HY18 \$865K, HY17 \$538K) as a result of an increase in capital management advisory services provided.

Net loss after tax was \$1.3M, a decrease of \$31,034 from the prior half-year (HY17 \$1.3M). This reflects the continued development of our infrastructure to meet our strategic objectives.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

ROUNDING OF AMOUNTS

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

AUDITOR INDEPENDENCE

The auditor's independence declaration is set out on page 3 and forms part of this directors' report for the financial half-year ended 31 December 2017.

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

On behalf of the directors.



Kosmas Dimitriou

Chair

Sydney

7 March 2018



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of iQX Limited for the half year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

David Talbot
Partner

Sydney, NSW
Dated: 7 March 2018

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IQX LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT PROFIT OR LOSS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	31 December 2016[^]
Revenue	6	865,436	538,071
Other income		112	824
Employee benefits expense		(861,952)	(740,455)
Depreciation and amortisation expense		(36,015)	(18,609)
Consultancy fees		(70,394)	(44,502)
Occupancy costs		(344,370)	(291,441)
Other expenses		(550,653)	(592,945)
Finance costs		(291,979)	(191,890)
Share of loss of associated companies		(20,098)	-
Loss before income tax		(1,309,913)	(1,340,947)
Income tax expense		-	-
Net loss for the period		(1,309,913)	(1,340,947)

Profit/(loss) per share for the period attributable to the ordinary equity holders of the Company:

Basic loss per share (cents per share)	9	(1.11)	(1.17)
Diluted loss per share (cents per share)	9	(1.11)	(1.17)

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	31 December 2016
Net loss for the period		(1,309,913)	(1,340,947)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss when specific conditions are met:		-	-
Other comprehensive profit/(loss) for the period, net of tax		-	-
Total comprehensive loss for the period		(1,309,913)	(1,340,947)

[^] Comparative information has been restated to reflect a change in classification of: (a) rebates, from Direct Costs to Revenue (netted off); and (b) the following expenses from other expense to employee benefits expense: workers compensation, FBT, and payroll tax.

The above interim consolidated statements of profit or loss, and other comprehensive income, should be read in conjunction with the accompanying notes to the interim consolidated financial statements.

IQX LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	30 June 2017
Assets			
Current assets			
Cash		177,990	177,604
Trade and other receivables		1,161,432	1,556,835
Prepayments		90,589	107,824
Other current assets		-	-
Total current assets		1,430,011	1,842,263
Non-current assets			
Property, plant and equipment		184,922	203,324
Intangible assets		1,426,396	363,713
Investment in associate		212,615	220,113
Financial assets		19,027,620	19,026,938
Deferred tax assets		1,320	1,320
Total non-current assets		20,852,873	19,815,408
Total Assets		22,282,884	21,657,671
Liabilities			
Current liabilities			
Trade and other payables	7	2,367,177	807,715
Provisions		27,054	27,054
Deferred revenue		-	-
Employee benefit liabilities		404,757	368,743
Borrowings		2,978,159	2,653,461
Provision for income tax		-	-
Total current liabilities		5,777,147	3,856,973
Non-current liabilities			
Employee benefit liabilities		33,709	24,604
Deferred tax liabilities		3,271,841	3,271,841
Total non-current liabilities		3,305,550	3,296,445
Total liabilities		9,082,697	7,153,418
Net assets		13,200,187	14,504,253
Equity			
Contributed equity		6,258,689	6,252,842
Retained earnings/ (accumulated losses)		6,941,498	8,251,411
Total equity		13,200,187	14,504,253

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

IQX LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	Contributed equity	Option reserve	Retained earnings	Total
Balance at 1 July 2017	6,252,842	-	8,251,411	14,504,253
Total comprehensive loss for the period				
Loss for the period	-	-	(1,309,913)	(1,309,913)
Other comprehensive profit for the period	-	-	-	-
Total comprehensive profit for the period	-	-	(1,309,913)	(1,309,913)
Transactions with owners recorded directly in equity				
Capital raising costs	-	-	-	-
Issued capital	5,847	-	-	5,847
Total transactions with owners recorded directly in equity	5,847	-	-	5,847
Balance at 31 December 2017	6,258,689	-	6,941,498	13,200,187
Balance at 1 July 2016	5,453,087	167,530	(5,966,976)	(346,359)
Total comprehensive loss for the period				
Profit for the period	-	-	(1,340,947)	(1,340,947)
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit	-	-	(1,340,947)	(1,340,947)
Transaction with owners recorded directly in equity				
Options converted to ordinary shares	1,795,180	-	-	1,795,180
Convertible notes issued	395,000	-	-	395,000
Convertible notes classified as liability	(1,722,407)	-	-	(1,722,407)
Total transactions with owners recorded directly in equity	467,773	-	-	467,773
Balance at 31 December 2016	5,920,860	167,530	(7,307,923)	(1,219,533)

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

IQX LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>In dollars</i>	<i>Note</i>	31 December 2017	31 December 2016
Cash flows from operating activities			
Receipts from customers		1,347,383	1,535,338
Payments to suppliers and employees		(1,162,397)	(1,368,952)
Interest received		112	824
Interest paid		(1,050)	(1,257)
Net cash generated from operating activities	<i>12</i>	184,048	165,953
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,770)	(3,360)
Investment in associates		-	(9,072)
Investment in joint venture		-	(1,450)
Proceeds from disposal of financial assets		-	160,194
Payment for capital work in progress		-	(1,039,060)
Purchase of intangible assets		(178,892)	(122,341)
Net cash used in investing activities		(183,662)	(1,015,089)
Cash flows from financing activities			
Proceeds from issue of convertible notes		-	558,198
Advances from related parties		-	73,320
Net cash generated from financing activities		-	631,518
Net decrease in cash and cash equivalents		386	(217,618)
Cash and cash equivalents at the beginning of the period		177,604	471,077
Effect of movements in exchange rates on cash held		-	-
Cash and cash equivalents at the end of the period		177,990	253,459

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

IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. REPORTING ENTITY

IQX Limited (“iQX” or the “Company”) is a for-profit company limited by shares which is incorporated and domiciled in Australia. These interim consolidated financial statements as at and for the half-year ended 31 December 2017 comprise of the Company and its subsidiaries (collectively referred to as the “Group”).

These interim financial statements were authorised for issue by the Board of Directors on 7 March 2018.

2. STATEMENT OF COMPLIANCE

These condensed general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’ and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

These condensed general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments

AASB 9 *Financial Instruments* becomes mandatory for the Group’s 2019 financial statements and includes changes to the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment. It also includes a new hedge accounting model to simplify hedge accounting requirements and more closely align hedge accounting with risk management activities.

(ii) AASB 15 Revenue from contracts with customers

AASB 15 *Revenue from Contracts* becomes mandatory for the Group’s 2019 financial statements and outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; and replaces AASB 111 *Construction Contract*, AASB 118 *Revenue*, Interpretation 13 *Customer Loyalty Programs*, Interpretation 15 *Agreements for Construction of Real Estate*, Interpretation 18 *Transfer of Assets from Customers* and Interpretation 131 *Revenue-Barter Transactions involving Advertising Services*. The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(iii) AASB 16 Leases

AASB 16 *Leases* becomes mandatory for the Group’s 2020 financial statements and removes the classification of leases between finance and operating leases, effectively treating all leases as finance leases for the lessee. The purpose is to provide greater transparency of a lessee’s financial leverage and capital employed. The Group has not yet determined the potential effect of these standards on the Group’s future financial statements.

IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

4. GOING CONCERN

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

As disclosed in the interim financial statements, the consolidated entity incurred a loss of \$1,309,913 and had net cash generated from operating activities of \$184,048 for the half year ended 31 December 2017. As at that date the company had net current liabilities of \$4,347,136.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

Subsequent to period end, the company has raised \$5 million in three-year convertible bonds;

Subsequent to period end, the company converted 8,826,472 convertible notes into ordinary shares at a rate of 1 to 1, reducing current liabilities by \$2.9 million.

5. OPERATING SEGMENTS

The Group has identified operating segments based on internal reporting that is reviewed and used by the chief operating decision makers (the Group CEO and the Group Chief Financial and Operating Officer) in assessing the performance of the respective segments. The operating segments are identified by management based on the nature of services provided, with each operating segment representing a strategic business that serves a different segment of the market.

In half-year 2018 the Group has two revenue streams being: (1) financial services fees charged; and (2) office and shared services fees charged. Segment analysis of revenue is provided below.

Information on net profit and assets by segment is not provided to the chief operating decision makers.

<i>In dollars</i>	31 December 2017	31 December 2016 [^]
Fees – financial services	177,728	(39,301)
Office and shared services revenue	687,708	577,372
Total revenue	865,436	538,071

[^] The comparative information has been restated to reflect a change in classification of Rebates and Direct Costs from cost of goods sold, to Revenue (netted off).

Information on geographical segments

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

Reliance on major customers

One hundred percent of the Group's revenue is derived from related parties.

IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

6. REVENUE

<i>In dollars</i>	31 December 2017	31 December 2016 [^]
Fees – financial services	177,728	(39,301)
Office and shared services revenue	687,708	577,372
Total revenue	865,436	538,071

[^] The comparative information has been restated to reflect a change in classification of Rebates and Direct Costs from cost of goods sold, to Revenue (netted off).

7. TRADE AND OTHER PAYABLES

<i>In dollars</i>	31 December 2017	30 June 2017
Trade payables	163,544	342,791
Sundry payables and accrued expenses	262,557	152,444
Related party payables	1,941,076	312,480
Total trade and other payables	2,367,177	807,715
Current	2,367,177	807,715
Non-current	-	-
Total trade and other payables	2,367,177	807,715

8. ISSUED CAPITAL

	Number of shares	\$
In issue at 1 July 2016	110,210,000	5,453,087
Allotment of shares from exercise of Loyalty options	7,625,900	850,180
Convertible notes	-	(50,425)
In issue at 30 June 2017	117,835,900	6,252,842
Convertible notes	-	5,847
Share and note issue costs	-	-
In issue at 31 December 2017	117,835,900	6,258,689

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

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

IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

9. EARNINGS PER SHARE (EPS)

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

Loss attributable to ordinary shareholders

<i>In dollars</i>	31 December 2017	31 December 2016
Loss for the period attributable to owners of iQX Limited	(1,309,913)	(1,340,947)
Weighted-average number of ordinary shares at the end of the period	117,835,900	114,918,889
Basic loss per share	(1.11)	(1.17)
Diluted loss per share	(1.11)	(1.17)

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

Diluted earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares which has been adjusted to reflect the number of shares which would be issued if outstanding options were to be exercised.

There were no outstanding options at 31 December 2017. Due to the statutory loss attributable to the Company for the comparative period ended 31 December 2016, the effect of these instruments has been excluded from the calculation of diluted earnings per share for the comparative period as they would reduce the loss per share.

**IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

10. FAIR VALUE MEASUREMENT

Fair value hierarchy

The Group's assets and liabilities are measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels during the financial half-year.

The gain recognised in profit or loss for the period from level 2 valuations is nil (FY17: \$19,000,000).

Consolidated – at 31 December 2017

<i>In dollars</i>	Level 1	Level 2	Level 3	Total
Assets				
Investments	27,620	19,000,000	-	19,027,620
Total assets	27,620	19,000,000	-	19,027,620

Consolidated – at 30 June 2017

<i>In dollars</i>	Level 1	Level 2	Level 3	Total
Assets				
Investments	26,938	19,000,000	-	19,026,938
Total assets	26,938	19,000,000	-	19,026,938

Valuation techniques for fair value measurements categorised within level 2

The shares in unlisted company were revalued on 31 December 2017 based on internal assessments performed by management, with reference to independent private placement investments made in the vehicle.

The planned listing of the underlying investment will entail 12% of the total equity of which iQX Limited owns 19% of the issued capital being listed. Independent pre-ipo investors have valued the shares in the underlying entity at \$100,000,000.

Management chose to revalue based on an internal assessment of private placement investment as it provided a more conservative outcome when compared to a valuation which was undertaken by an external party.

**IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

11. TRANSACTIONS WITH RELATED PARTIES

(i) Parent and ultimate controlling party

iQX Limited was the parent and ultimate controlling party of the Group throughout the half-year ended 31 December 2017.

(ii) Transactions with other related parties

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

Entity name	Relationship
iQnovate Ltd and controlled entities	Common directorship and/ key management personnel
iQ3Corp Ltd and controlled entities	Common directorship and/ key management personnel
Nereid Enterprises Pty Ltd	An Associate with common directorship and/key management personnel

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

<i>In dollars</i>	31 December 2017	31 December 2016
Total revenue and other income received from related parties	865,436	661,867
Payment of shared services fees to related parties	278,455	-
Other transaction and administrative costs paid to related parties	114,244	337,694
Total costs paid to related parties	392,699	337,694
Trade payable accounts with related parties	(1,941,076)	(404,160)
Trade receivable accounts with related parties	424,780	226,295
Net trade receivable/(payable) from related parties	(1,516,296)	(177,865)

(iii) Details of associates

Name	Country of incorporation	Ownership interest 31 December 2017	Ownership interest 31 December 2016
New Frontier Holdings LLC	USA	20%	20%
Nereid Enterprises Pty Ltd	AUS	20%	20%
Nereid Enterprises LLC	USA	20%	20%

IQX LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

12. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

<i>In dollars</i>	31 December 2017	31 December 2016
Cash flows from operating activities		
Loss for the period	(1,309,913)	(1,340,947)
Adjustments for:		
Depreciation	36,015	18,609
Interest on convertible notes	290,546	190,633
Share of loss from associated companies	20,098	-
	(963,254)	(1,131,705)
Changes in:		
Trade and other receivables	395,403	176,595
Prepayments	17,235	-
Other assets	-	-
Trade and other payables	689,545	531,404
Employee benefits	45,119	21,384
Deferred revenue	-	563,111
Tax payable	-	5,164
	1,147,302	1,297,658
Net cash used in operating activities	184,048	165,953

13. SUBSEQUENT EVENTS

On 24 January 2018, pursuant to a conversion notice, 8,826,472 convertible notes were converted at a price of \$0.34 per share (\$3,001,000 total consideration) into 8,826,472 ordinary shares.

On 9 February 2018, the Company issued and sold a 9% convertible bond in the principal amount of \$5,000,000 (the 'Note'). The Note is due on the earliest of (1) the third anniversary of the closure of the convertible bond placement, or (2) on the occurrence of the agreed Early Conversion Event.

There has not arisen in the interval between the end of the financial half-year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations or state of affairs of the Group in future financial years.

IQX LIMITED AND CONTROLLED ENTITIES
DIRECTOR'S DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. In the opinion of the Board of Directors of IQX Limited ("the Company"):
 - a. the interim consolidated financial statements and notes that are set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
 - I. giving a true and fair view of the financial position as at 31 December 2017 of the Company and its controlled entities ("the Group") and of the Group's performance for the financial half-year ended on that date; and
 - II. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial half-year ended 31 December 2017.
3. The Directors draw attention to note 2 to the interim consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of Directors.



Kosmas Dimitriou
Chair

Sydney

7 March 2018

IQX LIMITED AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017



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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
IQX LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of iQX Limited (the Company) and its subsidiaries (the Group), which comprises the interim consolidated statement of financial position as at 31 December 2017, the interim consolidated statement of profit or loss, the interim consolidated statement of other comprehensive income, the interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors and those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of iQX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**IQX LIMITED AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of IQX Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM AUSTRALIA PARTNERS

David Talbot
Partner

Sydney, NSW
Dated: 9 March 2018

CORPORATE DIRECTORY

ACN 155 518 380

Directors

Kosmas Dimitriou, *Chair*

Dr George Syrmalis, *Executive Director and Chief Executive Officer*

Peter Buchanan Simpson

John Stratilas

Company secretary

Gerardo Incollingo

Chief Executive Officer

Dr George Syrmalis

Registered office

Level 9, 85 Castlereagh Street

Sydney, NSW 2000

Principal place of business

Level 9, 85 Castlereagh Street

Sydney, NSW 2000

Share register

Boardroom Pty Limited

Level 12, 225 George Street

Auditor

RSM Australia Partners

Level 13, 60 Castlereagh Street

Sydney NSW 2000

Stock exchange listings

iQX Limited shares are listed on the National Securities Exchange (NSX:IQX).

Website address

www.iqxinvestments.com