IXUP Limited Appendix 4D Half-year report



## 1. Company details

Name of entity: IXUP Limited ABN: 85 612 182 368

Reporting period: For the half-year ended 31 December 2023 Previous period: For the half-year ended 31 December 2022

#### 2. Results for announcement to the market

			\$
Revenues from ordinary activities	Up	836.6% to	3,293,963
Loss from ordinary activities after tax attributable to the shareho IXUP Limited	olders of down	69.4% to	(6,535,314)
Loss for the half-year attributable to the shareholders of IXUP L	imited down	69.4% to	(6,535,314)

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the consolidated entity after providing for income tax amounted to \$6,535,314 (31 December 2022: \$21,368,395).

# 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.004)	0.18

# 4. Control gained over entities

Not applicable.

#### 5. Loss of control over entities

Not applicable.

# 6. Dividends

# Current period

There were no dividends paid, recommended or declared during the current financial period.

#### Previous period

There were no dividends paid, recommended or declared during the previous financial period.



# 7. Dividend reinvestment plans

7. Dividend reinvestment plans
Not applicable.
8. Details of associates and joint venture entities
Not applicable.
9. Foreign entities
Details of origin of accounting standards used in compiling the report:
Not applicable.
10. Audit qualification or review
Details of audit/review dispute or qualification (if any):
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interin report.
11. Attachments
Details of attachments (if any):
The Interim report of IXUP Limited for the half-year ended 31 December 2023 is attached.
12. Signed
Signed Date: 22 February 2024



# **IXUP Limited**

ABN 85 612 182 368

**Interim report - 31 December 2023** 

# IXUP Limited Corporate directory 31 December 2023



Directors Freya Smith (Non-Executive Director)

Julian Babarczy (Non-Executive Chairman) Ian Penrose (Non-Executive Director)

Company secretary David Franks

Registered office and Principal

Place of Business

Level 11

201 Miller Street

North Sydney, NSW 2060

Share register Automic Group Limited

Level 5, 126 Philip Street Sydney NSW 2000

Telephone +61 2 8072 1400 Email: info@automic.com.au

Auditor Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road Subiaco WA 6008

Solicitors Thomas Geer

Bankers St George Bank Limited

Stock exchange listing IXUP Limited shares are listed on the Australian Securities Exchange. ASX code: IXU

Website www.ixup.com

Place of Incorporation Victoria, Australia

1

## IXUP Limited Directors' report 31 December 2023



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of IXUP Limited (referred to hereafter as the 'Company', 'parent entity' or 'IXUP') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

#### **Directors**

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

Freya Smith Non-Executive Director
Julian Babarczy Non-Executive Chairman
Ian Penrose Non-Executive Director

#### Result of operations

The loss for the consolidated entity after providing for income tax amounted to \$6,535,314 (31 December 2022: \$21,368,395).

#### **Review of operations**

During the half year IXUP expanded the features offered across the IXUP privacy preserving analytics platform through the release of further platform updates which has strengthened the commercial offering of its technology. This truly unique capability is designed to remove the risk of data loss and misuse, in an environment that is seeing unprecedented remote business activity and increased instances of cyber-attacks. The Company believes that future demand for the IXUP platform will increase due to the exponential increase in data acquisition occurring globally, and a desire to monetise new data assets without risk.

Highlights of the half-year include:

- Completed successful capital raise to support increased commercialization and growth opportunities
- Successful launch of BetStop The National Self Exclusion Register (the Register)
- Commenced Pilot with Tier 1 global Technology organisation to manage sensitive climate change modelling data
- DataPOWA division won several incremental contracts
- Operational turnaround confirmed by 82% increase in revenue receipts and 23% reduction in operational expense outflows in the December 23 quarter

#### **Capital Raise**

On 2 August 2023, the Company announced that it was looking to raise \$4.1m via a \$2.0m placement and \$2.1m non-renounceable entitlement on a one (1) for thirty (30) basis. The \$2.0 million placement was completed in full while the \$2.1 million non-renounceable entitlement offer, which was supported by Directors and Management ,received \$766,958.64 of acceptances from shareholders.

The funds raised are being used to fund ongoing development across the company's four core divisions:

- Core Technology
- RegTech including PlayPause and BetStop the National Self Exclusion Register
- Sports & Marketing including DataPOWA and new IXUP Collaboration product development and sales
- IXUP Data Governance product

#### Successful launch of BetStop - The National Self Exclusion Register

On 28 August 2023, the Company announced that the Register was now fully operational.

The Register is fully operated and maintained by IXUP under contract with The Australian Communication and Media Authority, as the agency responsible for the register's regulation.

# **Pilot Commenced using Core Technology**

On 30 October 2023, the Company announced that it had commenced the process for a paid pilot with a Tier 1 global cloud computing organisation related to managing sensitive climate change modelling data in a secure cloud environment powered by IXUP's core technology.

Potential exists for a broader global roll-out of IXUP's secure cloud data collaboration platform as well as IXUP's 5-Safes governance framework within the global cloud computing environment.

IXUP Limited Directors' report 31 December 2023



#### **DataPOWA** division continues to improve

On 30 October 2023, the Company announced that it's DataPOWA division had continued to win several incremental contracts ahead of its new data collaboration product release (known as Venn).

The new secure data collaboration product is also being demonstrated to a range of other IXUP customers with sales discussions underway.

#### **Confirmation of Operational Turnaround**

On 31 January 2023, the company announced that the business performance had improved with an 82% increase in revenue receipts quarter on quarter and a 23% reduction in operating expense outflows quarter on quarter, which resulted in a materially reduced cash burn.

#### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

#### Matters subsequent to the end of the financial half-year

Other than as discussed in this report, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Julian Babarczý Chairman

22 February 2024



To the Board of Directors

# Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of IXUP Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

HALL CHADWICK WA AUDIT PTY LTD

Hall Chadwick

MARK DELAURENTIS CA Director

Mark Delaurents

Dated 22<sup>nd</sup> day of February 2024 Perth, Western Australia



# IXUP Limited Contents 31 December 2023 Condensed Consolidated statement of profit or loss and other comprehensive income Condensed Consolidated statement of financial position Condensed Consolidated statement of changes in equity Condensed Consolidated statement of cash flows Notes to the consolidated financial statements Directors' declaration Independent auditor's review report to the members of IXUP Limited Contents 6 Condensed Consolidated statement of cash flows 9 Notes to the consolidated financial statements 20 Independent auditor's review report to the members of IXUP Limited

#### **General information**

The consolidated financial report covers IXUP Limited (the "Company") and its controlled entities (together the "Consolidated Entity" or "Group").

IXUP Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11 201 Miller Street North Sydney, NSW, 2060

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2024.

#### Corporate Governance Statement

The Corporate Governance Statement is available on the Company's website at http://www.ixup.com.

#### **IXUP Limited**

# Condensed Consolidated statement of profit or loss and other comprehensive income For the half-year ended 31 December 2023



	Note	Consol 31 December 2023 \$	lidated 31 December 2022 \$
Revenue Revenue Cost of sales		3,293,963 (1,003,521)	351,682 (42,201)
Gross profit		2,290,442	309,481
Other income Interest revenue calculated using the effective interest method		32,574 3,612	32,574 10,077
Expenses Employee benefits expense Other Personnel costs (Share-based costs) Depreciation and amortisation expense Loss on disposal of assets	3 3 3	(3,105,757) (991,468) (953,261)	(2,839,444) (620,718) (538,155)
Occupancy cost Administration costs Finance costs Impairment of Goodwill	3 3 3	20,652 (3,233,638) (598,470)	(19,147) (2,927,977) (5,355) (14,769,731)
Loss before income tax expense		(6,535,314)	(21,368,395)
Income tax expense			
Loss after income tax expense for the half-year attributable to the shareholders of IXUP Limited		(6,535,314)	(21,368,395)
Items that may be reclassified to profit or loss - Exchange differences in translating foreign operations		2,237	19,362
Total comprehensive loss for the half-year attributable to the shareholders of IXUP Limited		(6,533,077)	(21,349,033)
		Cents	Cents
Basic earnings per share Diluted earnings per share	16 16	(0.61) (0.61)	(2.25) (2.25)

# IXUP Limited Condensed Consolidated statement of financial position As at 31 December 2023



		Consol	lidated
	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	_	253,650	1,642,869
Trade and other receivables	4	958,266	978,164
Other financial assets Prepayments		- 128,224	- 65,248
Total current assets		1,340,140	2,686,281
Non-current assets			
Property, plant and equipment		337,082	56,868
Right-of-use assets		961,671	155,024
Intangibles	5	3,093,108	3,967,722
Investments in other Entities Deposits		359,020 125,527	359,020 153,920
Total non-current assets		4,876,408	4,692,553
Total assets		6,216,547	7,378,834
Liabilities			
Current liabilities			
Trade and other payables		2,106,141	1,625,296
Lease liabilities	6	217,910	68,593
Provisions Deferred revenue	7	528,533 13,019	600,390 40,251
Total current liabilities		2,865,603	2,334,531
			, ,
Non-current liabilities Other financial Liabilities	8		146,347
Borrowings	0	3,339,202	2,618,087
Lease liabilities	9	752,673	90,697
Provisions	10	42,574	204,498
Total non-current liabilities		4,134,449	3,059,630
Total liabilities		7,000,052	5,394,161
Net liabilities		(783,505)	1,984,674
Equity			
Issued capital	11	55,296,128	52,355,200
Equity Settled Reserves Accumulated losses	12	16,972,436	18,219,805
Accumulated 1055e5		_(73,052,069)	(68,590,332)
Total equity		(783,505)	1,984,674

# IXUP Limited Condensed Consolidated statement of changes in equity For the half-year ended 31 December 2023



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	47,821,869	16,115,343	(43,400,697)	20,536,515
Loss after income tax expense for the half-year Other comprehensive income for the half-year, net of tax	<u>-</u>	19,362	(21,368,395)	(21,368,395) 19,362
Total comprehensive loss for the half-year	-	19,362	(21,368,395)	(21,349,003)
Transactions with shareholders in their capacity as shareholders: Expiry of Options Issue of shares Share issue costs Share-based payments (note 12)	5,099,837 (714,524)	- - - (395,906)	1,371,626 - - -	1,371,626 5,099,837 (714,524) (395,908)
Balance at 31 December 2022	52,207,182	15,738,799	(63,397,466)	4,548,514
Consolidated	Issued capital \$	Reserves \$	Accumulated losses	Total equity
Consolidated Balance at 1 July 2023	capital		losses	<b>Total equity</b> \$ 1,984,673
	capital \$	\$	losses \$	\$
Balance at 1 July 2023  Loss after income tax expense for the half-year	capital \$	\$ 18,219,805	losses \$ (68,590,332)	\$ 1,984,673 (6,535,314)
Balance at 1 July 2023  Loss after income tax expense for the half-year Foreign currency translation	capital \$	\$ 18,219,805 - 2,237	losses \$ (68,590,332) (6,535,314)	\$ 1,984,673 (6,535,314) 2,237

# IXUP Limited Condensed Consolidated statement of cash flows For the half-year ended 31 December 2023



	Note	Consolic 31 December 3 2023 \$	
Cash flows from operating activities Interest and other finance costs paid Receipts from customers Payments to suppliers and employees Interest received Government grants and tax incentives (JobKeepers Rebate, Cash boost, EMD Grant)		3,241,133 (7,374,493) 3,613 32,574	530,644 (5,824,780) 10,077 32,574
Net cash used in operating activities		(4,097,173)	(5,251,485)
Cash flows from investing activities Payments for property, plant and equipment Payments for intangibles Payments for investments in term deposits Payments for other non-current assets  Net cash used in investing activities	5	(305,966) 27,976 (140,273) ————————————————————————————————————	(11,320) (39,955) - 9,725 (41,550)
Cash flows from financing activities Proceeds from issue of shares Payment for share and issue transaction costs Repayment of borrowings Repayment of lease liabilities Proceeds borrowings  Net cash from financing activities	9	2,766,959 (139,871) (5,488) 500,000 3,121,600	5,099,837 (341,918) (3,247) (37,500) - 4,717,172
Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the financial half-year Effects of exchange rate changes on cash and cash equivalents  Cash and cash equivalents at the end of the financial half-year		(1,393,836) 1,642,869 4,617 253,650	(575,863) 4,816,710 19,470 4,260,317



#### Note 1. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 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.

#### Going concern

The general-purpose financial statements are prepared on a going concern basis which assumes the settlement of liabilities and the realisation of assets in the normal course of business.

The Group has incurred a loss for the half year of \$6,535,314 (HY23: \$21,368,395), and experienced net cash outflows from operating activities of \$4,097,173 (HY23: \$5,251,485). As at 31 December 2023, the Group has cash and cash equivalents of \$253,650 (30 June 23: \$1,642,869). The conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity source.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when the fall due is dependent on the ability of the Group to raise additional capital or obtain external financing in the next 12 months.

Management have prepared a cash flow forecast for a period of 12 months from the date of this report incorporating the factors below:

- Commercialisation of its intellectual property, to deliver future revenue; and
- Continued delivery of reduced operating cash burn
- A successful capital raise in the next 12 months

The Directors have prepared a cash flow forecast, which indicates the Company will have sufficient cashflows to meet all its commitments and working capital requirements for the 12-month period form the date of signing this financial report.

Based on the cash flow forecast and other factors referred to above the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

## New or amended Accounting Standards and Interpretations adopted

There have been no changes to the financial statements arising from new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



# Note 2. Operating Segments

Identification of reportable operating segments

The Group currently operates in one operating segment being the software industry. The Group continues to consider new projects in this sector and other by way of acquisition of investment. The Group currently operates in three geographic segments that being Australia UK and U.S.

The Group determines and presents segments based on information provided by the Board of directors who collectively are the Group's Chief Operating Decision Maker. An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses.

Geographic segment information

Consolidated – 31 December 2023 Revenue	Australia \$	UK \$	US \$	Total \$
Sales to external customers Interest income	3,082,748	211,215	-	3,293,963
interest income	3,613 3,086,361	211,215		3,613 3,297,576
EBITDA Depreciation and amortisation	(5,147,562) (368,968)	(606,700) (204,754)	(207,330)	(5,961,592) (573,722)
Loss before income tax expense Income tax expense	(5,516,530)	(811,454)	(207,330	(6,535,314)
Loss after income tax expense				(6,535,314)
Assets Segment assets Intersegment eliminations	5,797,988	94,265	324,294	6,216,547
Total Assets				6,216,547
Liabilities Segment liabilities Total Liabilities	6,822,872	28,977	148,203	7,000,052 7,000,052
Consolidated – 31 December 2022	Australia \$	UK \$	us \$	Total \$
	Ψ	•	<b>*</b>	•
Revenue Sales to external customers Interest income	32,574 10,077	48,483 -	303,199	384,256 10,077
Revenue Sales to external customers	32,574	•	·	384,256
Revenue Sales to external customers Interest income  EBITDA Depreciation and amortisation	32,574 10,077 42,651 (19,743,343) (350,413)	48,483 48,483 (1,326,685) (187,742)	303,199 303,199 239,788	384,256 10,077 394,333 (20,830,240) (538,155)
Revenue Sales to external customers Interest income  EBITDA Depreciation and amortisation Loss before income tax expense Income tax expense	32,574 10,077 42,651 (19,743,343)	48,483 48,483 (1,326,685)	303,199	384,256 10,077 394,333 (20,830,240) (538,155) (21,368,395)
Revenue Sales to external customers Interest income  EBITDA Depreciation and amortisation Loss before income tax expense	32,574 10,077 42,651 (19,743,343) (350,413)	48,483 48,483 (1,326,685) (187,742)	303,199 303,199 239,788	384,256 10,077 394,333 (20,830,240) (538,155)
Revenue Sales to external customers Interest income  EBITDA Depreciation and amortisation Loss before income tax expense Income tax expense Loss after income tax expense  Consolidated – 30 June 2023	32,574 10,077 42,651 (19,743,343) (350,413)	48,483 48,483 (1,326,685) (187,742)	303,199 303,199 239,788	384,256 10,077 394,333 (20,830,240) (538,155) (21,368,395)
Revenue Sales to external customers Interest income  EBITDA Depreciation and amortisation Loss before income tax expense Income tax expense Loss after income tax expense	32,574 10,077 42,651 (19,743,343) (350,413)	48,483 48,483 (1,326,685) (187,742)	303,199 303,199 239,788	384,256 10,077 394,333 (20,830,240) (538,155) (21,368,395)
Revenue Sales to external customers Interest income  EBITDA Depreciation and amortisation Loss before income tax expense Income tax expense Loss after income tax expense  Consolidated – 30 June 2023 Assets Segment assets	32,574 10,077 42,651 (19,743,343) (350,413) (20,093,756)	48,483 48,483 (1,326,685) (187,742) (1,514,427)	303,199 - 303,199 239,788 - 239,788	384,256 10,077 394,333 (20,830,240) (538,155) (21,368,395) - (21,368,395)



# Note 3. Expenses

# Consolidated

	31 December 2023 \$	31 December 2022 \$
Loss before income tax includes the following specific expenses:		
Depreciation Depreciation	953,261	538,155
Administrative Costs Professional adviser and legal costs Consulting costs paid to entities related to directors Recruitment costs Advertising and promotion Travel and accommodation Software and Infrastructure Licensing Other	1,836,026 131,385 60,283 12,337 107,873 348,732 737,002	970,861 292,053 757 61,390 274,325 639,250 689,341
Employee benefits expense Personnel costs	3,105,757	2,839,444
Occupancy costs Occupancy costs	(20,652)	19,147
Finance costs Interest and finance charges paid/payable on lease liabilities Other finance costs	31,710 566,760	5,318 36
Finance costs expensed	598,470	5,355
Net loss on disposal Net loss on disposal of property, plant and equipment		
Share-based payments expense Share-based payments expense	991,468	620,718



# Note 4. Current assets - Trade and other receivables

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Trade and other receivables	958,266	978,164

# Note 5. Non-current assets - intangibles

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Goodwill - at cost	406,288	406,288
Customer Contracts Less: Accumulated amortisation	1,344,465 (377,583) 966,882	1,344,465 - 1,344,465
Development - at cost Less: Accumulated amortisation	1,731,909 (1,731,909)	1,731,909 (1,731,909)
Website - at cost Less: Accumulated amortisation	1,200,563 (967,120) 233,443	1,194,680 (763,268) 431,412
Intellectual Property - at cost Less: Accumulated amortisation	3,014,316 (1,527,920) 1,486,396 3,093,108	3,014,316 (1,228,859) 1,785,457 3,967,722
	0,000,100	3,001,122

The Company reviews its intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.



# Note 6. Current liabilities - lease liabilities

_	
Conso	lidated
001130	Haatea

	31 December 2023 \$	30 June 2023 \$
Lease liability	217,910	68,593

The consolidated entity leases an office, with lease terms of 4.10 years, which commenced on 1 November 2023.

# Note 7. Current liabilities - Provisions

	Consoli	Consolidated	
	31 December 2023 \$	30 June 2023 \$	
Annual Leave Long Service Leave	415,682	365,416	
Provisions	112,851 528,533	234,974 600,390	

#### Note 8. Non-Current liabilities - Other financial liabilities

Note 8. Non-Current liabilities – Other financial liabilities	Consol	idated
	31 December 2023 \$	30 June 2023 \$
Contingent Consideration		146,347

The provision represents the obligation to pay contingent consideration following the acquisition of DataPOWA Limited.

# Note 9. Non-current liabilities - lease liabilities

	Consoli	dated
	31 December 2023 \$	30 June 2023 \$
Lease liability	752,673	90,697

# Note 10. Non-current liabilities - provisions

	Consoli	dated
	31 December 2023 \$	30 June 2023 \$
Long service leave	42,574	204,498



# Note 11. Equity - issued capital

	Consolidated			
	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	31 June 2023 \$
Ordinary shares - fully paid	1,087,535,592	1,035,492,675	55,296,128	52,355,200

# Movements in ordinary share capital

Details	Date	Shares	\$
Balance Issue of shares Issue of shares Issue of shares Issue of shares Shares issue costs	1 July 2023 11 August 2023 4 September 2023 20 December 2023 20 December 2023	1,035,492,675 33,333,334 12,782,644 3,000,000 2,926,939	52,355,200 2,000,000 766,959 374,310 146,347 (346,688)
Balance	31 December 2023	1,087,535,592	55,296,128

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Note 12. Equity - Reserves

	Consol	Consolidated	
	31 December 2023 \$	30 June 2023 \$	
Foreign currency reserve Equity-settled reserves Options reserve	(41,544) 6,480,672 10,533,308	(43,781) 6,480,672 11,782,914	
	16,972,436	18,219,805	

#### Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration as part of their compensation for services.



# Note 12. Equity - Reserves (continued)

		Foreign currency	Other Equity- settled	Options	
		reserve \$	reserve \$	reserve \$	Total \$
Consolidated Balance at 1 July 2022 Foreign currency Translation Share based payments Options related to Convertible Note		93,074 (136,855) -	6,208,256	9,814,013 - 2,985,527	16,115,343 (136,855) 2,985,527
Options related to Convertible Note Options Expire Transfer relating to options exercised Balance at 30 June 2023		- - - (43,781)	272,416 - - - - - - - - - - - - - - - - - - -	(1,371,626) 355,000 11,782,914	272,416 (1,371,626) 355,000 18,219,805
Share based payments Options Expire Conversion of Performance Rights Other Comprehensive income		2,350	- - 	1,198,282 (2,073,578) (374,310)	1,198,282 (2,073,578) (374,310) 2,350
Balance at 31 December 2023	:	(41,544)	6,480,672	10,533,308	16,972,436
Options					
Details	Date				Options
Balance Issue of unlisted options to related to placement Issue of unlisted options related to non-renounceable	30 June 2 2 August 4 Septem	2023			283,884,999 16,666,667
entitlement offer Issue of unlisted options to consultants Issue of unlisted options to Advisors Exercised due to forfeiture during the period	4 Septem	nber 2023 mber 2025			6,391,365 10,000,000 3,000,000 (33,001,666)
Balance				:	286,941,365



#### Note 12. Equity - Reserves (continued)

During the half year ended 31 December 2023:

- On 2 August 2023 IXUP issued 16,666,667 Unlisted Options to related parties with an exercise price of 10 cents and an expiry date of 2 August 2025. These were attached to the placement.
- On 4 September 2023 IXUP issued 6,391,365 Unlisted Options to related parties with an exercise price of 10 cents and an expiry date of 4 September 2025. These were attached to the non-renounceable entitlement offer.
- On 4 September 2023 IXUP issued 10,000,000 Unlisted Options to consultants with an exercise price of 10 cents and an expiry date of 4 September 2025.
- \$194,906 was recognised relating to Plan Options issued in 2021 to employees and directors.
- \$Nil was recognised relating to Plan Options issued in 2022 to employees and directors.
- \$376,300 was recognised relating to Plan Options issued in 2023 to employees and directors.
- \$206,817 was recognised relating to lead manager fee related to capital raise in the reporting period
- \$64,163 was recognised relating to advisers during the reporting period

The fair value of the options over ordinary shares granted to Advisors and Lead Manager have been valued using a Black-Scholes methodology:

	Options Issued 4 September 2023	Options issued 20 December 2023
Exercise Price	\$0.10	\$0.08
Grant Price	\$0.0207	\$0.0214
Grant Date	4/9/23	20/12/23
Volatility	90%	90%
Model Used	Black-Scholes	Black-Scholes
Expiry	4/9/25	20/12/255
Risk free interest rate	3.226%	3.226%
Vesting period	-	-
Number of Options	10,000,000	3,000,000
Total Value	\$206,817	\$64,163
Value recognized during the period	\$206,817	\$64,163

# Performance Rights

Details	Date	Performance Rights
Balance Exercised during the year	30 June 2023	100,757,299 (3,000,000)
Balance		97,757,299

During the half-year ended 31 December 2023:

- \$110,831 was recognised relating to Performance Rights issued in 2021.
- \$Nil was recognised relating to Performance Rights issued in 2022.
- \$227,988 was recognised relating to Performance Rights issued in 2023.
- 3,000,000 Performance Rights were exercised.

#### Note 13. Contingent liabilities

There are no contingent liabilities as at the date of signing this report.



#### Note 14. Related party transactions

Parent entity IXUP Limited is the parent entity.

Transactions with related parties

Mr Julian Babarczy is ultimate controlling party of Jigsaw Consult Pty Ltd previously known as Vaucluse Property Pty Ltd

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The following transactions occurred with related parties and are GST exclusive:

Consolidated
31 December 31 December
2023 2022
\$

Payment for goods and services:

Payment/Accrual to Jigsaw Consult Pty Ltd and Vaucluse Property Pty Ltd for consulting services

110,316 41,667

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Consolidated
31 December 31 December
2023 2022
\$

Amounts owed to related parties:

Payment/Accrual to Destria Pty Ltd for consulting services

8,549

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

#### Note 15. Events after the reporting period

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



# Note 16. Earnings per share

	Consol 31 December 2023 \$	
Loss after income tax attributable to the shareholders of IXUP Limited	(6,535,314)	(21,368,395)
	Cents	Cents
Basic earnings per share Diluted earnings per share	(0.61) (0.61)	(2.25) (2.25)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,069,865,241	950,135,610
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,069,865,241	950,135,610

# IXUP Limited Directors' declaration 31 December 2022



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Julian Babarczy Chairman

22 February 2024



# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IXUP LIMITED

#### Conclusion

We have reviewed the accompanying half-year financial report of IXUP Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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 IXUP Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 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.

#### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$6,535,314 during the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



#### Responsibility of the Directors for the 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

# Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2023 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*.

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.

HALL CHADWICK WA AUDIT PTY LTD

Hall Chadwick

MARK DELAURENTIS CA Director

Na (K Delaurentii

Dated 22<sup>nd</sup> day of February 2024 Perth, Western Australia