IXUP Limited

ABN 85 612 182 368

Annual Report - 30 June 2021

Directors	Dean Joscelyne (Non-Executive Director) (Effective 29 March 2021) Freya Smith (Non-Executive Director) Julian Babarczy (Non-Executive Chairman) (Appointed 10 November 2020) Marcus Gracey (Executive Director Appointed 22 October 2020 and appointed CEO/Managing Director 11 November 2020) Grant Paterson (Chairman and Non-Executive Director) (Resigned 8 November 2020) Peter Leihn (Managing Director) (Resigned 31 July 2020) Scott Wilkie (Non-Executive Director) (Resigned 31 July 2020)
Company secretary (joint)	David Franks and Victoria-Jane Otavski (Appointed 8 April 2021)
Registered office and Principal Place of Business	Level 3, Office 3107 223 Liverpool St Darlinghurst, Sydney, NSW, 2010
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Telephone 1300 554 474 Email: registrars@linkmarketservices.com.au
Auditor	William Buck Audit (WA) Pty Ltd Level 3,15 Labouchere Road South Perth WA 6151
Solicitors	Automic Legal Pty Ltd (An Automic Group company)
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

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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 year ended 30 June 2021.

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

Dean Joscelyne	Non-Executive Director (Effective 29 March 2021)
Freya Smith	Non-Executive Director
Julian Babarczy	Non-Executive Chairman (Appointed 10 November 2020)
Marcus Gracey	Managing Director and CEO (Appointed 22 October 2020 and appointed CEO/Managing Director 11 November 2020)
Grant Paterson	Chairman and Non-Executive Director (Resigned 8 November 2020)
Scott Wilkie	Non-Executive Director (Resigned 31 July 2020)
Peter Leihn	Managing Director (Resigned 31 July 2020)

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Result of operations
The loss for the consolidated entity after providing for income tax amounted to $5,424,785 (30 June 2020: $3,774,992).

Review of operations
During the 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 year include:

- $47,156 in Export Market Development Grants (EMDG) scheme received;
- Further strengthened the working capital base of the Company via the completion of a $2.2 million fully underwritten entitlement offer (before costs) and a $1.5 million fully underwritten placement (before costs) in quarter 1 followed by a successful $5.75 million capital raising (before costs), fully underwritten by Cygnet Capital Pty Ltd (Cygnet) in quarter 2;
- Appointment of new Managing Director/CEO Marcus Gracey and new Non-Executive Chairman Julian Babarczy;
- In January 2021 the Company received a rebate from the Australian Tax Office under the R&D tax incentive program of $0.56 million related to the costs of research and development during the 2020 financial year.
- Appointment of Chief Technology and Operating Officer;
- Strategic collaboration with Tekkorp Capital continues to explore and progress opportunities in the digital gaming and sports betting markets for IXUP platform;
- Completion of strategic acquisition of the entire intellectual property and associated technology product portfolio of Data Republic Pty Ltd (Administrators Appointed) **(Data Republic)**, which delivers a data collaboration software tool for broader market applications to complement IXUP's existing higher end encryption solutions;
- Acquisition of DataPOWA Limited **(DataPOWA)** to strategically position IXUP for accelerated growth within the global sports data market;
- Execution of assignment agreement with Data Republic Inc. to assume the obligations and rights for a key US based Software as a Service **(SaaS)** customer **(US Customer)**, representing the most significant revenue contract for IXUP since Company inception;
- Commencement of business in the US via the incorporation of a new US subsidiary (IXUP Inc.), which will service the initial US Customer, and will also underpin the planned expansion of IXUP's global sports data initiatives in the US;
- Continued assessment and negotiation of additional commercialisation opportunities with prior Data Republic customers in Australia, Asia and the US;
- Release of platform update version 4.1 – extending capabilities and features and reducing operating costs;
- Successful certification of SOC 2 compliance designation in preparation for product deployment across mature international markets;
- Successful completion of first audit for ISO/IEC 27001 information security certification;
- Continued membership of international homomorphic encryption standards group with Microsoft, Google and Intel;

Capital raise
On 30 July 2020, the Company completed a 1-for-1 non-renounceable, pro rata rights issue to raise $2,228,401 (before costs) via the issue of 222,840,158 fully paid ordinary shares at an issue price of $0.01 per Share. The Entitlement Offer was fully underwritten by Cygnet.

Given the strong interest in the Entitlement Offer and the ongoing economic uncertainty created by the COVID-19 pandemic, the Company agreed with Cygnet, that the total number of Shares to be allocated by Cygnet pursuant to the Top-Up Right should be increased to 150,000,000 Shares at $0.01 per Share to raise up to $1.5 million (before costs), subject to shareholder approval (Placement).

In November 2020, in order to accelerate the commercialisation of IXUP's proprietary platform and position the company in the pursuit of an extension of its encrypted data analytics business, the company secured a capital raising of $5.75 million (before costs) commitment with Cygnet Capital Pty Ltd.

Board and Management appointments
On 22 October 2020 IXUP announced the appointed of Marcus Gracey as an Executive Director. Following the appointment of Mr. Gracey as an Executive Director, the Board agreed to appoint Mr. Marcus Gracey as Chief Executive Officer and Managing Director of the Company effective 11 November 2020.

Mr. Gracey is an experienced Executive with a diverse background spanning technology, innovation, law and business. Mr. Gracey's extensive international experience in developing and commercializing emerging products and technologies will strengthen the existing skill set of the Board and boost Management capacity to identify, assess and prosecute opportunities for commercialization of IXUP's unique proprietary platform.

On 10 November 2020, Mr. Julian Babarczy was appointed as Non-Executive Chairman following the resignation of Grant Paterson. Mr. Babarczy brings over 20 years finance and investment industry experience to the IXUP Board, having spent almost two-thirds of his career as a key member of the portfolio and leadership team of one of Australia's most successful hedge funds, Regal Funds Management (Regal). Regal has been a long-term shareholder in IXUP.

On 29 March 2021, Mr. Dean Joscelyne moved from an Executive Director to Non-Executive Director remaining as a key consultant to the Company.

Dr Paul Coe has been IXUP's Chief Technology Officer for the last 5 years and has been promoted to the expanded role of Chief Technology and Chief Operating Officer, effective from 3 May 2021.

Strategic Collaboration Agreement
Consistent with the Company's expanded industry focus for its technology within the global digital gaming and wagering sector, IXUP announced on 11 November 2020 that it had executed a Strategic Collaboration Agreement (Agreement) with Tekkorp Capital LLC (Tekkorp Capital), a US-based digital gaming company founded by Mr. Matthew Davey. Tekkorp Capital provides specialist advisory services in relation to the international digital sports gaming and wagering sector and pursuant to the Agreement, Tekkorp Capital was engaged to provide sector specific services to IXUP, that included the following:

- Identification and assessment of applications and opportunities for the Company's core technology;
- Formulation of strategy and facilitation of strategic meetings with industry stakeholders and participants in order to assess and progress identified opportunities; and
- Identification, assessment and recommendation of complementary technologies, partnerships, commercial opportunities and products (including consumer facing products) that align with IXUP's technology, operations and growth strategy.

Since executing the Agreement, and consistent with its objectives, IXUP and Tekkorp Capital have taken significant steps to progress the assessment of various opportunities for IXUP's technology within the international digital sports gaming and wagering sector. In this regard, IXUP and Tekkorp Capital are presently progressing a number of industry level consultations and discussions in relation to potential opportunities for IXUP's technology in addition to associated opportunities presented as a result of the Tekkorp Capital relationship.

Completion of strategic acquisition of Technology Assets of Data Republic Pty Ltd (Administrators Appointed) (Data Republic)
During the quarter, the Company also announced that it had completed a transaction to acquire the entire intellectual property and associated technology product portfolio that underpinned Data Republic's high profile, global data collaboration product suite. The Data Republic technology assets became available as part of a rapid-fire, contested sale process commenced by the Administrators for Data Republic in mid-May 2021.
IXUP is excited by the opportunity this transaction will bring to the Company, particularly the augmentation of IXUP's existing technology offering, which will now include the data collaboration software products of Data Republic, which are aimed at broader market segments than IXUP's higher end encryption solutions. Combining IXUP and the Data Republic technology assets creates a compelling "one-stop-shop" for corporate data collaboration needs and brings to IXUP an "out of the box" solution that will seamlessly integrate with IXUP's existing product suite to deliver a compelling, end to end secure data collaboration suite of products.
IXUP sees strong potential for the Data Republic technology assets to be applied to the global sports sponsorship and sports data segments; areas of intense focus for IXUP. This transaction also aligns strongly with the DataPOWA acquisition, with significant potential product and commercial synergies already identified.

Completion of DataPOWA Limited (DataPOWA) acquisition
Post year end the company announced the completion of its acquisition of DataPOWA, concluding IXUP's first business acquisition in the exciting global sports data/sponsorship industry.

The DataPOWA acquisition process commenced on 19th May 2021, when IXUP announced it had entered into a Binding Share Purchase Agreement to acquire 100% of UK-based SaaS technology company DataPOWA Limited. The acquisition followed on from collaboration initiatives between DataPOWA and IXUP, which led to the recent commercial deployment of the 'POWA Index 2.0' product. This product combines DataPOWA's revolutionary AI-driven sports sponsorship asset valuation tool (the "POWA Index") with IXUP's secure data collaboration engine (the "IXUP Secure Data Engine").

The DataPOWA transaction was approved by shareholders at an Extraordinary General Meeting (EGM), which was held Friday, 30 July 2021. The formal completion of the transaction subsequently occurred on the evening of Tuesday, 3 August 2021.

Revenue Potential

Post the acquisition of Data Republic's technology assets, IXUP has been in discussions with a number of Data Republic's past customers who have expressed interest in a continuation of services that were previously supplied by Data Republic and/or its related international entities. The first commercial opportunity has already been confirmed, with the execution of an assignment agreement with Data Republic Inc. to assume the obligations and rights for a key US Customer. The assignment of this contract to IXUP delivers the most significant revenue contract for IXUP since Company inception, providing a modest yet meaningful base for planned growth in the US markets.

IXUP is continuing to assess and negotiate additional commercialisation opportunities with prior Data Republic customers, which also affords the potential to introduce IXUP's existing, higher security data engine to service their needs. To enable a seamless delivery of service to these customers, including technology support and targeted product roadmap expansion, IXUP has secured employment of select key employees previously employed by Data Republic in Australia and the US.

As part of this resourcing initiative to service previous Data Republic customers, IXUP established a US beachhead (IXUP Inc.), which will also be used to facilitate the planned expansion of IXUP's global sports data initiatives (including the acquisition of DataPOWA into the rapidly growing US market). (IXUP Inc was incorporated on 24 June 2021).

In addition to revenue opportunities from previous Data Republic customers, IXUP also intends to support the revenue growth initiatives of the DataPOWA business, which is expected to commence meaningful revenue generation in coming quarters. These DataPOWA revenue streams are expected to commence for both the core SaaS-based POWA Index sponsorship valuation tool, as well as the DataPOWA 2.0 product, which was a co-development between DataPOWA and IXUP. These discrete revenue streams are anticipated to be further enhanced through already identified cross sell and additional product development opportunities in future periods.

While the focus during the quarter has been on the various significant corporate, integration and pre-sales initiatives outlined above, management efforts in subsequent quarters will shift to the potential realisation of revenue generation across the IXUP group of companies

IXUP Platform - Further Development and Upgrades

During the quarter development continued on the platform based on feedback from users. The focus of this development has been to make the experience using the platform simpler and more efficient. Several of the core workflows will have fewer steps making them quicker, simpler and easier to understand as well as improve the overall user experience. A small set of enhancements were released in May 2021, with the majority of the features and enhancements planned for release later in the year.

Independent penetration testing of the platform was also completed and the platform was found to have no vulnerabilities.

SOC 2 Compliance Designation – Preparation for major international markets

During the year, the Company achieved the prestigious System and Organisation Controls 2 ("SOC 2") compliance designation for its core database collaboration software. This compliance certification complements IXUP's existing ISO 27001 accreditation and presents strong independent confirmation that IXUP's core software-based platform and the associated underpinning processes are of a high standard and reflect global best practice.

SOC 2 designation adds valuable market confidence in IXUP's technology, demonstrates best practice and will assist in accelerating commercialisation of opportunities. SOC 2 provides cloud software (SaaS) businesses with a definitive set of auditable criteria for managing customer data which is fast becoming the global standard for participation in major international markets and adds further momentum to progressing IXUP's collaboration with DataPOWA and the associated opportunities with DataPOWA's international customers.

Partnerships

The Company continued selling its services through channel partners during the year. This complements the direct sales model and allows IXUP partners to manage further value added customisation and implementation of the IXUP platform according to client needs. The partnership model provides a cost-effective and faster way for IXUP to implement its technology without the need for a large sales team.

During the year IXUP expanded the relationship within Deloitte Touche Tohmatsu Australia; and signed a new Reseller agreement with emerging analytics platform group Wejugo Pty Ltd.

COVID-19
IXUP is continuing to closely monitor and respond to the effects of the COVID-19 virus, ensuring it adheres with Government advice and recommendations, which represents a material uncertainty in the wider business environment. IXUP has taken a number of steps to ensure responsible cash management and extend its cash operating runway.

Specific actions included:
- Staff hours and fixed remuneration reduced with focus on maintaining core sales and technical support functions. Staff are all not back to full time hours;
- Successful application for the Federal Government's JobKeeper Wage Subsidy (Round 1) for all eligible staff; and
- Reduction in costs relating to essential services and infrastructure cost.

These actions reflect the continued focus of the Board and Management on preserving cash and long-term shareholder value while maintaining focus on the service of existing and prospective customers and conversion of IXUP's sales pipeline.

Financial position
The Company reported sales revenue of $16,750 (30 June 2020: $88,500) for the financial year ended 30 June 2021. IXUP is in the early stages of commercialisation with version 4 of the SaaS and PaaS platform released in April 2020. The Company continues to invest in its technology platform and at 30 June 2021 had cash and term deposits of $4,824,960.

During the year the Company received an Australian Tax Office R&D tax rebate of $554,598 (30 June 2020: $932,782).

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

Matters subsequent to the end of the financial year
DataPOWA Acquisition
As detailed above, on 4 August 2021, the Company completed its acquisition of DataPOWA, concluding IXUP's first business acquisition in the exciting global sports data/sponsorship industry.

On 19 May 2021, the Company entered a binding Share Purchase Agreement (**SPA**) to acquire 100% of UK-based SaaS technology company DataPOWA Limited for a maximum consideration of $12M. The acquisition will constitute a change in scale of the Company's activities for the purpose of Chapter 11 of the ASX Listing Rules. The SPA was completed post year end with IXUP obtaining control of DataPOWA upon completion.

The DataPOWA transaction was approved by shareholders at an Extraordinary General Meeting (**EGM**), which was held on Friday, 30 July 2021. The formal completion of the transaction subsequently occurred on the evening of Tuesday, 3 August 2021.

Upfront consideration
On completion of the Acquisition, the company made a cash payment to Vendors of $3.25 million and issued a total of 47,872,340 new fully paid ordinary shares (being shares to the value of $4,500,000, based on a deemed issue price of $0.094 per share, which was the price of the Company shares at the time acquisition discussions commenced). Those shares will be subject to voluntary escrow for a period of 12 month after completion.

Contingent consideration
Subject to the future performance of DataPOWA's business, the Vendors will, in addition, be entitled to further benefits in the form of two instalments of contingent consideration (each of which is linked to the achievement of revenue milestones which reflect the targets set by DataPOWA in its current business plan and financial model). The maximum value of the contingent consideration is A$4.25 million, to be issued in the form of new fully paid ordinary shares in IXUP (subject to the terms of the SPA as detailed further in **Appendix A**). The applicable revenue milestones which the DataPOWA business needs to achieve for the maximum instalment values set out below to become payable are:

- £549,000 revenue in the 12-month period to 30 June 2022 (A$1.875 million worth of IXUP shares based on a deemed issue price of $0.094 per share); and
- £2,000,000 revenue in the 12-month period to 30 June 2023 (A$1.875 million worth of IXUP shares, plus a further A$500,000 worth of IXUP shares as a bonus for achieving the milestone, in each case, at a deemed price per share equal to the VWAP during the 15 ASX trading days immediately prior to the Relevant Date (as defined)).

If either of the above revenue targets is not met within the stated 12-month timeframes, the value of the applicable contingent consideration instalment will be pro-rated to reflect the percentage achievement of those milestones (and as regards the second instalment, the A$500,000 bonus will neither be payable nor counted in the relevant pro rata calculation). Under AASB 3 Business Combinations, contingent consideration is required to be fair valued. The fair value is still under review by management.

IXUP Inc

To underpin additional US commercialisation efforts for the IXUP data collaboration technology solution, post year end IXUP Inc. commenced business operations in the US.

IXUP also entered into an assignment agreement with Data Republic Inc in relation to the rights and obligations under a SaaS software service level agreement previously between Data Republic Inc and a US based health Insurer, for the provision of certain secure data collaboration software and support services. This facilitates IXUP to commence its business operations in the US and initiate the planned expansion of IXUP's global sports data initiatives.

IXUP has also now finalised the hiring of several ex-Data Republic employees in both Australia and the US, in essential roles ranging from technical development and product support, through to sales and client servicing, which will ensure the seamless operation of the IXUP data collaboration solution.

Share and Options issues
On 2 August 2021 IXUP issued 25,000,000 options expiring 30 August 2023 with an exercise price of $0.20 for services rendered under a 12 month corporate advisory services mandate, commencing 1 August 2021.

On 3 August 2021 IXUP issued 47,872,340 fully paid ordinary shares for the acquisition of DataPOWA detailed above.

On 17 August 2021 IXUP issued 50,182,045 fully paid ordinary shares as a result of 50,182,045 options being exercised.

No other matter or circumstance has arisen since 30 June 2021 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.

Likely developments and expected results of operations
Since the listing, the Company has been focused on building out its team, developing its product, defining its brand and expanding its capability to commercialise the IXUP platform.

The Company continues to progress discussions with potential users of the IXUP platform and to progress discussions with potential partners as well as explore additional opportunities in the market.

The Company continues to monitor developments related to COVID-19, with past actions reflecting the focus of the Board and Management on preserving cash and long-term shareholder value while maintaining focus on service of existing and prospective customer and conversion of IXUP's sales pipeline.

Environmental, Social and Governance
Our environmental commitment

IXUP is committed to being a responsible and sustainable business. We believe it makes good business sense to have environmental, social and governance (ESG) policies and programs were doing the right thing by our people, our partners, our environment and the communities in which we operate is part of our ethos.

Although the consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth State or Territory law, the Company is seeking to undertake in the future, an analysis of Company objectives that can reduce its environmental footprint.

Corporate Governance

IXUP's Board of Directors is responsible for the corporate governance of IXUP Limited. The Board guides and monitors the business affairs of the Group on behalf of stakeholders and its activities are governed by the Constitution.

Our Corporate Governance Statement is founded on the ASX Corporate Governance Council's principles and recommendations. The statement is periodically reviewed and, if necessary, revised to reflect the changing nature of the industry.

The responsibilities of the Board of Directors and those functions reserved to the Board, together with the responsibilities of the Chief Executive Officer are set out in our Board Charter. To assist with governance IXUP has established policies.

For copies of policies and charters notes in this section, please visit the IXUP website and navigate to Investors > Corporate governance.

Information on directors

Name:	Dean Joscelyne
Title:	Non-Executive Director (Effective 29 March 2021)
Experience and expertise:	Dean founded IXUP and is a Non-Executive Director and the Head of Strategy & Innovation. He has over 25 years' experience in business, leading large scale organisational change and is known for innovative thinking and enhancing the customer experience to amplify customer satisfaction and engagement. Dean created IXUP in 2011 because he saw a blind spot and an opportunity to solve universal problems for organisations who needed more powerful data insights, to underpin differentiating growth strategies. Dean's ability to identify problems through a unique lens and apply creative thinking led him to design a novel data collaboration platform.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	31,193,302
Interests in options:	25,200,000
Interests in rights:	Nil

Name:	Freya Smith
Title:	Non-Executive Director
Experience and expertise:	Ms Freya Smith is currently the General Counsel and Company Secretary of Claim Central Consolidated, an Australian headquartered global Insurtech and claims solutions business. Previously Freya was the Chief Legal Officer and Company Secretary of OFX Group Limited and Chair and a Non-Executive Director of the Sydney Fringe Festival. Both as a practising lawyer and company secretary, Freya has counselled many of Australia's leading and emerging companies on a number of significant matters of ethics, compliance, corporate governance and risk and reputation management. Ms Smith holds a Bachelor of Commerce and a Bachelor of Laws (Hons), a Master of Laws (High Distinction) and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. She is also admitted in the High Court of Australia, the Federal Court of Australia and the Supreme Court of New South Wales and is a member of the Association of Corporate Counsel; Fellow of the Governance Institute of Australia; and a member of the Australian Institute of Company Directors.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	500,000
Interests in rights:	1,500,000

Name:	Julian Babarczy
Title:	Non-Executive Chairman (Appointed 10 November 2020)
Experience and expertise:	Mr. Babarczy is a finance industry professional with a career spanning 22 years, almost two-thirds of which was as a key member of Australia's largest actively managed and successful hedge funds, Regal Funds Management. Julian was a key member of the investment and leadership team at Regal and was instrumental in growing funds under management from $40m when he joined to well over $2b when he retired. Julian undertook a range of roles during his tenure at Regal, including Analyst & Portfolio Manager and Head of Australian Equities and was responsible for investments across a range of sectors, in both listed and unlisted companies. In the latter stages of his career at Regal, Julian transitioned his investment style to include board memberships of listed and unlisted companies, and a more active and hands-on investment style. Mr. Babarczy holds a Bachelor of Business, a Chartered Financial Analyst from CFA Institute and a Graduate Diploma of Mineral Exploration Geosciences from Curtin University.
Other current directorships:	Ioner Ltd (ASX: INR)
Former directorships (last 3 years):	nil
Interests in shares:	12,297,338
Interests in options:	6,272,727
Interests in rights:	6,000,000

Name:	Marcus Gracey
Title:	Managing Director and CEO (Executive Director Appointed 22 October 2020 and appointed CEO/Managing Director 11 November 2020)
Experience and expertise:	Mr. Gracey is an experienced corporate and legal executive with a diverse professional background in law, business, innovation and technology commercialisation, with demonstrated experience that spans numerous industries, sectors and countries in both private and public companies. Previous roles and responsibilities have included regional and global positions in addition to having significant experience as a professional public company director and governance professional. Mr. Gracey holds a Bachelor of Laws and a Bachelor of Economics. He also holds a Master of Laws (Intellectual Property) and an Executive Master of Business Administration (EMBA)
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	1,500,000
Interests in options:	10,000,000
Interests in rights:	18,000,000

Name:	Grant Paterson
Title:	Chairman and Non-Executive Director (Resigned 8 November 2020)
Qualifications:	Grant brought significant experience in guiding the progress of emerging small-cap companies, having been involved with numerous technology companies listed on the Australian Securities Exchange (ASX), and providing corporate advice across a variety of sectors. In addition to his Chairmanship of the IXUP Board, Grant is also an experienced corporate lawyer, who founded Perth-based firm GTP Legal in 2011. GTP Legal specialises in corporate law including advising on the Corporations Act, ASX Listing Rules, IPOs and re-compliance listings, mergers and acquisitions, capital raisings, due diligence and general development primarily in the resources and technology sectors. Through his work at GTP Legal, Grant has a wide range of experience in all areas of commercial and corporate law, with a particular focus on equity capital markets and mergers and acquisitions. Mr Paterson holds a Bachelor of Law and a Bachelor of Commerce.
Experience and expertise:	
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	14,583,008 (At resignation)
Interests in options:	2,750,000 (At resignation which may be exercised at any time until expiry)
Interests in rights:	Nil

Name:	Peter Leihn
Title:	Managing Director and CEO (Resigned 31 July 2020)
Qualifications:	Peter has over 25 years' business experience in senior technology roles in both industry and government, with expertise in data availability, privacy, data innovation models and tech commercialisation. He joined the Company as CEO on 8 November 2018. Prior to joining IXUP, Peter was the Global Head of Commercial, based in San Francisco for Data61, the Australian Government CSIRO specialist data and technology innovator, where he was responsible for driving its global growth and strategy. Peter's previous leadership roles include Director of the Office of the Chief Scientist for the State of NSW where he led science policy development and had oversight for strategic investment in the innovation ecosystem. This followed a long career in the Asia Pacific with global ICT companies Hewlett-Packard and Autodesk. A graduate of the Australian Institute of Company Directors (AICD), Peter holds a Bachelor's in Applied Science from the Southern Cross University; Graduate Diploma in Marketing from Monash University; Masters in Environmental Science and Law from University of Sydney and he is currently completing his PhD in Innovation Economics, with a focus on commercialisation strategies, at Swinburne University of Technology.
Experience and expertise:	
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	750,000 (At resignation which may be exercised any time until expiry)
Interests in rights:	3,000,000 (At resignation)

Name:	Scott Wilkie
Title:	Non-Executive Director (Resigned 31 July 2020)
Experience and expertise:	Mr Scott Wilkie is an experienced corporate and investment banking senior executive and is the Founding Director of Sovereign Cloud Australia ("AUCloud"), a classified provider of sovereign cloud-based technology services to the Australian government, defence, health and critical national industries. Mr Wilkie has over 25 years' experience advising and raising capital for many global leading and emerging companies on their corporate growth, innovation and security strategies including digital transformation and governance, analytics, artificial intelligence and cloud computing. Mr Wilkie has held both Executive and Director roles in his career during which time he obtained multiple professional qualifications and associations including with the Securities and Exchange Commission USA, Australian Securities and Investments Commission and is a Member of the Australian Institute of Company Directors. He is additionally a Member of the Australian Information Security Association, has been a guest lecturer at the National Security College and played a role in development of the Australian Cyber Security Strategy
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	500,000 (At resignation which may be exercised at any time until expiry)
Interests in rights:	750,000 (At resignation)

'Other current directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Company secretary
David Franks and Victoria-Jane Otavski from the Automic Group acting as Joint Company Secretaries (Appointed 8 April 2021).

David Franks is a Director and Principal of the Automic Group. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 20 years' experience in finance, governance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. Mr Franks is currently the Company Secretary for the following ASX Listed entities: Applyflow Limited, COG Financial Services Limited, Cogstate Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, White Energy Company Limited and ZIP Co Limited. He was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

Victoria-Jane Otavski is an admitted lawyer who works at Automic Group across the Automic Legal and Company Secretarial teams. She works closely with a number of large institutional clients, publicly listed entities, and small to medium business. Ms Otavski holds a double degree, Bachelor of Laws and Bachelor of Medical Science.

Andrew Whitten (Resigned 8 April 2021).

Andrew Whitten is currently the company secretary for Hipages Group Holdings Limited (ASX:HPG) and a Non-Executive Director of Appsvillage Australia Limited (ASX:APV) and Tinybeans Group Limited (ASX:TNY). He has been involved in numerous corporate and investment transactions including IPOs on the ASX and NSX, corporate reconstructions, reverse mergers and takeovers over two decades. Mr Whitten holds a Bachelor of Arts (Economics, UNSW); Master of Laws and Legal Practice (Corporate Finance and Securities Law, UTS); Graduate Diploma in Applied Corporate Governance from the Governance Institute and is an elected Associate of that institute.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Dean Joscelyne	17	17
Freya Smith	17	17
Marcus Gracey	12	12
Julian Babarczy	10	10
Grant Paterson	6	6
Scott Wilkie	2	2
Peter Leihn	2	2

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the Key Management Personnel (KMP) remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. In this report "Executive KMP" refers to members of the Executive team that are KMP and includes Mr Marcus Gracey as an Executive Director from 22 October 2020, and Mr Peter Leihn, as an Executive Director from 2 July 2019 (Resigned 31 July 2020).

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's Executive KMP reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns Executive KMP reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that Executive KMP reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency

The Board is responsible for determining and reviewing remuneration arrangements for its KMP. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align Executive KMP reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- Having economic profit as a core component of plan design;
- Focusing on sustained growth in shareholder wealth, consisting of share price growth and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- Attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- Rewarding capability and experience;
- Reflecting competitive reward for contribution to growth in shareholder wealth; and
- Providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Director's remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. As outlined in the prospectus dated 3 October 2017 released to the ASX on 14 November 2017, the aggregate remuneration of Non-Executive Directors has been set at an amount not to exceed $500,000 per annum.

Executive KMP remuneration

The consolidated entity aims to reward Executive KMP based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components and includes:

- Base pay and non-monetary benefits;
- Short-term performance incentives;
- Share-based payments; and
- Other remuneration such as superannuation and long service leave.

The combination of these comprises the Executive KMP's total remuneration.

Fixed remuneration, comprising of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board based on individual and business performance and benchmarking.

Executive KMP may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the company and provides additional value to the Executive KMP.

The short-term incentive ('STI') plan is designed to align the targets of the business with the performance hurdles of Executive KMP. STI is an annual "at risk" opportunity awarded to Executive KMP based on specific annual targets and key performance indicators. Performance conditions are clearly defined and measurable and designed to support the financial and strategic direction of the business and in turn translate to shareholder return. STI is currently awarded to Executive KMP in 100% cash.

The long-term benefits ('LTB') plan includes long service leave and share-based payments. Options and Performance Rights are awarded to Executive KMP over a period of three years based on long-term incentive measures. These include increase in shareholder value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Details of remuneration

Amounts of remuneration
Details of the remuneration of KMP of the consolidated entity are set out in the following tables.

The KMP of the consolidated entity consisted of the following directors of IXUP Limited:
- Dean Joscelyne - Non-Executive Director (Effective 29 March 2021)
- Freya Smith - Non-Executive Director
- Julian Babarczy - Non-Executive Chairman (Appointed 10 November 2020)
- Marcus Gracey - Executive Director and CEO (Appointed 22 October 2020 as Executive Director and appointed CEO/Managing Director 11 November 2020)
- Grant Paterson - Chairman and Non-Executive Director (Resigned 8 November 2020)
- Peter Leihn - CEO (Resigned 31 July 2020)
- Scott Wilkie - Non-Executive Director (Resigned 31 July 2020)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Dean Joscelyne**	140,000	-	-	-	-	-	140,000
Freya Smith	47,945	5,936	-	5,119	-	29,489	88,489
Julian Babarczy***	38,288	-	-	-	-	440,020	478,308
Scott Wilkie	2,283	-	-	217	-	(17,500)*	(15,000)
Grant Paterson	-	-	-	-	-	(50,000)*	(50,000)
Executive Directors:							
Marcus Gracey	99,669	-	-	9,469	-	724,122	833,260
Peter Leihn****	15,819	-	-	1,385	-	(155,184)*	(137,980)
	344,004	5,936	-	16,190	-	970,947	1,337,077

* Represents share-based payments reversed for options and performance rights that were forfeited on resignation.
** Paid through Destria Pty Ltd a company associated to Dean Joscelyne. From 1 March 2021 Dean Joscelyne transitioned to a Non-Executive role and he remains a key consultant to the Company.
*** Paid through Jigsaw Consulting Pty Ltd a company associated to Julian Babarczy.
**** Peter Leihn resigned as CEO on 31 July 2020.

2020	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary* $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Grant Paterson	20,000	-	25,000	-	-	37,405	82,405
Freya Smith	49,087	-	-	4,664	-	40,724	94,475
Scott Wilkie	49,087	-	-	4,664	-	40,724	94,475
Executive Directors:							
Dean Joscelyne	110,507	-	41,160	14,409	-	-	166,076
Peter Leihn	336,891	30,000	-	34,855	-	230,934	632,680
	565,572	30,000	66,160	58,592	-	349,787	1,070,111

* Salary and fees paid in shares.

The proportion of remuneration paid linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2021	Fixed remuneration 2020	At risk - STI 2021	At risk - STI 2020	At risk - LTI 2021	At risk - LTI 2020
Non-Executive Directors:						
Dean Joscelyne	100%	100%	-	-	-	-
Freya Smith	60%	57%	7%	-	33%	43%
Julian Babarczy	10%	-	-	-	90%	-
Grant Paterson	-	55%	-	-	100%	45%
Scott Wilkie	(17%)	57%	-	-	117%	43%
Executive Directors:						
Marcus Gracey	13%	-	-	-	87%	-
Peter Leihn	(12%)	57%	-	5%	112%	38%

Service agreements

Remuneration and other terms of employment for Executive KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Dean Joscelyne
Term of agreement:	The principal terms of Dean Joscelyne's current agreement are as follows:

(i) Consultancy fees of $120,000 per annum (exclusive of GST). Services to be provided a minimum of 2 days a week.

(ii) Entitlement to 25 days leave where the consultant will be paid as if the consultant had been providing consultancy services. Other than these 25 days there is no right of leave accruing or right to any further leave with pay.

(iii) The agreement has no fixed term and may be terminated:

(A) by either party without cause with giving 3 months written notice to the other party.

(B) by the Company with immediate effect following serious breach of the agreement or for serious misconduct.

(iv) Other industry standard provisions for a senior executive of a public listed company.

From 29 March 2021, Mr. Joscelyne transitioned to a Non-Executive Director of the company. Mr. Joscelyne will be entitled to NED fees for $60,000 per annum (inclusive of superannuation) and continuation of his ongoing consulting contract at a rate of $120,000 per annum.

Name:	Marcus Gracey
Title:	Managing Director and CEO
Agreement commenced:	22 October 2020
Term of agreement:	The principal terms of the Executive Director agreement for Mr Gracey were as follows:

(i) A base salary of $60,000 per annum (inclusive of statutory superannuation).

(ii) Entitlement to participate in employee and executive incentive plans and the Company to provide additional bonus and incentives. Mr Gracey was been granted 10,000,000 unlisted options pursuant to the Option Plan. Also granted with 18,000,000 Performance Rights.

(iii) The agreement has no fixed term and may be terminated with a 3 month notice by either party.

Later in the year a new agreement was signed for Managing Director and CEO position with the following principal terms:

(i) A base salary of $150,000 per annum (exclusive of statutory superannuation).

(ii) the agreement has no fixed term and may be terminated with a 3 month notice by either party.

Name:	Peter Leihn (Resigned 31 July 2020)
Term of agreement:	The principal terms of Peter Leihn's agreement are as follows: (i) A base salary of $350,000 per annum (exclusive of statutory superannuation). In response to the impact of COVID-19, effective 15 April 2020 Peter Leihn's hours and salary were reduced to 50%. (ii) Entitlement to participate in employee and executive incentive plans up to a maximum annual incentive of $150,000. (iii) The agreement has no fixed term and may be terminated: (A) by either party without cause with 3 months' notice, or in the case of the Company, immediately with payment in lieu of notice; or (B) by the Company with immediate effect following serious breach of the agreement or for serious misconduct. (iv) Initial ESOP Grant of 1,500,000 options vesting over 3 years and at strike price in accordance with scheme. 9,000,000 IXUP performance share rights, being 3,000,000 Class A, 3,000,000 Class B and 3,000,000 Class C rights. Performance criteria for all classes of performance rights: (A) 2 years of continuous employment, and (B) The company achieving Cumulative Contracted Revenue of: - Class A AU$5m - Class B AU$10m - Class C AU$15m (iv) Other industry standard provisions for a senior executive of a public listed company.

The Constitution of the Company provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders or, until so, by the Directors. The aggregate remuneration for Non-Executive Directors as outlined in the Prospectus dated 3 October 2017 has been set at an amount not to exceed $500,000 per annum. The Board has resolved that the Non-Executive Directors’ base fee will be $60,000 per annum for Non-Executive Directors (inclusive of statutory superannuation) and an additional $10,000 per annum (inclusive of statutory superannuation) for each Board committee that they participate in commencing on Official Quotation. Mr Joscelyne, Mr Babarczy and Ms Smith are Non-Executive Directors as at the date of this report. Ms Smith's fees were reduced by 50% effective 16 April 2020 to 30 September 2020 in response to the impact of COVID-19.

Share-based compensation

Issue of shares
There were no shares issued to directors and Executive KMP as part of compensation during the year ended 30 June 2021.

Shares issued to directors and Executive KMP as part of compensation during the year ended 30 June 2020 are as follows:
- Grant Paterson was issued 216,207 shares on 14 February 2020 in lieu of Directors fees and Executive Remuneration.
- Dean Joscelyne was issued 593,301 shares on 14 February 2020 in lieu of Directors fees and Executive Remuneration.
- Grant Paterson was issued 209,464 shares on 27 April 2020 in lieu of Directors fees and Executive Remuneration.

Options over equity instruments
The terms and conditions of each grant of options and performance rights over ordinary shares affecting remuneration of directors and Executive KMP in this financial year or future reporting years are as follows:

Issued in the year ended 30 June 2018

- Dean Joscelyne was issued 25,200,000 unlisted options (Issued 1 September 2017 option holder is entitled to purchase one fully paid share in the Company for $0.25 per option over the 5-year life of the option to 14 November 2022). In addition, Dean Joscelyne was issued 1,000,000 plan options (Issued 15 November 2017, unlisted and unvested, exercisable at $0.25 per option, expire 14 November 2022). These plan options were cancelled on 13 July 2018 at Mr Joscelyne's request.

Issued in the year ended 30 June 2019

- Grant Paterson was issued 750,000 plan options (Issued 20 December 2018, exercisable at 25 cents per option, expire on 20 December 2023).
- Peter Leihn was issued 1,500,000 unlisted options (Issued 2 July 2019, unlisted and unvested, exercisable at 25 cents per option, expire on 10 April 2024). 750,000 options were forfeited on 31 July 2020 upon resignation.

Issued in the year ended 30 June 2020

- Freya Smith was issued 500,000 unlisted options (Issued 2 July 2019, unlisted and unvested, exercisable at 25 cents per option, expire on 14 November 2022).
- Scott Wilkie was issued 500,000 unlisted options (Issued 2 July 2019, unlisted and unvested, exercisable at 25 cents per option, expire on 14 November 2022).

Issued in the year ended 30 June 2021

- Marcus Gracey was issued 10,000,000 unlisted options (Issued 22 October 2020, exercisable at 8 cents per option, expire on 22 October 2022).
- Julian Babarczy was issued 6,272,727 unlisted options (Issued 3 February 2021 exercisable at 10 cents and expiring on 3 February 2023. 4,000,000 of these unlisted options were issued as part of his appointment as Non-Executive Director & Chairman, and the remaining 2,272,727 options were issued as part of the placement announced by the company on 11 November 2020).

Performance rights
Performance rights over ordinary shares issued to directors and Executive KMP as part of compensation that were outstanding as at 30 June 2021 are as follows:

Issued in the year ended 30 June 2019

- Grant Paterson was issued 750,000 performance rights on 20 December 2018 (250,000 unlisted and unvested Class A Performance Rights; 250,000 unlisted and unvested Class B Performance Rights and 250,000 unlisted and unvested Class C Performance Rights). 750,000 performance rights were forfeited on 8 November 2020 upon resignation.

Issued in the year ended 30 June 2020

- Freya Smith was issued 1,500,000 performance rights on 2 July 2019 (500,000 unlisted and unvested Class A Performance Rights; 500,000 unlisted and unvested Class B Performance Rights and 500,000 unlisted and unvested Class C Performance Rights).
- Scott Wilkie was issued 1,500,000 performance rights on 2 July 2019 (500,000 unlisted and unvested Class A Performance Rights; 500,000 unlisted and unvested Class B Performance Rights and 500,000 unlisted and unvested Class C Performance Rights). 750,000 performance rights were forfeited on 31 July 2020 upon resignation.
- Peter Leihn was issued 9,000,000 performance rights on 2 July 2019 (3,000,000 unlisted and unvested Class A Performance Rights; 3,000,000 unlisted and unvested Class B Performance Rights and 3,000,000 unlisted and unvested Class C Performance Rights). 6,000,000 performance rights were forfeited on 31 July 2020 upon resignation, being 2,000,000 unlisted and unvested Class A Performance Rights; 2,000,000 unlisted and unvested Class B Performance Rights and 2,000,000 unlisted and unvested Class C Performance Rights.

Issued in the year ended 30 June 2021

- Marcus Gracey was issued 18,000,000 performance rights on 3 February 2021 (6,000,000 Tranche 1 Performance Rights which vest on the last to occur of: 12 months of continuous service from the date of appointment; and (ii) the 20 day VWAP of the Company's shares being equal to or greater than $0.075; 6,000,000 Tranche 2 Performance Rights which vest on the last to occur of: (i) the date the customer goes live on commercial use of the Company's core technology pursuant to a commercial contract; (ii) the 20 day VWAP of the Company's shares being equal to or greater than $0.10; and 6,000,000 Tranche 3 Performance Rights which vest on the last to occur of: (i) IXUP achieving revenue in any financial year equal to, or greater than, $5 million; and (ii) the 20 day VWAP of the Company's shares being equal to or greater than $0.125.)
- Julian Babarczy was issued 6,000,000 performance rights on 3 February 2021 (2,000,000 Tranche 1 Performance Rights which vest on the last to occur of: 12 months of continuous service from the Appointment Date; and (ii) the 20 day VWAP of the Company's shares being equal to or greater than $0.075; 2,000,000 Tranche 2 Performance Rights which vest on the last to occur of: (i) the date the customer goes live on commercial use of the Company's core technology pursuant to a commercial contract; (ii) the 20 day VWAP of the Company's shares being equal to or greater than $0.10; and 2,000,000 Tranche 3 Performance Rights which vest on the last to occur of: (i) IXUP achieving revenue in any financial year equal to, or greater than, $5 million; and (ii) the 20 day VWAP of the Company's shares being equal to or greater than $0.125.)

Additional information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue	16,750	88,500	158,500	120,000	153,695
Profit/(loss) after income tax	(5,424,785)	(3,774,992)	(6,588,667)	(8,679,456)	(2,993,668)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018	2017
Share price at financial year end ($)	0.19	0.01	0.07	0.28	-
Basic earnings per share (cents per share)	(0.88)	(1.93)	(4.16)	(7.04)	(6.62)

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each director and Executive KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dean Joscelyne*	31,193,302	-	-	-	31,193,302
Grant Paterson	7,291,504	-	-	(7,291,504)	-
Marcus Gracey	-	-	1,500,000	-	1,500,000
Julian Babarczy**	-	-	12,297,338	-	12,297,338
	38,484,806	-	13,797,338	(7,291,504)	44,990,640

* Dean Joscelyne holds his interests in shares indirectly through the Joscelyne Investments Pty Ltd atf Joscelyne Investments Unit Trust of which he is the ultimate controlling party.

** Julian Babarczy holds his interests in shares indirectly through Vaucluse Investment Holdings of which he is a beneficiary.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and Executive KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Dean Joscelyne*	25,200,000	-	-	-	25,200,000
Peter Leihn**	1,500,000	-	-	(750,000)	750,000
Grant Paterson***	2,750,000	-	-	-	2,750,000
Freya Smith	500,000	-	-	-	500,000
Scott Wilkie****	500,000	-	-	-	500,000
Marcus Gracey	-	10,000,000	-	-	10,000,000
Julian Babarczy*****	-	6,272,727	-	-	6,272,727
	30,450,000	16,272,727	-	(750,000)	45,972,727

* Dean Joscelyne holds his interests in shares indirectly through the Joscelyne Investments Pty Ltd atf Joscelyne Investments Unit Trust of which he is the ultimate controlling party.
** Peter Leihn resigned as director 31 July 2020. 750,000 of these options lapsed on resignation.
*** Grant Paterson holds his interests indirectly through Brown Bricks Pty Ltd. Grant Paterson resigned as director on 8 November 2020, at the Boards discretion he retained his options.
**** Scott Wilkie resigned as director 31 July 2020, at the Boards discretion he retained his options.
***** Julian Babarczy holds his interests in shares indirectly through Vaucluse Investment Holdings and Jigsaw Investments Holdings both of which he is a beneficiary.

Performance rights
The number of performance rights over ordinary shares in the company held during the financial year by each Director and Executive KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights					
Grant Paterson*	750,000	-	-	(750,000)	-
Freya Smith	1,500,000	-	-	-	1,500,000
Scott Wilkie**	1,500,000	-	-	(750,000)	750,000
Peter Leihn***	9,000,000	-	-	(6,000,000)	3,000,000
Marcus Gracey	-	18,000,000	-	-	18,000,000
Julian Babarczy****	-	6,000,000	-	-	6,000,000
	12,750,000	24,000,000	-	(7,500,000)	29,250,000

* Grant Paterson resigned as director 8 November 2020. 750,000 of these performance rights lapsed on resignation.
** Scott Wilkie resigned as director 31 July 2020. 750,000 of these performance rights lapsed on resignation.
*** Peter Leihn resigned as director 31 July 2020. 6,000,000 of these performance rights lapsed on resignation.
**** Julian Babarczy holds his interests in shares indirectly through Vaucluse Investment Holdings of which he is a beneficiary.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of IXUP under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 September 2017	14 November 2022	$0.25	30,000,000
1 September 2017	14 November 2022	$0.25	11,426,470
1 September 2017	14 November 2022	$0.25	2,000,000
15 November 2017	14 November 2022	$0.25	15,000,000
15 November 2017	14 November 2022	$0.25	1,140,000
20 December 2018	20 December 2023	$0.25	3,001,666
10 April 2019	10 April 2024	$0.25	883,333
2 July 2019	14 November 2022	$0.25	1,000,000
9 December 2019	30 November 2023	$0.10	10,000,000
22 October 2020	22 October 2022	$0.08	10,000,000
29 January 2021	03 February 2023	$0.10	4,000,000
29 January 2021	03 February 2023	$0.10	20,000,000
29 January 2021	03 February 2025	$0.10	40,000,000
03 February 2021	29 January 2023	$0.10	26,320,611
22 June 2021	30 June 2023	$0.28	2,000,000
30 July 2021	30 August 2023	$0.20	25,000,000
			201,772,080

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights
Unissued ordinary shares of IXUP under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
15 November 2017	14 November 2022	$0.00	1,000,000
20 December 2018	14 November 2022	$0.00	1,000,000
2 July 2019	14 November 2022	$0.00	5,250,000
03 February 2021	03 February 2023	$0.00	24,000,000
			31,250,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
The following ordinary shares of IXUP Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
2 March 2021	$0.10	29,191
26 March 2021	$0.10	272,272
21 April 2021	$0.10	327,869
18 May 2021	$0.10	272,729
3 June 2021	$0.10	2,827,869
18 June 2021	$0.10	40,137
17 August 2021	$0.00	50,182,045
		53,952,112

Shares issued on the exercise of performance rights
There were no ordinary shares of IXUP issued on the exercise of performance rights during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former directors of William Buck Audit (WA) Pty Ltd
There are no officers of the company who are former directors of William Buck Audit (WA) Pty Ltd.

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.

Auditor
William Buck Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Julian Babarczy
Chairman

27 August 2021

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF IXUP LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2021 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Dated this 27th day of August, 2021

ACCOUNTANTS & ADVISORS
Level 3, 15 Labouchere Road
South Perth WA 6151
PO Box 748
South Perth WA 6951
Telephone: +61 8 6436 2888
williambuck.com

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 3, Office 3107
223 Liverpool St
Darlinghurst, Sydney, NSW, 2010

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 27 August 2021. The directors have the power to amend and reissue the financial statements.

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

IXUP Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Revenue			
Revenue	6	16,750	88,500
Cost of sales	7	-	(2,741)
Gross profit		16,750	85,759
Other income	5	197,283	212,652
Interest revenue calculated using the effective interest method		4,917	16,778
Research & Development Tax rebate		554,598	932,782
Expenses			
Employee benefits expense	7	(1,650,564)	(2,809,909)
Share-based costs	34	(2,191,924)	(481,358)
Depreciation and amortisation expense	7	(80,077)	(74,892)
Occupancy cost	7	(48,189)	(125,625)
Administration costs	7	(2,223,907)	(1,521,680)
Finance costs	7	(3,672)	(9,499)
Loss before income tax expense		(5,424,785)	(3,774,992)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the shareholders of IXUP Limited	22	(5,424,785)	(3,774,992)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the shareholders of IXUP Limited		(5,424,785)	(3,774,992)
		Cents	**Cents**
Basic earnings per share	33	(0.88)	(1.93)
Diluted earnings per share	33	(0.88)	(1.93)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

IXUP Limited
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	9	4,824,960	1,537,365
Other receivables	10	407,559	109,400
Prepayments		35,979	29,240
Total current assets		5,268,498	1,676,005
Non-current assets			
Property, plant and equipment	11	28,153	18,442
Right-of-use assets	12	74,691	19,936
Intangibles	13	2,935,245	-
Deposits	14	9,725	-
Total non-current assets		3,047,814	38,378
Total assets		8,316,312	1,714,383
Liabilities			
Current liabilities			
Trade and other payables	15	842,536	292,705
Lease liabilities	16	68,052	22,634
Provisions	17	179,697	148,720
Total current liabilities		1,090,285	464,059
Non-current liabilities			
Lease liabilities	18	5,826	-
Provisions	19	88,167	52,257
Total non-current liabilities		93,993	52,257
Total liabilities		1,184,278	516,316
Net assets		7,132,034	1,198,067
Equity			
Issued capital	20	26,530,941	18,611,718
Reserves	21	11,650,987	8,442,017
Accumulated losses	22	(31,049,894)	(25,855,668)
Total equity		7,132,034	1,198,067

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	**Issued capital $**	**Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2019	16,038,325	7,840,393	(22,297,960)	1,580,758
Adjustment for change in accounting policy	-	-	(4,850)	(4,850)
Balance at 1 July 2019 - restated	16,038,325	7,840,393	(22,302,810)	1,575,908
Loss after income tax expense for the year	-	-	(3,774,992)	(3,774,992)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(3,774,992)	(3,774,992)
Transactions with shareholders in their capacity as shareholders:				
Share-based payments (note 34)	-	481,358	-	481,358
Issue of shares	3,168,872	-	-	3,168,872
Issue of shares in lieu of remuneration	66,159	-	-	66,159
Share issue costs	(319,238)	-	-	(319,238)
Issue of options as cost of capital raising	(342,400)	342,400	-	-
Transfer relating to options and rights expired and/or forfeited	-	(222,134)	222,134	-
Balance at 30 June 2020	18,611,718	8,442,017	(25,855,668)	1,198,067

Consolidated	**Issued capital $**	**Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2020	18,611,718	8,442,017	(25,855,668)	1,198,067
Loss after income tax expense for the year	-	-	(5,424,785)	(5,424,785)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,424,785)	(5,424,785)
Issue of shares	9,855,409	-	-	9,855,409
Issue of options as cost of capital raising	(1,247,605)	1,247,605	-	-
Share issue costs	(688,581)	-	-	(688,581)
Transfer relating to options and rights expired and/or forfeited	-	(230,559)	230,559	-
Transactions with shareholders in their capacity as shareholders:				
Share-based payments (note 34)	-	2,191,924	-	2,191,924
Balance at 30 June 2021	26,530,941	11,650,987	(31,049,894)	7,132,034

The above statement of changes in equity should be read in conjunction with the accompanying notes

IXUP Limited
Statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from customers		45,950	25,000
Payments to suppliers and employees		(3,354,228)	(4,668,254)
Interest received		9,291	7,362
Government grants and tax incentives (R&D Incentive, JobKeepers Rebate, Cash Boost, EMD Grant)		786,754	1,104,774
Net cash used in operating activities	31	(2,512,233)	(3,531,118)
Cash flows from investing activities			
Payments for property, plant and equipment	11	(26,964)	(6,261)
Payments for intangibles	13	(3,271,796)	-
Proceeds (Payments) for investments in term deposits		(975,000)	(875,000)
Proceeds from investments in term deposits		975,000	1,129,885
Net cash from/(used in) investing activities		(3,298,760)	248,624
Cash flows from financing activities			
Proceeds from issue of shares		9,855,409	3,168,872
Payment for share issue costs		(730,445)	(307,610)
Interest and other finance costs paid		(984)	(4,574)
Repayment of lease liabilities		(25,392)	(42,023)
Net cash from financing activities		9,098,588	2,814,665
Net increase/(decrease) in cash and cash equivalents		3,287,595	(467,829)
Cash and cash equivalents at the beginning of the financial year		1,537,365	2,005,194
Cash and cash equivalents at the end of the financial year	9	4,824,960	1,537,365

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the 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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:
Conceptual Framework for Financial Reporting (Conceptual Framework)
The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Going concern

The financial report has been 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 of $5,424,785 (2020: $3,774,992) and experienced net cash outflows from operating activities of $2,512,233 (2020: $3,531,118). As at 30 June 2021, the Group had cash and cash equivalents of $4,824,960 (2020: $1,537,365).

DataPOWA acquisition

On 4 August 2021, the Group completed its acquisition of DataPOWA, concluding IXUP's first business acquisition in the exciting global sports data/sponsorship industry. On completion of the Acquisition, the Group made a cash payment to Vendors of $3.25 million hence reducing cash on hand.

IXUP Commercialisation

With the strategic acquisitions of DataPOWA and the entire intellectual property and associated technology product portfolio of Data Republic Pty Ltd, commercialisation is commencing from two fronts, firstly from an IXUP current operations front and, secondly from these acquired entity / business assets.

On 21 April 2021, the Group announced DataPOWA signed a 3 year commercial contract with globally renowned international sporting body Concacaf. The DataPOWA Agreement is strategically significant to the commercialisation of IXUP's secure data collaboration platform and, although financially was not significant, it represented the first commercial deployment of IXUP's technology in this new business division. IXUP will receive a minimum of USD $9k in relation to this agreement with additional revenue receivable if the IXUP Platform is used beyond the base number of cases included in that agreement, calculated at USD $1.5k per additional use.

Post the acquisition of Data Republic's technology assets, IXUP has been in discussions with a number of Data Republic's past customers who have expressed interest in a continuation of services that were previously supplied by Data Republic and/or its related international entities. The first commercial opportunity has already been confirmed, with the execution of an assignment agreement with Data Republic Inc. to assume the obligations and rights for a key US Customer. The assignment of this contract to IXUP delivers the most significant revenue contract for IXUP since the Company's inception, providing a modest yet meaningful base for planned growth in the US markets.

IXUP is also continuing to assess and negotiate additional commercialisation opportunities with prior Data Republic customers, which also affords the potential to introduce IXUP's existing, higher security data engine to service their needs.

In addition to revenue opportunities from previous Data Republic customers, IXUP also intends to support the revenue growth initiatives of the DataPOWA business, which is expected to commence further revenue generation in coming months. These DataPOWA revenue streams are expected to commence for both the core SaaS-based POWA Index sponsorship valuation tool, as well as the DataPOWA 2.0 product, which was a co-development between DataPOWA and IXUP. These discrete revenue streams are anticipated to be further enhanced through already identified cross sell and additional product development opportunities in future periods.

Note 1. Significant accounting policies (continued)

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 they fall due is dependent on the ability of the Group to raise additional capital or obtain external financing in the next few months. The Board is assessing capital raising opportunities as at the date of this report.

Management have prepared a cash flow forecast for a period of 14 months from the date of this report incorporating the above factors.

The Directors believe that the Group will be able to continue as a going concern after consideration of the following factors:

- Subsequent to the year end, the Group has raised $2.9 million (before costs) from options conversions;
- The ability of the Group to raise the additional capital, for which it has a successful history in doing so;
- Commercialisation of its intellectual property, to deliver future revenue; and
- Recognising that the priority of the Board and management remains revenue growth and cost reductions.

Whilst the directors acknowledge there are timing risks associated with the completion of successful capital raisings which have a direct impact on the Group's ability to meet liabilities when due, the directors believe that this will be successful.

However, if the capital raising and other factors mentioned above do not eventuate, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether the Group will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Basis of preparation
IXUP Limited is domiciled in Australia. The consolidated financial statements comprise the results of IXUP Limited ("the Company") and its controlled entities ("the Group"). The consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the valuation of share-based payments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The significant accounting policies adopted in the preparation of these financial statements are presented below.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Note 1. Significant accounting policies (continued)

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the IXUP Group are eliminated in full on consolidation.

Foreign Currencies
In preparing the financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Revenue recognition
All revenue is stated net of the amount of goods and services tax (GST).

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step process outlined in AASB 15 which is as follows:
Step 1: Identify the contract with a customer;
Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations;
Step 5: Recognise revenue as the performance obligations are satisfied.

(i) Identification of performance obligations
The Group has determined that for new software sales, the licenses and implementation services are quoted as separate line items and have separate list prices and therefore are not distinct performance obligations as the customer is purchasing customisable software which requires not only the licenses to be provisioned but the software to be installed by a qualified implementation consultant.

Licensing and technical support which is purchased by software customers to assist with their ongoing use of the software and is separate from the software implementation performance obligation.

(ii) Satisfaction of performance obligations
The performance obligation for the implemented software is satisfied at the point in time when the software has been installed and is operating materially as contractually required. It is when the customer has full access to and control of the software

The performance obligation for providing software customers with licensing and technical support remains throughout the contract period so is satisfied over the contract period.

In addition to contracts with customers, the Group receives interest income from monies held in its bank accounts, Interest income is recognised on an accruals basis based on the interest rate, deposited amount and time which lapses before the reporting period end date.

The expected future Research and Development incentive, for past qualifying Research and Development expenditure is accrued as other income when it is established that the conditions of the Research and Development incentive have been met and that the expected amount of the incentive can be reliably measured.

Note 1. Significant accounting policies (continued)

Government Grants
Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and that the grant will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which grants are intended to compensate. If the grant relates to expenses or losses already incurred by the entity, or to provide immediate financial support to the entity with no future related costs, the income is recognised int eh period in which it becomes receivable.

Cash and cash equivalents
Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial Instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets
Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured using the cost model.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An individual asset will be depreciated in full at the time of purchase if any of the following criteria is met:

- The cost of the asset is less than $2,000, or
- The asset has an expected useful life of less than 12 months, or
- The asset will become technically obsolete (particularly relating to computer equipment) in less than 12 months.

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Computer equipment	3-5 years

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and included in an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale:
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset; and
- how the intangible asset will generate probable future economic benefits.

Amortisation is recognised so as to write off the cost of internally-generated assets over their useful lives, using the straight-line method. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Trademarks and other intangibles
Significant costs associated with Trademarks and other intangibles are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3.33 years.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the notes to the accounts.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate option valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax liabilities are therefore measured at the amounts expected to be paid to / recovered from the relevant taxation authority.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. There are no standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2. Critical accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. Alternatively, if the revision affects both current and future periods, the revision to the accounting estimate is recognised in the period of the revision as well as in future periods.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in note 3, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. COVID-19 impact

IXUP is continuing to closely monitor and respond to the effects of the COVID-19 virus, ensuring it adheres with Government advice and recommendations, which represents a material uncertainty in the wider business environment. During the year IXUP took a number of steps to ensure responsible cash management and extend its cash operating runway.

Specific actions taken during the year included:

- Staff hours and fixed remuneration reduced with focus on maintaining core sales and technical support functions. Staff are all not back to full time hours;
- Successful application for the Federal Government's JobKeeper Wage Subsidy (Round 1) for all eligible staff;
- Reduction in costs relating to essential services and infrastructure costs;

The Company will continue to closely monitor developments related to COVID-19, and take appropriate actions as required.

Note 4. 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 others by way of acquisition or investment. The Group operated in one geographic segment that being Australia.

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.

Note 5. Other income

	Consolidated	
	2021 $	2020 $
Net foreign exchange gain	-	(2)
Export Market Development Grant	47,156	42,654
Profit on sale of assets	1,127	-
ATO COVID-19 Cashflow Boost	50,000	50,000
ATO COVID-19 JobKeeper Subsidy	99,000	120,000
Other income	197,283	212,652

Note 6. Revenue

	Consolidated 2021 $	Consolidated 2020 $
Software revenue	16,750	88,500

Note 7. Expenses

	Consolidated 2021 $	Consolidated 2020 $
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	-	2,741
Depreciation		
Depreciation	40,962	74,892
Amortisation	39,115	-
Total depreciation and amortisation	80,077	74,892
Administrative Costs		
Professional adviser and legal costs	1,475,161	683,988
Consulting costs paid to entities related to the directors	181,668	50,432
Recruitment costs	36,464	22,667
Advertising and promotion	11,805	139,543
Travel and accommodation	20,662	105,099
Software licenses	112,381	63,730
Bad debt expense	-	1,000
Other	385,766	455,221
	2,223,907	1,521,680
Employee benefits expense		
Wages and salaries	1,427,680	2,573,343
Superannuation costs	128,948	242,499
Other employee benefits	93,936	(5,933)
	1,650,564	2,809,909
Occupancy costs		
Rent (short term lease payments)	28,333	90,042
Other occupancy costs	19,856	35,583
	48,189	125,625
Finance costs		
Interest costs	2,687	4,925
Interest and finance charges paid/payable on lease liabilities	985	4,574
Finance costs expensed	3,672	9,499
Share-based payments expense		
Share-based payments expense	2,191,924	481,358

Note 8. Income tax expense

	Consolidated 2021 $	2020 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(5,424,785)	(3,774,992)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(1,410,444)	(1,038,123)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	569,900	132,378
Non assessable Research & Development refund	(144,195)	(256,515)
	(984,739)	(1,162,260)
Current year temporary differences not recognised	984,739	1,162,260
Income tax expense	-	-

	Consolidated 2021 $	2020 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	21,012,648	17,694,490
Potential tax benefit @ 26%	5,463,288	4,600,567

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The tax rate used for the reconciliation above is the relevant corporate tax rate payable by the Company on taxable profits under Australian tax law.

Deferred tax assets and liabilities

	Consolidated 2021 $	2020 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	17,390	(17,221)
Entertainment	520	2,750
Depreciation	4,701	141,625
Payroll accrual	2,080	(11,976)
Deferred tax assets used to offset deferred tax liabilities	84,983	(6,596)
Tax losses carried forward	5,463,289	4,865,985
Deferred tax assets not brought into account	(5,572,963)	(4,974,567)
Total deferred tax assets recognised	-	-

Note 8. Income tax expense (continued)

	Consolidated 2021 $	2020 $
Deferred tax liability		
Accrued expenses	326,858	(23,986)
Deferred tax assets used to offset deferred tax liabilities	(326,858)	23,986
	-	-

Deferred tax assets have not been recognised in respect of the above items because it is not possible at this stage of development to explicitly confirm the probability that future taxable profit will be available against which the Company can utilise these benefits.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2021 $	2020 $
Cash at bank	4,724,960	407,450
Term deposits	100,000	1,129,915
	4,824,960	1,537,365

Term deposits have maturity dates of less than 3 months.

Note 10. Current assets - other receivables

	Consolidated 2021 $	2020 $
Trade receivables	-	27,600
Other receivables	6,156	61,856
GST	401,403	19,944
	407,559	109,400

Allowance for expected credit losses
The consolidated entity has recognised a loss of $nil (2020: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Leasehold improvements - at directors' valuation	-	73,269
Less: Accumulated depreciation	-	(58,695)
	-	14,574
Computer equipment - at cost	79,417	74,200
Less: Accumulated depreciation	(53,182)	(70,332)
	26,235	3,868
Office equipment - at cost	7,791	75,922
Less: Accumulated depreciation	(5,873)	(75,922)
	1,918	-
	28,153	18,442

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements * $	Computer equipment $	Office equipment $	Total $
Balance at 1 July 2019	43,881	3,634	-	47,515
Additions	-	5,947	-	5,947
Depreciation expense	(29,307)	(5,713)	-	(35,020)
Balance at 30 June 2020	14,574	3,868	-	18,442
Additions	-	25,640	2,154	27,794
Depreciation expense	(14,574)	(3,273)	(236)	(18,083)
Balance at 30 June 2021	-	26,235	1,918	28,153

* These assets were disposed after they were fully depreciated.

Note 12. Non-current assets - right-of-use assets

	Consolidated 2021 $	Consolidated 2020 $
Right-of-use asset	77,635	119,615
Less: Accumulated depreciation	(2,944)	(99,679)
	74,691	19,936

The consolidated entity leases an office and a parking space, with lease terms of 1.1 years. Both commenced on 15 June 2021 and terminate on 31 July 2022. After this initial period the lease can be moved to a monthly rent with a 3 month notice for termination. Depreciation for the year for the right-of-use asset was $2,944.

Note 12. Non-current assets - right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right-of-use asset $	Total $
Balance at 1 July 2019	-	-
Additions	119,615	119,615
Depreciation expense	(99,679)	(99,679)
Balance at 30 June 2020	19,936	19,936
Additions	77,635	77,635
Depreciation expense	(22,880)	(22,880)
Balance at 30 June 2021	74,691	74,691

Note 13. Non-current assets - intangibles

	Consolidated	
	2021 $	**2020 $**
Development - at cost	1,731,909	1,731,909
Less: Accumulated amortisation	(1,731,909)	(1,731,909)
	-	-
Intellectual Property	2,974,360	-
Less: Accumulated amortisation	(39,115)	-
	2,935,245	-
	2,935,245	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Development $	Intellectual Property $	Total $
Balance at 1 July 2019	-	-	-
Balance at 30 June 2020	-	-	-
Additions	-	2,974,360	2,974,360
Amortisation expense	-	(39,115)	(39,115)
Balance at 30 June 2021	-	2,935,245	2,935,245

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

Note 13. Non-current assets - intangibles (continued)

Developed Software
During the year ended 30 June 2021, the gross carrying value of Developed Software equated to $1,731,909 (2020;$1,731,909). This asset was originally capitalised at this gross value with effect September 2015 and is being depreciated on a straight-line basis at 30% per annum.

Accumulated depreciation of this Developed software totalled $1,731,909 (2020; $1,731,909), giving net written down value of $nil (2020: $nil) at financial year end.

Intellectual Property
During the year ended 30 June 2021, the company completed the strategic acquisition of the entire intellectual property of Data Republic Pty Ltd. The acquisition is capitalised at cost of $2,974,360 and is being depreciated on a straight-line basis at 20% per annum.
Accumulated depreciation of this Intellectual Property totalled $39,115, giving net written down value of $2,935,24 at financial year end.

Note 14. Non-current assets - Deposits

	Consolidated	
	2021 $	2020 $
Security Deposit	9,725	-

This is a security deposit for the office space rent. On termination or cancellation of the rental contract the deposit will be refunded.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2021 $	2020 $
Trade payables	465,388	106,111
Accrued expenses	281,836	45,075
PAYG withholding payable	42,984	33,202
Superannuation payable	42,829	34,830
Wages payable	8,459	73,487
Other payables	1,040	-
	842,536	292,705

Refer to note 24 for further information on financial instruments.

The average credit period allowed by trade creditors to the Group which are not related parties is approximately 24 days.

Note 16. Current liabilities - lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Lease liability	68,052	22,634

Refer to note 24 for further information on financial instruments.

This balance relates to the application of accounting standard AASB 16 in effect from 1 July 2019. Refer to note 12 for details.

Note 17. Current liabilities - provisions

	Consolidated 2021 $	Consolidated 2020 $
Annual leave	179,697	148,720

Note 18. Non-current liabilities - lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Lease liability	5,826	-

Refer to note 24 for further information on financial instruments.

Note 19. Non-current liabilities - provisions

	Consolidated 2021 $	Consolidated 2020 $
Long service leave	88,167	52,257

Note 20. Equity - issued capital

	Consolidated 2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	703,995,838	222,840,158	26,530,941	18,611,718

Note 20. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 July 2019	158,443,751	16,038,325
Issue of shares	26 November 2019	39,490,590	1,974,530
Issue of shares	6 December 2019	23,886,845	1,194,342
Issue of unlisted options to Cygnet Capital as fees		-	(342,400)
Issue of shares	14 February 2020	809,508	56,156
Issue of shares	27 April 2020	209,464	10,003
Share issue costs		-	(319,238)
Balance	30 June 2020	222,840,158	18,611,718
Issue of shares	22 July 2020	142,049,018	1,420,490
Issue of shares	30 July 2020	80,791,140	807,912
Issue of shares	9 September 2020	150,000,000	1,500,000
Issue of shares	20 November 2020	104,545,455	5,750,000
Issue of unlisted options to Cygnet Capital as fees		-	(365,898)
Issue of shares	2 March 2021	29,191	2,919
Issue of shares	26 March 2021	272,272	27,227
Issue of shares	21 April 2021	327,869	32,787
Issue of shares	18 May 2021	272,729	27,273
Issue of shares	3 June 2021	2,827,869	282,787
Issue of shares	18 June 2021	40,137	4,014
Share issue costs		-	(688,581)
Issue of unlisted options to Cygnet Capital as fees		-	(881,707)
Balance	30 June 2021	703,995,838	26,530,941

Options (Refer to note 34 for further information on Options)

Details	Date	Options	$
Balance	1 July 2019	65,918,136	-
Issue of plan options to employees and directors	2 July 2019	1,000,000	-
Issue of unlisted options to Cygnet Capital	9 December 2019	10,000,000	-
Cancelled due to forfeiture during the year		(1,716,667)	-
Balance	30 June 2020	75,201,469	-
Issue of unlisted options to Cygnet Capital	30 July 2020	20,000,000	-
Issue of unlisted options to Cygnet Capital	9 September 2020	8,000,000	-
Issue of plan options to employees and directors	22 October 2020	10,000,000	-
Issue of plan options to directors	10 November 2020	4,000,000	-
Cancelled due to forfeiture during the year		(750,000)	-
Issue of unlisted options to sophisticated and institutional investors	3 February 2021	52,272,723	-
Issue of unlisted options to Cygnet Capital	3 February 2021	20,000,000	-
Issue of unlisted options to Tekkorp Capital LLC	3 February 2021	40,000,000	-
Issue of unlisted options to Checkside Ltd	30 June 2021	2,000,000	-
Exercised during the year		(3,770,067)	-
Balance	30 June 2021	226,954,125	-

Note 20. Equity - issued capital (continued)

Performance Rights (Refer to note 34 for further information on Performance Rights)

Details	Date	Performance Rights	$
Balance	1 July 2019	4,000,000	-
Issue of performance rights to directors	2 July 2019	12,000,000	-
Cancelled due to forfeiture during the year		(1,250,000)	-
Balance	30 June 2020	14,750,000	-
Issue of performance rights to directors	3 February 2021	24,000,000	-
Cancelled due to forfeiture during the year		(7,500,000)	-
Balance	30 June 2021	31,250,000	-

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.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 21. Equity - reserves

	Consolidated 2021 $	Consolidated 2020 $
Equity-settled reserves	1,839,662	1,839,662
Options reserve	9,811,325	6,602,355
	11,650,987	8,442,017

Equity-settled reserve
On 19 October 2016, 11,426,470 warrants were issued to Asia Principal Capital Group Pte Ltd as part of a restructure of the IXUP Group. Subject to the terms of the warrant deed, the warrants entitled the holder to subscribe for the number of ordinary shares in the Company equal to 15% of the fully diluted outstanding capital of the Company. These warrants were cancelled and equivalent options were issued in their place on 1 September 2017.

Note 21. Equity - reserves (continued)

To determine the fair value of the warrants, the IXUP Group engaged the support of a professional adviser, who estimated the fair value of the warrants using a widely accepted valuation methodology and assumptions based on historical data for similar publicly-listed securities.

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. It is also used to recognise the value of equity benefits issued to advisors.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Equity-settled reserve $	Options reserve $	Total $
Balance at 1 July 2019	1,839,662	6,000,731	7,840,393
Issue of options as cost of capital raising	-	342,400	342,400
Share based payments as consideration for goods/services	-	481,358	481,358
Transfer relating to options and rights expired and/or cancelled	-	(222,134)	(222,134)
Balance at 30 June 2020	1,839,662	6,602,355	8,442,017
Issue of options as cost of capital raising	-	1,247,605	1,247,605
Share based payments as consideration for goods/services	-	2,191,924	2,191,924
Transfer relating to options and rights expired and/or cancelled	-	(230,559)	(230,559)
Balance at 30 June 2021	1,839,662	9,811,325	11,650,987

Note 22. Equity - accumulated losses

	Consolidated 2021 $	Consolidated 2020 $
Accumulated losses at the beginning of the financial year	(25,855,668)	(22,297,960)
Adjustment for change in accounting policy	-	(4,850)
Accumulated losses at the beginning of the financial year - restated	(25,855,668)	(22,302,810)
Loss after income tax expense for the year	(5,424,785)	(3,774,992)
Transfer relating to options and rights expired and/or cancelled	230,559	222,134
Accumulated losses at the end of the financial year	(31,049,894)	(25,855,668)

Note 23. Equity - dividends

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

Note 24. Financial instruments

Financial risk management objectives
The Group's finance function provides services to the business, co-ordinates access to banking facilities, and monitors and manages the financial risks relating to the operations of the Group in accordance with the decisions of the directors.

In the reporting period, the Group was not exposed to material financial risks of changes in foreign currency exchange rates. Accordingly, the Group did not employ derivative financial instruments to hedge currency risk exposures.

Note 24. Financial instruments (continued)

	Consolidated 2021 $	Consolidated 2020 $
Financial assets		
Cash and cash equivalents	4,824,960	1,537,365
Other receivables and other assets	6,156	138,640
	4,831,116	1,676,005
Financial liabilities		
Trade and other payables	756,723	292,705
Lease Liabilities	73,877	22,634
	830,600	315,339

Market risk

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's cash held on term deposit. A sensitivity analysis was performed and the assessment determined that a movement in interest rates is not considered to be material to the group's profit and loss.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have significant credit risk exposure to any single counterparty at the reporting date.

The credit risk on liquid cash funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group is not exposed to credit risk in relation to financial guarantees given to banks, because it has no such guarantees outstanding at the reporting date.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. The consolidated entity has assessed the expected credit losses to trade receivables and concluded that no allowance is required.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Ultimate responsibility for liquidity risk management rests with the board of directors, which periodically reviews the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities where possible.

Note 24. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	465,388	-	-	-	465,388
Other payables	-	291,335	-	-	-	291,335
Interest-bearing - variable						
Lease liability	10.00%	68,052	5,825	-	-	73,877
Total non-derivatives		824,775	5,825	-	-	830,600

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	106,111	-	-	-	106,111
Other payables	-	186,594	-	-	-	186,594
Interest-bearing - variable						
Lease liability	10.00%	22,634	-	-	-	22,634
Total non-derivatives		315,339	-	-	-	315,339

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Capital Management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Group consists of net cash (there were no borrowings at year end offset by cash as detailed in note 9 and equity (detailed in note 20).

As at reporting date, the Group had net assets of $7,132,034 (2020: $1,198,067) and issued capital of $26,530,941 (2020:$18,611,718).

Note 25. Key management personnel disclosures

Directors
The following persons were directors of IXUP Limited during the financial year:

Julian Babarczy	Chairman and Non-Executive Director (Appointed 10 November 2020)
Dean Joscelyne	Non-Executive Director
Freya Smith	Non-Executive Director
Marcus Gracey	Managing Director and CEO (Executive Director appointed 22 October 2020 and appointed CEO/Managing Director 11 November 2020)
Grant Paterson	Chairman and Non-Executive Director (Resigned 8 November 2020)
Peter Leihn	CEO and Managing Director (Resigned 31 July 2020)
Scott Wilkie	Non-Executive Director (Resigned 31 July 2020)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021	**2020**
	$	**$**
Short-term employee benefits	349,940	661,732
Post-employment benefits	16,190	58,592
Share-based payments	970,947	349,787
	1,337,077	1,070,111

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (WA) Pty Ltd, the auditor of the Company:

	Consolidated	
	2021	**2020**
	$	**$**
Other services - William Buck Consulting (WA) Pty Ltd		
Audit and review of the financial statements	33,957	33,800

Note 27. Related party transactions

Parent entity
IXUP Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Note 27. Related party transactions (continued)

Transactions with related parties
Mr Dean Joscelyne is the ultimate controlling party of YDCJ Pty Ltd atf YDCJ Unit Trust and Destria Pty Ltd.

Mr Julian Babarczy is one of the ultimate controlling parties of Jigsaw Consulting 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 inclusive:

	Consolidated	
	2021 $	2020 $
Payment for goods and services:		
Payment/Accrual to Destria Pty Ltd for consulting services and Director fees	201,667	-
Payment to YDCJ Pty Ltd atf YDCJ Unit Trust as landlord for company premises	-	111,664
Payment to Mr Dean Joscelyne as landlord for company premise and office services	59,797	67,514
Payment to GPT Legal for Director fees (2019: from date of appointment of Mr Paterson)	-	55,475
Payment to Jigsaw Consulting Pty Ltd for consulting services	38,288	-

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

	Consolidated	
	2021 $	2020 $
Amounts owed to related parties:		
Destria Pty Ltd	28,459	-
Mr Dean Joscelyne	-	73,487

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 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Loss after income tax	(4,162,496)	(1,913,977)
Total comprehensive loss	(4,162,496)	(1,913,977)

Note 28. Parent entity information (continued)

Statement of financial position

	Parent 2021 $	Parent 2020 $
Total current assets	22,741,673	1,562,787
Total assets	31,570,678	10,307,375
Total current liabilities	(805,322)	(13,255,899)
Total liabilities	(811,148)	(13,255,899)
Equity		
Issued capital	26,530,942	18,611,719
Equity-settled reserves	1,839,662	1,839,662
Options reserve	9,811,325	6,602,355
Accumulated losses	(7,422,399)	(3,490,462)
Total equity	30,759,530	23,563,274

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal activities	Principal place of business / Country of incorporation	Parent Ownership interest 2021 %	Parent Ownership interest 2020 %
IXUP Operations Pty Ltd	Software development	Australia	100%	100%
IXUP IP Pty Ltd	Software patents	Australia	100%	100%

Note 30. Events after the reporting period

DataPOWA Acquisition
On 4 August 2021, the Company completed its acquisition of DataPOWA, concluding IXUP's first business acquisition in the exciting global sports data/sponsorship industry.

On 19 May 2021, the Company entered a binding Share Purchase Agreement (**SPA**) to acquire 100% of UK-based SaaS technology company DataPOWA Limited for a maximum consideration of $12 million. The acquisition will constitute a change in scale of the Company's activities for the purpose of Chapter 11 of the ASX Listing Rules. The SPA was completed post year end with IXUP obtaining control of DataPOWA upon completion.

The DataPOWA transaction was approved by shareholders at an Extraordinary General Meeting (**EGM**), which was held on Friday, 30 July 2021. The formal completion of the transaction subsequently occurred on the evening of Tuesday, 3 August 2021.

The acquisition of DataPOWA will enable IXUP to acquire a synergistic and complementary business with associated domain expertise that is poised for accelerated revenue and customer growth, accelerates its commercialisation plans and more importantly provide a clear path for IXUPs technology to the sports data market.

Management is still in the process of identifying the fair value of assets and liabilities acquired and hence unable to disclose any further information in relation to the assets and liabilities acquired.

Upfront consideration
On completion of the Acquisition, the company made a cash payment to Vendors of $3.25 million and issued 47,872,340 new fully paid ordinary shares (being shares to the value of $4,500,000, based on a deemed issue price of $0.094 per share, which was the price of the Company shares at the time acquisition discussions commenced). Those shares will be subject to voluntary escrow for a period of 12 month after completion.

Contingent consideration
Subject to the future performance of DataPOWA's business, the Vendors will, in addition, be entitled to further benefits in the form of two instalments of contingent consideration (each of which is linked to the achievement of revenue milestones which reflect the targets set by DataPOWA in its current business plan and financial model). The maximum value of the contingent consideration is A$4.25 million, to be issued in the form of new fully paid ordinary shares in IXUP (subject to the terms of the SPA). The applicable revenue milestones which the DataPOWA business needs to achieve for the maximum instalment values set out below to become payable are:

- £549,000 revenue in the 12-month period to 30 June 2022 (A$1.875 million worth of IXUP shares based on a deemed issue price of $0.094 per share); and
- £2,000,000 revenue in the 12-month period to 30 June 2023 (A$1.875 million worth of IXUP shares, plus a further A$500,000 worth of IXUP shares as a bonus for achieving the milestone, in each case, at a deemed price per share equal to the VWAP during the 15 ASX trading days immediately prior to the Relevant Date (as defined)).

If either of the above revenue targets is not met within the stated 12-month timeframes, the value of the applicable contingent consideration instalment will be pro-rated to reflect the percentage achievement of those milestones (and as regards the second instalment, the A$500,000 bonus will neither be payable nor counted in the relevant pro rata calculation). Under AASB 3 Business Combinations, contingent consideration is required to be fair valued. The fair value is still under review by management.

IXUP Inc.
To underpin additional US commercialisation efforts for the IXUP data collaboration technology solution, post year end IXUP Inc. commenced business operations in the US.

IXUP also entered into an assignment agreement with Data Republic Inc in relation to the rights and obligations under a SaaS software service level agreement previously between Data Republic Inc and a US based health Insurer, for the provision of certain secure data collaboration software and support services. This facilitates IXUP to commence its business operations in the US and initiate the planned expansion of IXUP's global sports data initiatives.

IXUP has also now finalised the hiring of several ex-Data Republic employees in both Australia and the US, in essential roles ranging from technical development and product support, through to sales and client servicing, which will ensure the seamless operation of the IXUP data collaboration solution.

Note 30. Events after the reporting period (continued)

Share and Options issues

On 2 August 2021 IXUP issued 25,000,000 options expiring 30 August 2023 with an exercise price of $0.20 for services rendered under a 12 month corporate advisory services mandate, commencing 1 August 2021.

On 3 August 2021 IXUP issued 47,872,340 fully paid ordinary shares for the acquisition of DataPOWA detailed above.

On 17 August 2021 IXUP issued 50,182,045 fully paid ordinary shares as a result of 50,182,045 options being exercised.

No other matter or circumstance has arisen since 30 June 2021 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 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2021 $	2020 $
Loss after income tax expense for the year	(5,424,785)	(3,774,992)
Adjustments for:		
Depreciation and amortisation	80,077	74,892
Share-based payments	2,191,924	481,358
Change in operating assets and liabilities:		
(Increase)/decrease in other receivables and other assets	(1,096)	(54,108)
Increase/(decrease) in trade and other payables	574,760	(195,645)
(Decrease)/Increase in provisions	66,887	(62,623)
Net cash used in operating activities	(2,512,233)	(3,531,118)

Note 32. Non-cash investing and financing activities

During the current year, the Group entered into the following non-cash investing and financing activities, which are not reflected in the consolidated statement of cash flows:
(i) The Company issued 48,000,000 Unlisted Options to Cygnet Capital as part of their fees for providing underwriting and offer management services.
(ii) The Company issued 40,000,000 Unlisted Options to Tekkorp Capital LLC pursuant to a strategic collaboration agreement.
(iii) The Company issued 2,000,000 Unlisted Options to Checkside pursuant to a strategic partnering agreement.

During the year ended 30 June 2020, the Group entered into the following non-cash investing and financing activities, which are not reflected in the consolidated statement of cash flows:
(i) The Company issued 20,000,000 Unlisted Options to Cygnet Capital as part of their fees for providing underwriting and offer management services.

Note 33. Earnings per share

	Consolidated 2021 $	2020 $
Loss after income tax attributable to the shareholders of IXUP Limited	(5,424,785)	(3,774,992)

Note 33. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.88)	(1.93)
Diluted earnings per share	(0.88)	(1.93)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	616,591,541	195,884,647
Weighted average number of ordinary shares used in calculating diluted earnings per share	616,591,541	195,884,647

Non-Dilutive Securities
As at reporting date, 95,201,469 Unlisted Options (which represent 95,201,469 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

Note 34. Share-based payments and Performance Rights

During the year ended 30 June 2017 IXUP issued 7,070,000 Plan Options to employees, 3,930,000 of these Plan Options have since been forfeited on resignation of employees. Vesting occurs over 3 years in equal instalments. The Plan Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.134 per Plan Option.

In September 2017 IXUP issued 30,600,000 Unlisted Options to Directors and advisory board members. The Unlisted Options have vested and are escrowed.

In November 2017 IXUP issued 15,000,000 Unlisted Options to Cygnet Capital. The Unlisted Options have vested and are escrowed. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.139 per Unlisted Option which equates to $2,085,000 and this has been offset against Issued Capital as these options relate to the capital raising.

In September 2017 IXUP converted warrants held by Asia Principal Capital Limited to 10,826,470 Unlisted Options. The strike price of each option is $0.25 and term is 5 years from the grant date. The remeasurement of the fair value of the unlisted options after the conversion was not taken into account in accordance with AASB 2 Share-based payments as it resulted in a decrease in the fair value of the equity instruments granted.

In September 2017 IXUP issued 5,250,000 Performance Rights to directors and advisory board members. 4,250,000 of these Performance Rights have since been forfeited on resignation of directors. The remaining rights have fully vested.

During the year ended 30 June 2019 IXUP issued 5,685,000 Plan Options to employees. 2,683,333 of these Plan Options have since been forfeited on resignation of employees. Vesting occurs over 3 years in equal instalments. The Plan Options have been valued using the Black Scholes Model by the Company. The calculated Black Scholes Valuation is $0.047 per Plan Option.

During the year ended 30 June 2019 IXUP issued 1,900,000 Plan Options to employees.1,016,666 of these Plan Options have since been forfeited on resignation of employees. Vesting occurs over 3 years in equal instalments. The Plan Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.043 per Plan Option.

During the year ended 30 June 2020 IXUP issued 1,000,000 Unlisted Options to directors with an exercise price of 25 cents and an expiry date of 14 November 2022. Vesting occurs over 3 years in equal instalments and have no other vesting conditions besides the holder continuing to act as a director of the Company. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.022 per Unlisted Option.

During the year ended 30 June 2020 IXUP issued 10,000,000 Unlisted Options to Cygnet Capital with an exercise price of 10 cents and an expiry date of 31 November 2023. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.043 per Unlisted Option.

Note 34. Share-based payments and Performance Rights (continued)

During the year ended 30 June 2021 IXUP issued 10,000,000 Unlisted Options to Directors with an exercise price of 8 cents and an expiry date of 22 October 2022 . The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.0312 per Unlisted Option which equates to $203,014 recognised during the year ended 30 June 2021 as part of Share-based payments.

During the year ended 30 June 2021 issued 4,000,000 Unlisted Options to Directors with an exercise price of 10 cents and an expiry date of 3 February 2023. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.0441 per Unlisted Option which equates to $176,341 recognised during the year ended 30 June 2021 as part of Share-based payments

During the year ended 30 June 2021 IXUP issued 20,000,000 Unlisted Options to Cygnet Capital with an exercise price of 2 cents and an expiry date of 31 July 2024. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.00911 per Unlisted Option which is $145,738 recognised during the year ended 30 June 2021 as part of Capital raising costs.

During the year ended 30 June 2021 IXUP issued 8,000,000 Unlisted Options to Cygnet Capital with an exercise price of 2 cents and an expiry date of 31 July 2024. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.0344 per Unlisted Option which is $220,160 recognised during the year ended 30 June 2021 as part of Capital raising costs.

During the year ended 30 June 2021 IXUP issued 20,000,000 Unlisted Options to Cygnet Capital with an exercise price of 10 cents and an expiry date of 3 February 2023. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.0441 per Unlisted Option which is $881,707 recognised during the year ended 30 June 2021 as part of Capital raising costs.

During the year ended 30 June 2021 IXUP issued 40,000,000 Unlisted Options to Tekkorp with an exercise price of 10 cents and an expiry date of 3 February 2025. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.0594 per Unlisted Option which is $788,904 recognised during the year ended 30 June 2021 as part of Share-based payments.

During the year ended 30 June 2021 IXUP issued 2,000,000 Unlisted Options to Checkside with an exercise price of 28 cents and an expiry date of 30 June 2023. The Unlisted Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is $0.0834 per Unlisted Option which is $166,726 recognised during the year ended 30 June 2021 as part of Share-based payments.

During the year ended 30 June 2021 $5,454 was recognised relating to Plan Options issued in 2017 to employees and directors.

During the year ended 30 June 2021 $13,426 was recognised relating to Plan Options issued in 2018 to employees and directors.

During the year ended 30 June 2021 $6,649 was recognised relating to Plan Options issued in 2019 to employees and directors.

During the year ended 30 June 2021 $4,729 was recognised relating to Plan Options issued in 2020 to employees and directors.

During the year ended 30 June 2021 750,000 Plan Options were forfeited relating to employees and directors who left the Company and did not meet vesting conditions.

During the year ended 30 June 2020 IXUP issued 12,000,000 Performance Rights in July 2019 to directors with nil exercise price. 6,750,000 of these Performance Rights have since been forfeited on resignation of directors. The rights have been valued with reference to market price, adjusted for probability of vesting between 40% to 60%. Vesting occurs in equal instalments subject to revenue targets and tenure conditions being achieved.

During the year ended 30 June 2020 1,250,000 Performance Rights were cancelled relating to directors who left the Company and did not meet the vesting conditions.

Note 34. Share-based payments and Performance Rights (continued)

During the year ended 30 June 2021 IXUP issued 24,000,000 Performance Rights in February 2021 to directors with nil exercise price. The rights have been valued with reference to market price, adjusted for probability of vesting between 60% to 100% and an expense of $684,593 has been recognised during the year ended 30 June 2021 as part of Share-based payments. Vesting occurs in equal instalments subject to market-based and non-market-based conditions being achieved.

During the year ended 30 June 2021 750,000 Performance Rights were cancelled relating to directors who left the Company and did not meet the vesting conditions.

During the year ended 30 June 2021 $27,465 was recognised relating to Performance Rights issued in 2018.

During the year ended 30 June 2021 $114,625 was recognised relating to Performance Rights issued in 2020

Set out below are summaries of options at year end:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/09/2017	14/11/2022	$0.25	10,826,470	-	-	-	10,826,470
01/09/2017	14/11/2022	$0.25	30,600,000	-	-	-	30,600,000
15/11/2017	14/11/2022	$0.25	15,000,000	-	-	-	15,000,000
01/09/2017	14/11/2022	$0.25	2,000,000	-	-	-	2,000,000
15/11/2017	14/11/2022	$0.25	1,140,000	-	-	-	1,140,000
20/12/2018	20/12/2023	$0.25	3,001,666	-	-	-	3,001,666
10/04/2019	10/04/2024	$0.25	1,633,333	-	-	(750,000)	883,333
02/07/2019	14/11/2022	$0.25	1,000,000	-	-	-	1,000,000
09/12/2019	30/11/2023	$0.10	10,000,000	-	-	-	10,000,000
23/06/2020	31/07/2024	$0.02	-	20,000,000	-	-	20,000,000
08/09/2020	31/07/2024	$0.02	-	8,000,000	-	-	8,000,000
22/10/2020	22/10/2022	$0.08	-	10,000,000	-	-	10,000,000
29/01/2021	03/02/2023	$0.10	-	4,000,000	-	-	4,000,000
29/01/2021	03/02/2023	$0.10	-	20,000,000	-	-	20,000,000
29/01/2021	03/02/2025	$0.10	-	40,000,000	-	-	40,000,000
03/02/2021	29/01/2023	$0.10	-	52,272,723	(3,770,067)	-	48,502,656
22/06/2021	30/06/2023	$0.28	-	2,000,000	-	-	2,000,000
			75,201,469	156,272,723	(3,770,067)	(750,000)	226,954,125
Weighted average exercise price			$0.23	$0.08	$0.10	$0.25	$0.13

Note the 52,272,723 options granted on 3 February 2021 do not represent share-based payments but have been included in the above table for completeness.

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/09/2017	14/11/2022	$0.25	10,826,470	-	-	-	10,826,470
01/09/2017	14/11/2022	$0.25	30,600,000	-	-	-	30,600,000
15/11/2017	14/11/2022	$0.25	15,000,000	-	-	-	15,000,000
01/09/2017	14/11/2022	$0.25	2,000,000	-	-	-	2,000,000
15/11/2017	14/11/2022	$0.25	1,740,000	-	-	(600,000)	1,140,000
20/12/2018	20/12/2023	$0.25	3,851,666	-	-	(850,000)	3,001,666
10/04/2019	10/04/2024	$0.25	1,900,000	-	-	(266,667)	1,633,333
02/07/2019	14/11/2022	$0.25	-	1,000,000	-	-	1,000,000
09/12/2019	30/11/2023	$0.10	-	10,000,000	-	-	10,000,000
			65,918,136	11,000,000	-	(1,716,667)	75,201,469

Note 34. Share-based payments and Performance Rights (continued)

Weighted average exercise price	$0.25	$0.11	$0.00	$0.25	$0.23

Set out below are the options exercisable at the end of the financial year (released from escrow on 10 November 2019):

Grant date	Expiry date	2021 Number	2020 Number
01/09/2017	14/11/2022	30,000,000	30,000,000
15/11/2017	14/11/2022	15,000,000	15,000,000
		45,000,000	45,000,000

The weighted average exercise share price during the financial year was $0.13 (2020: $0.23).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.9 years (2020: 2.5 years).

Set out below are summaries of performance rights movements during the year:

2021

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20/12/2018	14/11/2022	2,750,000	-	-	(750,000)	2,000,000
02/07/2019	14/11/2022	12,000,000	-	-	(6,750,000)	5,250,000
29/01/2021	03/02/2026	-	24,000,000	-	-	24,000,000
		14,750,000	24,000,000	-	(7,500,000)	31,250,000

2020

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20/12/2018	14/11/2022	4,000,000	-	-	(1,250,000)	2,750,000
02/07/2019	14/11/2022	-	12,000,000	-	-	12,000,000
		4,000,000	12,000,000	-	(1,250,000)	14,750,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.5 years (2020: 2.4 years)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/06/2020	31/07/2024	$0.02	$0.02	85.00%	-	0.31%	$0.009
08/09/2020	31/07/2024	$0.05	$0.02	90.00%	-	0.28%	$0.034
22/10/2020	22/10/2022	$0.07	$0.08	85.00%	-	0.13%	$0.031
29/01/2021	03/02/2023	$0.10	$0.10	90.00%	-	0.11%	$0.044
29/01/2021	03/02/2025	$0.10	$0.10	90.00%	-	0.25%	$0.059
29/01/2021	03/02/2023	$0.10	$0.10	90.00%	-	0.11%	$0.044
22/06/2021	30/06/2023	$0.20	$0.28	95.00%	-	0.08%	$0.083

* Note that the fair value has been further adjusted to reflect the probability of the options being vested for the purpose of determining the expense recognised in the share-based payment.

Note 34. Share-based payments and Performance Rights (continued)

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

				Probability of	
Grant date	Expiry date	Share price at grant date	Vesting T1	Vesting T2	Vesting T3
28/02/2021	03/02/2026	$0.09	100.00%	90.00%	60.00%

The performance rights have the following vesting conditions.
T1 - 12 months of continuous service from the date of appointment (refer paragraph 2); and the 20-day volume weighted average price ("VWAP") of the Company's shares being at least $0.075.

T2 - The customer goes live on commercial use of the Company's core technology pursuant to a commercial contract; and the 20-day VWAP of the Company's shares being at least $0.10.

T3 - The Company achieving revenue in any financial year of at least $5,000,000; and the 20-day VWAP of the Company's shares being at least $0.125.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Julian Babarczy
Chairman

27 August 2021

IXUP Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IXUP Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 on page 30 of the financial statements which indicates that the Group reported a net loss before income tax of $5,424,785 and net cash outflows from operations of $2,512,233 for the year ended 30 June 2021. As stated in Note 1, these events or conditions, along with other matters set forth in Note 1, indicate a material uncertainty exists that may

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

cast significant doubt on the Group's ability to continue as a going concern.
Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ACQUISITION OF INTANGILE ASSETS	
Area of focus **Refer also Note 13**	**How our audit addressed it**
During the year the Group completed the acquisition of intellectual property from Data Republic Pty Ltd. The acquisition has been reported as the acquisition of intangible assets of $2,974,360. The acquisition represents a significant portion of the Group's consolidated statement of financial position.	Our audit procedures included: — Evaluating the acquisition agreement and critically reviewing management's treatment of the acquisition as an asset acquisition. — Evaluating whether the consideration paid represented the fair value for the asset and — Assessing the Group's accounting policy and disclosure for the intangible asset acquired as set out within note 1 and note 13 to the financial statement.

SHARE BASED PAYMENTS	
Area of focus **Refer also to Remuneration Report on pages 12 to 20 and Note 25**	**How our audit addressed it**
The Group reported $2,191,924 of share based payment expenses in respect of options and performance rights granted in the year and prior years. Determining the share-based payment expense for the year requires significant judgment and estimation by management.	Our audit procedures included: — Understanding the terms and conditions of options and performance rights granted in the year — Assessing whether an appropriate valuation model was used to value the options and performance rights granted

	— Critically reviewing management’s assumptions for the achievement of performance conditions — Verifying inputs to the valuation model to maket information — Assessing whether management’s reporting and disclosure of share based payments was in accordance with AASB 2 Share Based Payments.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2021, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of IXUP Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Dated this 27th day of August, 2021

The shareholder information set out below was applicable as at 18 August 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares Number of holders	Options over ordinary shares Number of holders
1 to 1,000	343	1
1,001 to 5,000	513	-
5,001 to 10,000	167	-
10,001 to 100,000	174	24
100,001 and over	41	81
	1,238	106
Holding less than a marketable parcel	130	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
KEA HOLDINGS PTY LTD	52,840,073	7.01
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,493,345	6.83
RANSDALE INVESTMENTS PTY LTD	46,800,000	6.21
WHITE SWAN NOMINEES PTY LTD	42,006,899	5.57
HOLDREY PTY LTD	35,825,000	4.75
JOSCELYNE INVESTMENTS PTY LTD	31,193,302	4.14
POOLSIDE INVESTMENTS PTY LTD	30,500,000	4.04
DECK CHAIR HOLDINGS PTY LTD	30,500,000	4.04
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	27,116,265	3.60
CS THIRD NOMINEES PTY LIMITED	14,155,708	1.88
AUBURY PTY LTD	13,500,000	1.79
PRENDERGAST MANAGEMENT CONSULTANTS PTY LTD	13,250,000	1.76
KOLLEY PTY LTD	11,930,000	1.58
SL CURTIS PTY LTD	11,800,000	1.56
MR DANIEL THOMAS O'BRIEN	10,625,454	1.41
TERRA CAPITAL MANAGEMENT PTY LTD	10,320,000	1.37
VISTA GROVE INVESTMENTS PTY LTD	8,742,416	1.16
RACCOLTO INVESTMENTS PTY LTD	8,500,004	1.13
KEMBLA NO 20 PTY LTD	8,408,623	1.11
WHITE SWAN NOMINEES PTY LTD	8,054,222	1.07
	467,561,311	62.01

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
KEA HOLDINGS PTY LTD	52,840,073	7.01
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,493,345	6.83
RANSDALE INVESTMENTS PTY LTD	46,800,000	6.21
WHITE SWAN NOMINEES PTY LTD	42,006,899	5.57

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

There are no other classes of equity securities.

Annual General Meeting

The Annual General meeting will be held on 24 November 2021.