

IXUP Limited
ACN 612 182 368

PROSPECTUS

An initial public offering of 62,500,000 Shares each at an issue price of \$0.20 to raise \$12,500,000 (before costs) (**Offer**).

Important Information

This document is important and should be read in its entirety.

If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

An investment in the Shares offered by this Prospectus should be considered as speculative.

Lead Manager to the Offer



Contents

1.	Important Information	1
2.	Corporate Directory.....	3
3.	Key Information and Indicative Timetable	4
4.	Investment Overview	5
5.	Chairman's Letter	17
6.	Details of the Offer	18
7.	Industry Overview	26
8.	IXUP Business Overview	29
9.	Directors, Key Management, Advisory Board and Corporate Governance	45
10.	Financial Information	61
11.	Investigating Accountant's Report	63
12.	Patent Report	91
13.	Risk Factors	96
14.	Material Contracts.....	106
15.	Additional Information	112
16.	Directors' Authorisation	134
17.	Glossary.....	135

1. Important Information

1.1 Important Notice

This Prospectus is dated 3 October 2017 and was lodged with the ASIC on that date. The ASX, ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is that date which is 13 months after the date this Prospectus was lodged with the ASIC. No Shares may be issued on the basis of this Prospectus after that date.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary before deciding whether to invest. The Shares, the subject of this Prospectus should be considered speculative. Please refer to Section 13 for details relating to risk factors that could affect the financial performance and assets of the Company.

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Shares, the subject of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the applicable Application Forms as provided with a copy of this Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer. You should only rely on information in this Prospectus.

1.2 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.ixup.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to, or accompanied by, the complete unaltered version of the Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Forms. If you have not, please contact the Company on 02 8206 8888 between 9.00am and 5.00pm (AEST) Monday to Friday and they will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.ixup.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.3 Overseas Applicants

The offer of Shares made pursuant to this Prospectus is not made to persons to whom, or places in which, it would be unlawful to make such an offer of Shares. No action has been taken to register or qualify the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek legal advice on, and observe, any of those restrictions. Failure to comply with these restrictions may violate securities laws.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.4 Forward looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

While the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 13, as well as other matters not yet known to the Company or not currently considered material to the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

1.5 Definitions

A number of defined terms are used in this Prospectus. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 17, words and phrases in this Prospectus have the same meaning and interpretation as in the Corporations Act or Listing Rules.

2. Corporate Directory

Directors

Tim Ebbeck (Executive Chairman)
Dean Joscelyne (Executive Director)
Cliff Rosenberg (Non-Executive Director)

Company Secretary

Scott Mison

Registered Office & Principal Place of Business

'Lot 10', Level 3
7 Bridge Street
Sydney NSW 2000

Investigating Accountant

William Buck Consulting (WA) Pty Ltd
Level 3
15 Labouchere Road
South Perth WA 6151

Auditors

William Buck Audit (WA) Pty Ltd
Level 3
15 Labouchere Road
South Perth WA 6151

Author of Patent Report

FB Rice Pty Ltd
23/44 Market Street
Sydney NSW 2000

Lawyers

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Lead Manager

Cygnat Capital Pty Ltd
Level 10, 63 Exhibition Street
Melbourne VIC 3000

Share Registry*

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Telephone: 1300 554 474

Email: registrars@linkmarketservices.com.au

Company Website

www.ixup.com

Proposed ASX Code

IXU

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

3. Key Information and Indicative Timetable

	Amount of Offer
Price per Share	\$0.20
Number of Shares offered	62,500,000
Amount to be raised (before costs)	\$12,500,000
Total pro-forma cash on completion of the Offer (after costs of the Offer)	\$11,679,642
Total Shares on issue on completion of the Offer	158,443,751

Indicative timetable	Date
Lodgement of this Prospectus with ASIC	3 October 2017
Opening Date for the Offer	11 October 2017
Closing Date for the Offer	24 October 2017
Issue of Shares under the Offer	3 November 2017
Dispatch of holding statements	6 November 2017
Expected date for Official Quotation on the ASX	8 November 2017

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

4. Investment Overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

4.1 Introduction

Topic	Summary	Details
Who is the issuer of the Prospectus?	IXUP Limited (ACN 612 182 368) (Company)	Section 8.1
Who is the Company and what does it do?	IXUP is an Australian software company that is redefining the way organisations collaborate on vast amounts of data with its data collaboration and encryption platform. The IXUP Platform enables organisations to collaborate using their own, and other organisations', data to enable actionable insights to be identified and support better business decisions. Data ownership is strictly maintained by the originating organisation while permission settings control data access at all times.	Section 8.1
What is the IXUP Platform?	<p>The IXUP Platform is a product offering that enables encrypted data collaboration between two or more organisations or stakeholders without the data ever leaving the control of the data owner. The IXUP Platform redefines current data sharing methodologies and business practice as organisations can collaborate with their data in near real time enabling actionable insights and eliminating the need for third party facilitators and custodians. Businesses can value their own data, leverage their choice of third party analytics tools and build customer centric applications on top of the IXUP Platform. Large organisations can also use the IXUP Platform to provide the same encrypted data collaboration internally between different divisions, operations or geographical locations.</p> <p>The IXUP Platform can either be a cloud based service or an on-premise solution which operates behind an organisation's firewall.</p>	Section 8.3
What is the Company's business model?	The Company has identified a number of approaches to market working with relevant participants in the Big Data and Big Data Business Analytics industry including:	Sections 8.5 and 8.6

Topic	Summary	Details
	<ul style="list-style-type: none"> • System integrators • Data services providers and Consulting firms • Application and Analytics software vendors • Cloud providers • Owners of data <p>Participants in each of these pathways to market see that the IXUP Platform adds significant value to the products and services that they provide to their customers. Accordingly, IXUP intends to partner in various ways in order to sell the IXUP Platform to the customers of these partners. The primary benefit is the actionable insights which become evident using the encrypted data collaboration capability of the IXUP Platform.</p> <p>The IXUP Platform is offered under a software licence model where revenue is generated from annual subscription fees. Subscription fees vary depending on the use case, complexity of the integration and industry specific requirements. Customer contracts will generally have a minimum term with annual subscription fees ranging from ninety thousand dollars to millions of dollars.</p> <p>Investors should note, given the Company has a limited operating history, limited revenue and is currently loss making, the ability to achieve its objectives is high risk.</p>	
What are the Company's key assets?	The intellectual property associated with the IXUP Platform and the commercialisation of that product.	Section 8.9 and 12
What is the Offer?	<p>The Company is offering 62,500,000 Shares at an issue price of \$0.20 each to raise \$12,500,000 (before costs of the Offer).</p> <p>The Offer is not underwritten.</p>	Section 6.1
What are the conditions of the Offer?	<p>The Offer is conditional upon the following events occurring:</p> <ul style="list-style-type: none"> • the Company raising the amount of the Offer (being \$12,500,000); and • ASX granting conditional approval for the Company to be admitted to the Official List. <p>If the Conditions of the Offer are not achieved, then the Company will not proceed with the Offer and will repay all Application Monies received.</p>	Section 6.2

Topic	Summary	Details
Why is the Offer being conducted?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> • facilitate an application by the Company for admission to the Official List; • provide capital to further develop the IXUP Platform and drive commercialisation through the development of relationships with existing and new partners and on boarding new customers for the IXUP Platform; • provide the Company with access to equity capital markets for future funding needs; • enhance the public profile of the Company; • meet the costs of the Offer; and • provide working capital. 	Section 6.4

4.2 Key risks

Prospective investors should be aware that subscribing for Shares involves a number of risks and uncertainties. The risk factors set out in Section 13 and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 13 for a more detailed summary of the risks.

Topic	Summary	Details
Patent rights	<p>The Company holds pending patent applications in respect of the IXUP Platform. The prospect of obtaining patent protection for products and the technology such as those proposed under the patent applications is uncertain and involves complex and continually evolving factual and legal questions. These include:</p> <ul style="list-style-type: none"> • legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect the Company's ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by the Company. As a result, the Company's patent application may not proceed 	Section 13.1(a)

Topic	Summary	Details
	<p>to issued patents and, if issued, may not be of commercial benefit to the Company, or may not afford the Company adequate protection from competing products. In particular, objections have been raised in relation to the Company's international patent application based on the novelty and inventive step requirements, citing existing patents owned by third parties. If the Company is not able to overcome these objections, there is a risk that the patent will not be awarded to it. Alternatively, in modifying the relevant claims to address the objections, there is a risk that the scope of protection in the issued patent being significantly less than the scope of protection sought by the Company; and</p> <ul style="list-style-type: none"> • since most patent applications remain secret for eighteen months from the time of filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, the Company cannot be certain that it is the first to make the inventions covered by the pending patent applications or that its patent applications for such inventions was the first to be filed. <p>Even if the Company succeeds in obtaining patent protection for its products, its patents could be partially or wholly invalidated following challenges by third parties.</p>	
Protection of intellectual property rights	<p>The Company holds a granted innovation patent and patent pending applications. The Company may be required to spend significant resources to monitor and protect the intellectual property. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and divert the efforts of its personnel. In addition, unauthorised use of the Company's technology and brand in counterfeit products or services could not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.</p>	Section 13.1(b)

Topic	Summary	Details
Infringement of third party intellectual property rights	<p>If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.</p> <p>In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent the Company from commercialising available products and could cause it to incur substantial expenditure.</p>	Section 13.1(c)
Limited operating history	<p>The Company has limited operating history and the unproven potential of its proposed new business model makes any evaluation of the business or its prospects difficult.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful acquisition and retention of customers and implementation of its business plans in respect of the IXUP Platform.</p> <p>In this regard the Company notes that William Buck Audit has, without modifying its opinion, issued its auditor report for both the financial period/year ended 30 June 2016 and 30 June 2017 with an emphasis of matter in respect of material uncertainty regarding the ability of IXUP to continue as a going concern and the consequential need for IXUP to seek additional funding.</p>	Section 13.1(d)

Topic	Summary	Details
Brand establishment and maintenance	The Company believes that establishing and maintaining the IXUP brand is important to growing its proposed customer base and product acceptance. This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if customers do not have a positive experience using the platform, devices or operating systems that provide access to the IXUP Platform. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.	Section 13.1(e)
Marketing and sales success	<p>Following completion of the Offer, the Company intends to accelerate the commercialisation of the IXUP Platform by focussing on marketing and sales. By its nature, there is no guarantee that the Company's marketing campaign will be successful and generate new customers of the IXUP Platform. In the event that it is not successful, the Company may encounter difficulty in bring the IXUP Platform to market and creating awareness of the IXUP brand. This would likely have an adverse impact on the Company's sales and profitability.</p> <p>Even if the Company does successfully commercialise the IXUP Platform, there is a risk that the Company will not achieve a commercial return. The Company may not be able to make sufficient revenues from customers to cover its operating and capital costs, or new technology may overtake the Company's technology.</p>	Section 13.1(f)
Partners	A main feature of the Company's go to market strategy is the use of partners. The amount of revenue the Company receives can be affected by the conduct of these partners. Actions by a partner such as, poor customer care, applying insufficient resources and not understanding the benefits of the IXUP Platform can all have an effect on the sales of the IXUP Platform and the customer's perception and willingness to use the IXUP Platform.	Section 13.1(g)
Reliance on personnel	The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of one or more senior executives may have an adverse effect on the Company's operations. The Company continues to seek and hire expertise in the areas where	Section 13.1(h)

Topic	Summary	Details
	opportunities exist. Furthermore, if the Company is unable to attract, train and retain these key individuals and other highly skilled employees and consultants, its business may be adversely affected.	
Management of growth	There is a risk that the Company will not be able to manage rapid growth of the business. The capacity of the Company to properly implement and manage business growth may affect the Company's financial performance.	Section 13.1(i)
The IXUP Platform may contain programming errors, which could harm its brand and operating results	The IXUP Platform contains complicated programming and its objectives are to develop and launch new and innovative products and features. The IXUP Platform may therefore contain now, or in the future, errors, bugs or vulnerabilities. Any errors, bugs or vulnerabilities discovered could result in (among other consequences) damage to the IXUP brand, loss of customers, loss of partners, fall in revenues or liability for damages, any of which could adversely affect the Company's business and operating results.	Section 13.1(j)

4.3 Proposed use of funds and other key terms of the Offer

Topic	Summary	Details
What is the proposed use of funds raised under the Offer?	<p>The proposed use of funds raised under the Offer is to:</p> <ul style="list-style-type: none"> provide capital to further develop the IXUP Platform and drive commercialisation through the development of relationships with existing and new partners and on boarding new customers for the IXUP Platform; pay the costs of the Offer; and provide general working capital, including for corporate overhead and administration. 	Section 6.5
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer the Company will have sufficient working capital to carry out its business objectives as set out in this Prospectus.	Sections 6.4 and 6.5

Topic	Summary	Details
What rights and liabilities attach to the Shares being offered?	All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 15.1.	Section 15.1
Is the Offer underwritten?	The Offer is not underwritten.	Section 6.14
Who is the lead manager to the Offer?	<p>The Company has appointed Cygnet Capital as Lead Manager to the Offer.</p> <p>The Company will pay Cygnet Capital a cash fee of 6% of the total amount raised under the Offer (plus GST) and will issue Cygnet Capital (or its nominee) 15,000,000 Unlisted Options each at an issue price of \$0.00001 per Option upon successful admission of the Company to the Official List of ASX. The Company has also agreed to pay Cygnet Capital a corporate advisory fee of \$15,000 per month for the period from 16 May 2017 (when the mandate between the Company and Cygnet Capital was signed) until the Company's admission to the Official List of ASX and \$10,000 per month for a period of 12 consecutive months following the Company's admission to the Official List of ASX.</p>	Sections 6.13 and 14.7
Will the Shares issued under the Offer be listed?	The Company will apply for listing of the Shares on the ASX within seven days of the date of this Prospectus. Completion of the Offer is conditional on ASX approving this application.	Section 6.3
What are the tax implications of investing in Shares under the Offer?	The tax consequences of any investment in Shares will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 6.19

Topic	Summary	Details
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop its business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	Section 6.8
How do I apply for Shares under the Offer?	<p>Applications for Shares under the Offer must be made by completing an Application Form and must be accompanied by a cheque in Australian dollars (or electronic transfer to the bank account advised by the Company) for the full amount of the application being \$0.20 per Share.</p> <p>Cheques must be made payable to "IXUP Limited – Share Application Account" and should be crossed "Not Negotiable".</p>	Section 6.9
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful Applicants by post on or about 6 November 2017.	Section 3
How can I find out more about the Prospectus or the Offer?	Questions relating to the Offer can be directed to the Company on 02 8206 8888 between 9.00am and 5.00pm (AEST) Monday to Friday. Questions relating to the completion of an Application Form can be directed to the Share Registry, on 1300 554 474 between 9.00am and 5.00pm (AEST) Monday to Friday.	Section 6.20

4.4 Board, Management and Advisory Board

Topic	Summary	Details
Who are the Directors of the Company?	<p>The Board comprises:</p> <ul style="list-style-type: none"> • Tim Ebbeck – Executive Chairman • Dean Joscelyne – Executive Director • Cliff Rosenberg – Non-Executive Director <p>Refer to Section 9.1 for details of the relevant experience and expertise of the Directors.</p>	Section 9.1
Who are the Company's key management personnel?	<p>The key management personnel include:</p> <ul style="list-style-type: none"> • Tim Ebbeck – Executive Chairman • Dean Joscelyne – Executive Director • Marc Goldman – Chief Operating Officer • Paul Coe – Chief Technology Officer <p>Refer to Sections 9.1 and 9.2 for details of the relevant experience and expertise of the key management personnel.</p>	Sections 9.1 and 9.2
Who are the members of the Company's Advisory Board?	<p>The Advisory Board of the Company comprises:</p> <ul style="list-style-type: none"> • Glen Boreham – Advisory Board Chairman • Peter Chapman – Advisory Board Member <p>Refer to Section 9.3 for details of the relevant experience and expertise of the Advisory Board.</p>	Section 9.3
What are the significant interests of Directors?	<p>The interests of the Directors are detailed in Section 9.4.</p> <p>The security holdings of Directors are set out in Section 9.5.</p> <p>Section 9.7 sets out details of related party agreements and transactions with the Company from which the Directors may benefit.</p> <p>These comprise:</p> <ul style="list-style-type: none"> • customary executive service agreements, consultancy agreements, appointments and deeds of indemnity, insurance and access; • The Company has a commercial lease agreement with Executive Director, Mr Dean Joscelyne for the Company's office space at 11/5-7 Ross Street Paramatta as summarised in Section 9.7(i). As at 3 October 2017 approximately \$51,186 in rent arrears is payable to Mr Joscelyne. This amount will be paid following completion of the Offer. 	Sections 9.4, 9.5 and 9.7

Topic	Summary	Details
	<ul style="list-style-type: none"> The Company has a commercial lease agreement with YDCJ Pty Ltd, an entity controlled by Executive Director, Mr Dean Joscelyne, for the Company's current office space at units 10 and 15/7 Bridge Street Sydney as summarised in Section 9.7(i). As at 3 October 2017 approximately \$176,000 in rent arrears is payable to YDCJ Pty Ltd. This amount will be paid following completion of the Offer. Entities associated with Mr Dean Joscelyne have formerly provided office services to IXUP as detailed in Section 9.7(i). As at 3 October 2017 approximately \$45,242 is payable to the entities related to Mr Joscelyne. This amount will be paid following completion of the Offer. 	

4.5 Miscellaneous

Topic	Summary	Details
What material contracts is the Company a party to?	<p>The material contracts of the Company comprise:</p> <ul style="list-style-type: none"> Westpac Services Agreement Finity Software Supply and Support Agreement Microsoft Enterprise Cloud Alliance Agreement Dimension Data Partner Agreement Empirics Partner Agreement KPMG Agreement Cygnet Capital Corporate Advisory Services Mandate 	Section 14

Topic	Summary	Details
What is the financial position of the Company post completion of the Offer?	<p>Financial information regarding the Company is considered in Section 10 of this Prospectus and the Investigating Accountant's Report in Section 11 of this Prospectus.</p> <p>William Buck Audit has, without modifying its opinion, issued its auditor report for both the financial years ended 30 June 2016 and 30 June 2017 with an emphasis of matter in respect of material uncertainty regarding the ability of IXUP to continue as a going concern and the consequential need for IXUP to seek additional funding. The Company believes that the completion of the Offer will provide the Company with sufficient working capital to resolve this emphasis of matter raised by William Buck Audit.</p>	Sections 10 and 11
Will any Securities be subject to escrow?	<p>No Shares issued under the Offer are expected to be subject to escrow.</p> <p>A number of other securities (including existing Shares and Options on issue prior to the date of this Prospectus) will be subject to escrow for up to 24 months from the date of Official Quotation.</p> <p>Details are contained in Section 6.7.</p>	Section 6.7

5. Chairman's Letter

Dear Investor

On behalf of the directors of IXUP Limited, it is my pleasure to invite you to read this Prospectus as you consider the opportunity to become a Shareholder in the Company.

The IXUP platform was developed to allow organisations to connect their data with the data from other organisations and collaborate within an encrypted framework to enable better insights to be identified while always maintaining control and ownership over their data. The global data market is large and enabling real insights from large volumes of interconnected data is the IXUP focus.

The Company is seeking to raise \$12,500,000 through an issue of 62,500,000 Shares at a price of \$0.20 per Share. The funds raised will predominately be used to further develop the IXUP Platform and drive commercialisation through the development of relationships with existing and new partners and on boarding new customers for the IXUP Platform. This is an important next step in the evolution of our Company and is an integral part of our long term growth strategy. The Offer provides an opportunity for you to share in our exciting future.

This Prospectus contains detailed information about the Offer and an explanation of the Company's business. It also includes a description of the key risks associated with an investment in the Company, which are risks typically found in most early-stage companies, including the ability to commercialise and expand its products, manage growth of its customer base and generate revenue in response to changing technologies, maintaining and protecting our intellectual property whilst managing competitive pressures. I encourage you to read the key risks in Section 4.2 and risk factors in Section 13.

The Company believes the IXUP Platform represents a compelling offering in the digital age where enabling actionable insights from large volumes of disparate data can create valuable opportunities. With further funding from the Offer the Company is well positioned for growth.

Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required. Share applications must be made on the Application Form included in the Prospectus.

On behalf of the Board, I look forward to welcoming you as a Shareholder.

Yours faithfully



Tim Ebbeck
Executive Chairman

6. Details of the Offer

6.1 The Offer and Minimum Subscription

By this Prospectus, the Company offers 62,500,000 Shares at an issue price of \$0.20 each to raise \$12,500,000 (before costs of the Offer) (**Offer**).

The minimum level of subscription for the Offer is the amount of the Offer (62,500,000 Shares to raise \$12,500,000 (**Minimum Subscription**)). No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

All Shares issued pursuant to this Prospectus will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 15.1.

Applications for Shares must be made on the Application Form as provided with a copy of this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 6.9 for further details and instructions.

6.2 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- (a) the Company raising the full amount under the Offer (being \$12,500,000); and
- (b) ASX granting conditional approval for the Company to be admitted to the Official List (refer to Section 6.3),

(together the **Conditions of the Offer**)

If the Conditions of the Offer are not achieved, then the Company will not proceed with the Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

6.3 ASX Listing

The Company will apply to ASX within seven days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares, other than those existing Shares that the ASX is likely to treat as “restricted securities” (as that term is defined in the Listing Rules). For information on the Securities which are likely to be treated as restricted securities, please refer to Section 6.7. If the Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

6.4 Purpose of the Offer

The purpose of the Offer is to:

- (a) facilitate an application by the Company for admission to the Official List;
- (b) provide capital to further develop the IXUP Platform and drive commercialisation through the development of relationships with existing and new partners and on boarding new customers for the IXUP Platform (Section 8);
- (c) provide the Company with access to equity capital markets for future funding needs;
- (d) enhance the public profile of the Company;
- (e) meet the costs of the Offer; and
- (f) provide working capital.

6.5 Use of funds

The table below sets out the intended use of funds for the pro-forma cash position of the Company until the date 12 months from completion of the Offer.

Available funds	\$
Pro-forma cash position	11,679,642
Expenses of the Offer	1,133,089
Total available funds	12,812,731
Use of funds	
Product Development	3,569,794
Sales and Marketing	2,594,638
Corporate and Administrative costs	2,020,911
Expenses of the Offer	1,133,089
Working Capital	3,494,299
Total	12,812,731

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales, marketing and business development activities and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offer the Company will have sufficient working capital to meet its stated objectives as set out in this Prospectus. The use of debt or further equity funding will be considered by the Board where it is appropriate to expand sales, marketing and business development efforts or capitalise on further opportunities.

6.6 Capital structure

The proposed pro-forma capital structure of the Company following completion of the Offer on the basis of the Company raising the amount of the Offer (\$12,500,000) is as follows:

	Shares ¹	Options	Performance Rights ⁶
On issue as at date of Prospectus	70,943,751	43,426,470 ²	-
Issued on conversion of the Convertible Loan ³	25,000,000	-	-
Issued under Corporate Advisory Mandate on completion of the Offer	-	15,000,000 ⁴	-
Issued pursuant to the Offer	62,500,000	-	-
Issued pursuant to Option Plan and Performance Rights Plan	-	4,880,000 ⁵	5,250,000 ⁷
Total following completion of the Offer	158,443,751	63,306,470	5,250,000
Notes: <ol style="list-style-type: none"> 1. Rights attaching to Shares are summarised in Section 15.1. 2. Comprises 41,426,470 Unlisted Options (refer to Section 15.2 for the terms and conditions) and 2,000,000 Plan Options (refer to Section 15.3 for the terms and conditions). 3. Shares to be issued to holders of the Convertible Loan on conversion of the \$2,500,000 which will convert into 25,000,000 Shares on completion of the Offer. 4. 15,000,000 Unlisted Options at an issue price of \$0.00001 per Unlisted Option to raise \$150 on completion of the Offer pursuant to the Corporate Advisory Mandate. 5. The Company intends to issue up to 4,880,000 Plan Options (which together with the 2,000,000 Plan Options currently on issue represents 4.34% of the share capital on listing and 3.03% on a fully diluted basis) to current management and employees of the Company following completion of the Offer and up to an additional 5,995,000 Plan Options to future management and employees of the Company pursuant to the Option Plan. 6. Terms and conditions of the Performance Rights are summarised in Section 15.5. 7. The Company intends to issue 5,250,000 Performance Rights (which represents 3.31% of the share capital on listing and 2.31% on a fully diluted basis) to Directors and Advisory Board members following completion of the Offer. 			

6.7 Restricted shares

Chapter 9 of the Listing Rules prohibits holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in

those securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those securities.

Subject to the Company's Shares being admitted to the Official List, certain Shares, Options and Performance Rights may be classified by ASX as restricted securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is anticipated that:

- (a) 50,000,001 existing Shares on issue will be subject to ASX escrow for 24 months from the date of Official Quotation;
- (b) 12,500,000 Shares to be issued on conversion of the Convertible Loan will be subject to ASX escrow for either 12 months from the date on which the Convertible Loan was issued or 24 months from the date of Official Quotation depending on whether the holder is a related or unrelated party of the Company;
- (c) 56,426,470 Unlisted Options held by Directors, consultants and advisers will be subject to ASX escrow for 24 months from the date of Official Quotation; and
- (d) 3,750,000 Plan Options and 5,250,000 Performance Rights held by Directors, Management and Advisory Board Members will be subject to ASX escrow for 24 months from the date of Official Quotation.

None of the Shares issued under the Offer are expected to be restricted securities.

The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules. Prior to the Company's Shares being admitted to the Official List of ASX, the Company will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to the ASX full detail (quantity and duration) of the Securities required to be held in escrow.

6.8 Dividend policy

The Company does not expect to declare any dividends in the near future as its focus will primarily be on using cash reserves to grow and develop its business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances can be given by the Company in relation to the payment of dividends or that franking credits may attach to any dividends.

6.9 Applications

Applications for Shares under the Offer must be made using the Application Form accompanying this Prospectus.

The Application Form must be completed in accordance with the instructions set out on the back of the form. Payment for the Shares must be made in full at the issue price of \$0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

The Company reserves the right to close the Offer early.

Completed Application Forms and accompanying cheques (or payment to the bank account advised by the Company), made payable to **"IXUP Limited – Share Application Account"** and crossed "Not Negotiable", must be received by the Share Registry before 5.00pm (AEST) on the Closing Date at the following addresses:

Mailing address:	Hand delivery: (please do not use this address for mailing purposes):
IXUP Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	IXUP Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies or a payment to the bank account advised by the Company, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

6.10 Application monies to be held on trust

Until the Shares are issued under this Prospectus, the Application Monies for Shares will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

6.11 Allocation of Shares

The allocation of Shares under the Offer will be managed by the Lead Manager in consultation with the Company. The Directors (in conjunction with the Lead Manager) reserve the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded by cheque to the Applicant (without interest).

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk.

6.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Shares or otherwise permit a public offering of the Shares, the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

6.13 Lead Manager and selling fees

The Company has engaged Cygnet Capital to act as Lead Manager to the Offer.

The Company will pay Cygnet Capital a cash fee of 6% of the total amount raised under the Offer (plus GST) and will issue Cygnet Capital (or its nominee) 15,000,000 Unlisted Options exercisable at \$0.25 each at an issue price of \$0.00001 per Option upon successful admission of the Company to the Official List of ASX. The Company has also agreed to pay Cygnet Capital a corporate advisory fee of \$15,000 per month for the period from 16 May 2017 (when the mandate between the Company and Cygnet Capital was signed) until the Company's admission to the Official List of ASX and \$10,000 per month for a period of 12 consecutive months following the Company's admission to the Official List of ASX.

Any selling fees required to be paid to third party licensed financial advisors will be paid by Cygnet Capital. Refer to Section 14.7 for a summary of the terms of the Corporate Advisory Services Mandate and details of selling fees.

6.14 Offer not Underwritten

The Offer is not underwritten.

6.15 CHESS and issuer sponsorship

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

All trading on the ASX in the Shares will be settled through CHESS. ASX Settlement Pty Ltd (**ASXS**), a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their holder identification number or security holder reference number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship. Ownership of securities can be transferred without having to rely upon paper documentation.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their security holdings changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

6.16 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 13 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

6.17 Forecast financial information

Given the nature of the IXUP business and the fact the Company is in a growth and commercialisation stage of operations, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On this basis and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

6.18 Privacy statement

If you complete an Application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

6.19 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

6.20 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offer can be directed to the Company on 02 8206 8888 between 9.00am and 5.00pm (AEST) Monday to Friday.

Questions relating to the completion of an Application Form can be directed to the Share Registry on 1300 554 474 between 9.00am and 5.00pm (AEST) Monday to Friday.

7. Industry Overview

7.1 Big Data and Big Data Business Analytics

Big Data is the popular term used to describe the collection and storage of growing volumes of data being generated by digital activity. The key to obtaining value from Big Data are the tools being used and the insights that can be drawn from large datasets. Big Data requires new forms of processing to enable enhanced decision making, insight discovery and process optimisation.

Big Data Business Analytics is the process of examining large and varied data to reveal hidden patterns, previously unknown correlations, market trends, preferences and other useful information that can help organisations make more informed business decisions.

7.2 How current data systems work and their limitations

Data systems allow an organisation to save and store data in a way that allows the organisation to control data on its own terms and have the data in a form that is relevant to it and its day to day business - this is known as structured data. Virtually all organisations, large and small, have multiple structured data based applications ranging from excel spreadsheets to accounting, ERP and CRM systems by way of examples. Each of these 'data silos' does the job it is intended to do – but they are often separate systems and in different formats.

Many organisations have multiple systems which contain complex technology which are expensive and time consuming to change out. Often these systems obstruct the connection of data between applications, preventing a complete and informed view of the data and key elements such as customers, buying patterns, and relationships.

Many of the current data solutions still have significant challenges and limitations for organisations seeking to connect and securely share and match data with partners, suppliers and government. These solutions generally require large investments to implement and maintain, and a huge amount of time and effort to process data to enable simple export for compliance and operational purposes. Organisations have a significant risk exposure if they provide access to their data for external sharing or matching.

The difficulty in using data is not the processing of large or different types of data. Rather it is being able to securely connect data from disparate sources together while maintaining privacy (in accordance with agreed criteria) and in a way that ensures the information is actionable in a cost effective way.

7.3 Evolution of Big Data and Big Data Business Analytics solutions

Big Data and Big Data Business Analytics solutions have evolved from labour intensive efforts to input and sift through the data, to more sophisticated offerings that allow a more automated approach to managing, collecting and storing data.

Today the spectrum of solution providers in the Big Data and Big Data Business Analytics market is extensive. There are a vast number of providers of infrastructure, data technologies, applications and analytics tools.

Historically organisations have invested in complex infrastructure and multiple application providers to manage, store and interrogate their data. This focus has resulted in the creation of large,

disparate repositories of data that are challenging to analyse and complex to integrate to produce better insights and competitive advantage.

To analyse and share their data, organisations commonly outsource this role to third parties such as data services providers and consulting firms, software vendors and data bureaus. By outsourcing this requirement, organisations do one or both of the following:

- (a) physically hand over their data, which limits their ability to genuinely collaborate on data without compromise; or
- (b) depersonalise the data prior to handing it over, which effects the quality of the output following collaboration and limits the results to high level insights.

To remain competitive and improve efficiencies, organisations need to look at the next evolution of Big Data and Big Data Business Analytics platforms that optimise the ability to connect and search very large datasets, and which use massively parallel processing (also referred to as MPP) provided by cloud computing infrastructure providers such as Amazon (AWS) and Microsoft (Azure).

7.4 Participants in Big Data and Big Data Business Analytics relevant to IXUP

The participants in providing Big Data and Big Data Business Analytics solutions which are relevant to IXUP can broadly be broken into five categories:

- (a) Cloud computing infrastructure providers – provide organisations with ubiquitous, convenient, on-demand networked access to a shared pool of configurable computer resources (for example: networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.
- (b) Owners of data – any organisation that owns or creates data. These organisations fall into two categories:
 - (i) organisations which have disparate datasets and require a means to securely collaborate data internally, in near real time, to enable a deeper understanding of the operation of its own enterprise and support better business decision; and
 - (ii) organisations that have and/or create enormous amounts of data and require solutions to meaningfully collaborate the data with third parties to extract greater value from the data.
- (c) Application and analytics vendors – provide software platforms to solve particular business problems and enable organisations to develop applications and processes on top of the software platform.
- (d) Data services providers and Consulting firms – offer a vast range of services to their clients by assisting them to solve their business challenges and provide business insight by applying the data services provider or consulting firm's proprietary information, methodology and algorithms to their clients' data.
- (e) Application and system integrators – implement the infrastructure, applications and offer service for the design to connect, integrate and deliver data solutions.

7.5 Challenges facing organisations sharing Big Data

There are many challenges organisations must resolve before they can capitalise on the benefits of data sharing. The main challenges facing organisations seeking to create insights, efficiency and value through sharing Big Data include:

- (a) data governance policies and regulated or compliant use of data across multiple organisations and jurisdictions;
- (b) the difficulty of connecting and collaborating internal and external data without compromising security and privacy;
- (c) creating meaningful actionable insights from collaborated data to deliver better real time decision making and create competitive advantage, and
- (d) doing all of this in a cost effective manner.

These challenges create opportunity for new technologies like the IXUP Platform. The IXUP Platform allows two or more organisations to connect and contribute data to identify insights and opportunities without the need to merge the various organisations' data. Permission functionality enables only the commonalities, actionable insights or agreed underlying data (agreed in the permissions) to be seen by the collaborating organisations.

8. IXUP Business Overview

8.1 Overview

IXUP is a software company that is redefining the way organisations collaborate on vast amounts of data with its data collaboration and encryption platform. The IXUP Platform enables organisations to collaborate using their own, and other organisations', data to enable actionable insights to be identified and support better business decisions. When the organisations collaborate their data through the IXUP Platform, they can see the personalised insights revealed by comparing and matching the data on a single platform while always maintaining data confidentiality, control and privacy. Using the IXUP Platform, data is encrypted and layered in a unique process that enables a deeper understanding of the patterns and relationships hidden in disparate datasets.

In contrast to current solutions, actionable insights can be obtained in near real time with no compromise of privacy or control and without transferring or sharing the data. The IXUP Platform enables the insights that come from matching data without the cumbersome and limiting process of depersonalisation.

8.2 IXUP Corporate Structure

The current corporate structure of the group is as follows:

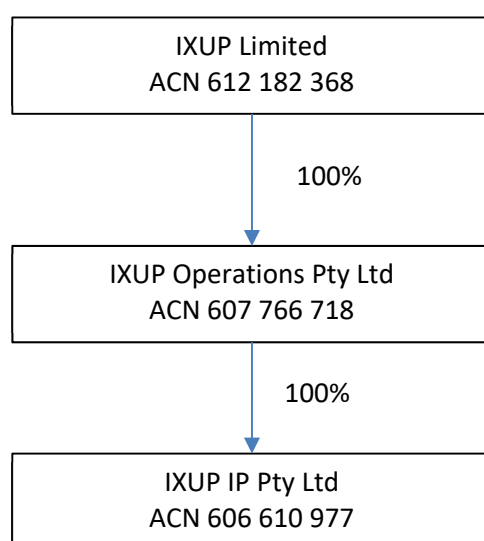


Figure 1 – Corporate Structure

IXUP is the holding company of the group and directly holds IXUP Operations which conducts the operational activities of the group, including entering into contracts with customers of the group. IXUP Operations holds IXUP IP. The granted innovation patent and patent applications of the IXUP group are held by IXUP IP (see Section 8.9(a) and the Patent Report in Section 12).

The first prototype of the IXUP Platform was initially developed by Dean Joscelyne in 2011 with the intellectual property owned by a private entity (Joscelyne Investments Unit Trust) associated with Mr Joscelyne. In September 2015, the business of the IXUP group was transferred to IXUP Operations as part of the process of bringing external funding into the IXUP business to continue the development and commercialisation of the IXUP Platform. The granted innovation patent and

patent applications of the IXUP group are held by IXUP IP. In October 2016, IXUP was added as the ultimate holding company of the IXUP group with all the shareholders exchanging their equity interest in IXUP Operations for an equivalent equity interest in IXUP.

The amount spent on developing and commercialising the IXUP Platform since the commencement of the IXUP business in 2011 until 30 June 2017 is in excess of \$9,000,000.

IXUP is in the early stages of commercialising the IXUP Platform and IXUP currently has one contract which is revenue generating with a second contract to commence revenue generation in the near future. IXUP continues to work on numerous other opportunities.

8.3 IXUP Platform

The IXUP Platform is a product offering that enables encrypted data collaboration between two or more organisations or stakeholders without the data ever leaving the control of the data owner. The IXUP Platform redefines current data sharing methodologies and business practice as organisations can collaborate with their data in near real time enabling actionable insights and eliminating the need for third party facilitators and custodians. Businesses can value their own data, leverage their choice of third party analytics tools and build customer centric applications on top of the IXUP Platform. Large organisations can also use the IXUP Platform to provide the same encrypted data collaboration internally between different divisions, operations or geographical locations.

The IXUP Platform can either be a cloud based service or an on-premise solution which operates behind an organisation's firewall.

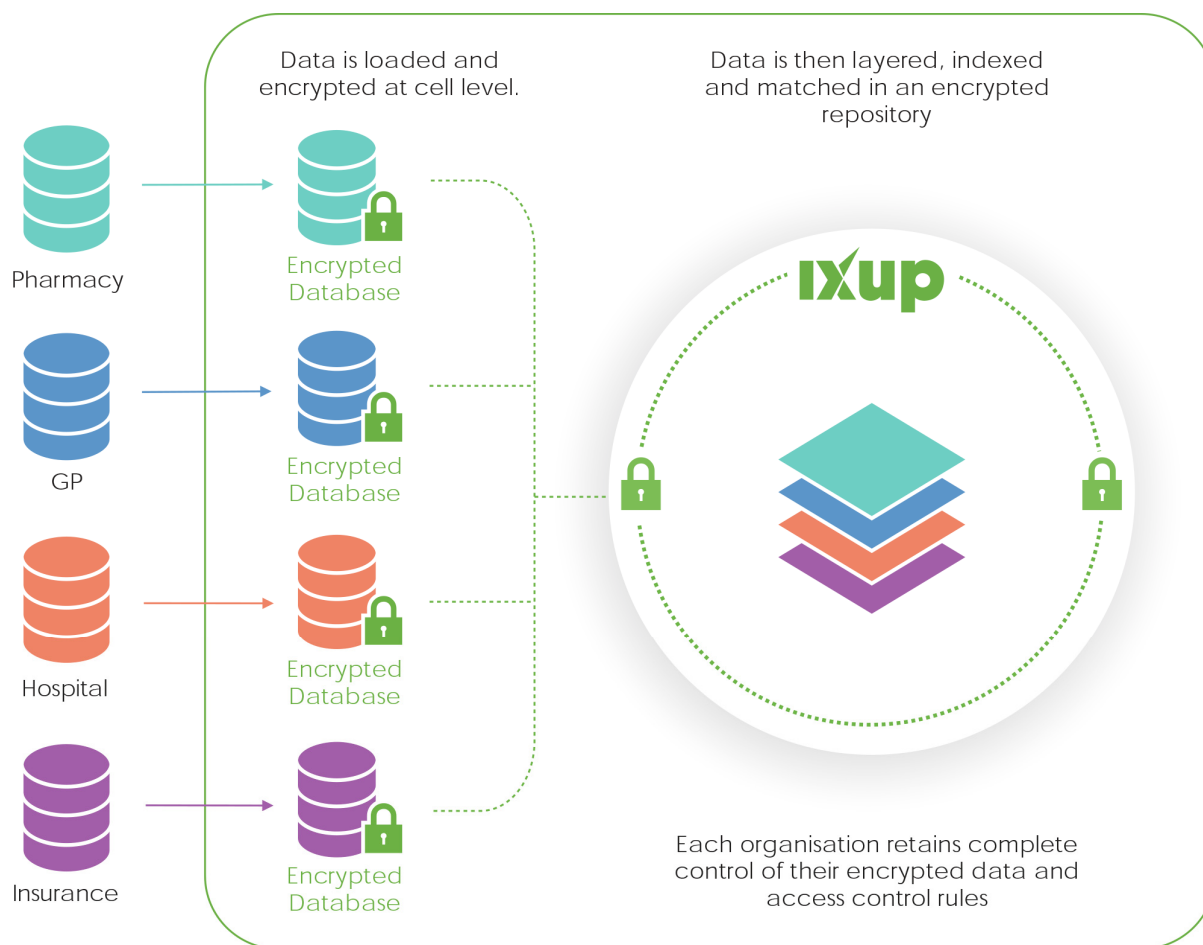


Figure 2 – IXUP Platform

The IXUP Platform operates by loading data from various disparate databases operated by one or more organisations into the IXUP Platform. During this process, each piece of data loaded is assigned a unique encrypted identifier which creates an encrypted cell. These encrypted cells together form a new encrypted database.

The encrypted cells within two or more encrypted databases are then layered together in software and re-encrypted and indexed to identify commonality between the two or more encrypted databases. As part of this layering process the IXUP Platform also:

- (a) identifies encrypted cells which contain the same encrypted data but which are presented in a different format and identify the commonality between these; and
- (b) adds permission settings, which have been agreed between the collaborating users, which then enable each of the users to see the outputs of the collaboration including the commonalities, actionable insights and any of the underlying data (as agreed by the data owner in the permission settings).

8.4 IXUP competitive advantage – where IXUP fits in the Big Data and Big Data Business Analytics landscape

IXUP's innovative rethink on data sharing answers the key challenges government and private organisations face as they look to build closer data partnerships with external parties – security, technological barriers, and perceived competitive advantages of data ownership. It does this by allowing organisations to collaborate with their data without merging and depersonalising the data.

Firstly, data within the IXUP Platform is not merged into a single database as the data is encrypted separately and layered together. Private information is kept encrypted, while the actionable insights from the agreed collaboration can be used by the stakeholders. This allows data to be kept private ensuring compliance with internal privacy policies and government mandated legislation.

As the data is always encrypted at the cell level, never merged with another dataset, and remains in the control of the originator, the IXUP Platform provides a unique platform and method for collaborating while maintaining data integrity and privacy. The data owner can collaborate with a partner, while maintaining control of their own data, and on completion of the report remove all partner permissions to ensure adherence with privacy laws.

Because data can be collaborated simply, quickly and cost effectively without the need for a third party facilitator or custodian, reports and insights can be obtained in near real time. This enables more accurate and relevant insights. Changes in market conditions can be identified faster, and actions taken more efficiently, resulting in better business outcomes.

8.5 Pathway to markets

IXUP has identified a number of approaches to market working with relevant participants in the Big Data and Big Data Business Analytics industry as detailed below. Participants in each of these pathways to market will recognise that the IXUP Platform adds significant value to the products and services that they provide to their customers by providing a greater understanding of their business and ecosystem. Accordingly, IXUP intends to partner in various ways in order to license the IXUP Platform to the customers of these partners. Partnering enables a more scalable distribution model and provides significantly improved access to, and credibility with, key decision makers in end customers. This enables a faster ramp up to enable more end customers to obtain the benefit of the actionable insights which become evident using the encrypted data collaboration capability of the IXUP Platform.

(a) *System integrators*

A system integrator is a company which specialises in implementing different hardware and software systems to ensure they function together as a seamless solution. They have experience with many software applications and have to address the issue of how best to manage and integrate data stored in different applications and in different formats. In particular, they need to enable collaboration between disparate datasets. The IXUP Platform seamlessly provides the “bridge” allowing different datasets to be layered together, matching records and delivering a single view from multiple datasets.

They will often have long standing contractual relationships with customers which can be leveraged to bring the IXUP Platform into the services they provide to their clients. Additionally, they are often chosen to be the prime contractor for new projects with their customers.

An example of a system integrator which the Company is currently working with, is Dimension Data. Dimension Data will work with clients for whom they are currently managing or implementing systems, and bring the value of implementing the IXUP Platform as part of their solution. The IXUP Platform will enable actionable insights to be identified. Please refer to Use Studies in Section 8.7 for some practical examples of how these relationships might be administered.

(b) Data services providers and Consulting firms

Data services providers and consulting firms provide advice, deep market expertise, analytics and information to their clients. They allow organisations to access greater expertise and insight than they would usually be able to afford internally. Key to the data services providers and consulting firm's ability to deliver results for a client is their ability to access the client's data and collaborate it with their own proprietary data and the data of one or more other third party datasets.

Data services providers and consulting firms also have deep domain expertise, and generally market leading capability, in different industry verticals. Accordingly, they bring real credibility to these markets.

The IXUP Platform's unique approach to data collaboration allows clients to securely layer their data via encryption with other data sources. The data services providers and consulting firms are then able to derive actionable insights from the collaboration to provide better outcomes for their clients.

The Company is currently working with a number of data services providers and consulting firms including Finity, Empirics and KPMG.

Please refer to Use Studies in Section 8.7 for a practical example of how these relationships might be administered.

(c) Application and analytics vendors

Application and analytics vendors are focused on data business management and analytical products that allow organisations to better manage and enable insights to be identified from their internal data. With more and more data being created and stored, application and analytics vendors are working to enable easier and quicker ways for businesses to leverage information for competitive advantage.

Transactional application and analytics vendors can be both horizontally focussed, in that their solution is needed by all organisations (eg. ERP, CRM Systems, database) or vertically focussed, in that their solution is specific to an industry sub-segment (eg. core banking, patient administration systems). In both cases, the application and analytics vendors have long standing and deep relationships with end customers.

The IXUP Platform allows organisations to consolidate and replicate multiple datasets from multiple sources resulting in the generation of more data for analysis and enabling application and analytics vendors to sell more of their own application and analytics licenses. Additional value is created for the customers of application and analytics developers as they can now perform analysis across multiple software systems which will likely create more accurate reporting and additional insights. Organisations can create collaborations across their supply chain, or with other linked parties (e.g. their bank or insurance provider) to provide relevant and deep insights, whether they are using the same applications or not.

The Company does not currently have any agreements for this type of deployment but is actively working with a number of these application and analytics vendors and anticipates it will in the future.

(d) *Cloud providers*

Cloud computing is an online shared resource model of providing computing, data storage and software applications on a subscription, pay as you go, or demand based pricing model. This model allows customers to scale up and down as their demand for services requires without the need for large upfront capital expenditure.

Cloud providers offer a range of capabilities from simple hardware provisioning, to a range of software based services. They also offer additional "app stores" for their own, or partner add-on, services to which their customers can subscribe.

The cloud provides a scalable and secure "neutral" location with massively parallel processing (MPP) for multiple businesses to operate utilising the shared resources of the provider. As the resources within the cloud are shared, the next evolution of shared services is shared data, this is known as "Data as a Service" or DaaS. The IXUP Platform as a DaaS enablement solution provides a mechanism for cloud providers to drive further data usage and processing in their cloud computing environment. For these reasons the Company believes that cloud service providers will collaborate with IXUP through their sales and marketing network for the sale of the IXUP Platform to customers.

In 2016, Microsoft invited IXUP to join Microsoft's exclusive Bizspark Plus Program. The arrangement between IXUP and Microsoft was further formalised by executing a Microsoft Global Cloud Alliance Agreement with Microsoft.

The IXUP Platform is a unique data collaboration service which can be provided to customers on any of the numerous cloud platforms that currently exist.

(e) *Owners of data*

The IXUP Platform can provide the opportunity for the owners of data to generate greater efficiencies and value from their data. The Company will provide the IXUP Platform to owners of data, either directly or with the assistance of other partners. Data owning organisations can be broken into two categories:

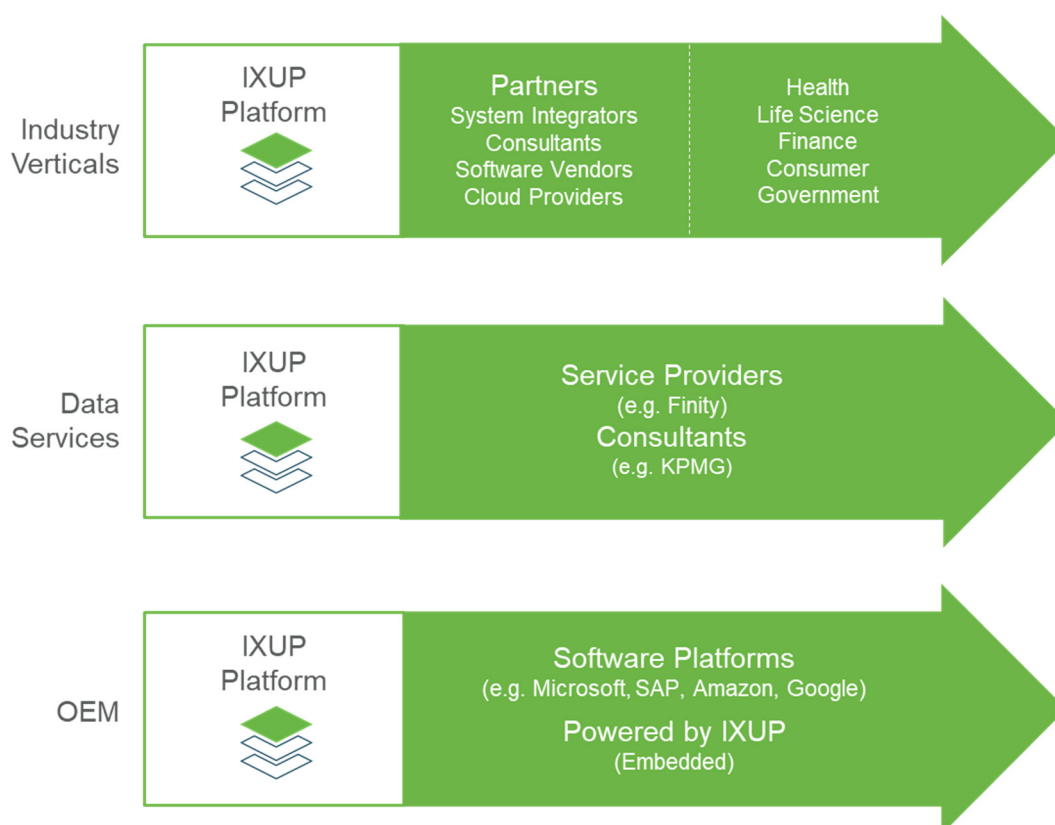
- (i) Organisations which have disparate datasets and require a means to securely collaborate data internally, in near real time, to enable a deeper understanding of the operations of their own enterprise. The IXUP Platform enables these organisations to bring multiple datasets together efficiently, in near real time, while keeping the data secure via encryption. This allows the organisation to access all relevant information when it needs it. Organisations in this category include commercial operations in a wide range of industries including financial services, utilities and telecommunications, consumer retail and distribution, and healthcare. It also includes government agencies such as core public service departments (eg. social service, immigration, taxation, health, education, transport), intelligence, policing, military and security agencies. The public sector keeps vast amounts of data in disparate, and often very siloed, repositories with little ability to match and collaborate. The Company does not currently have any agreements for this type of deployment.

- (ii) Organisations that have and/or create enormous amounts of data and require solutions to meaningfully collaborate the data with third parties to extract greater value from the data. The IXUP Platform enables the ability to collaborate while maintaining security and privacy of the data. The Company currently has a contract with Westpac Banking Corporation Ltd (Westpac) pursuant to which the IXUP Platform is used by Westpac to provide business banking customers with secure access to agreed parts of their data for the purpose of undertaking market analysis.

(f) *Channels to market with partners*

IXUP intends to work with a combination of the above parties who will be enabled to work collaboratively to deliver an end to end customer solution that incorporates the IXUP platform and offerings of the partners to common customers.

The Company sees three primary channels to market where the IXUP Platform is a consistent offering behind the Company's partners.



Industry verticals:

IXUP will work with a range of participants in the Big Data and Big Data Analytics industry to provide the IXUP Platform to end customers. Its partners will be the system integrators, data services providers and consulting firms, application and analytics vendors and cloud providers who will all be able to add value to their offerings by including the IXUP Platform. The end customers and owners of data will be large organisations in targeted industry verticals including initially the focus industries of healthcare and financial services. Other large industries such as consumer and the public sector can be added with potentially new partners over time.

Data services providers:

IXUP will repower the capability of existing data services providers and consulting firms with its unique, secure, scalable platform. While these organisations may have existing approaches to the provision of data, the IXUP Platform overcomes two major issues inherent in existing platforms, which are the time taken to load, analyse and present data, and the richness and specificity of the data provided. The IXUP Platform therefore brings real benefits to these partners and to the owners of data who use their services.

OEM:

IXUP sees a significant global opportunity to have its technology embedded in the products of other organisations. This is a common approach used in the technology and software industries. It provides a way for application and analytics vendors and cloud providers to include IXUP intellectual property in their products or platforms which, for data collaboration, become "powered by IXUP" in a similar manner to the way hardware vendors use the "Intel inside" branding. In this model, the application and analytics vendors and cloud providers would offer services in their own name and IXUP would licence them for the use of the technology. This is a highly scalable model.

8.6 Revenue model

The IXUP Platform is offered under a software licence model where revenue is generated from annual subscription fees. Subscription fees vary depending on the use case, complexity of the integration, industry specific requirements, value or cost saving of the use case or nature of the arrangement with the OEM. Customer contracts will generally have a minimum term with annual subscription fees ranging from tens of thousands of dollars to millions of dollars.

The Company's model is for partners (set out in Section 8.5) to provide any customisation or implementation services related to the IXUP Platform. There may be circumstances when the Company is required to undertake work of this nature and is expected to be charged at appropriate commercially negotiated rates.

8.7 Use studies

The IXUP Platform has application in most market sectors as the ability to facilitate data collaboration to produce insights is universal. As the Company is still in the early stages of its commercialisation, the use cases set out below give an insight into the scope and variety of potential solutions which the IXUP Platform can facilitate.

(a) Owners of data – financial institution

Organisations, such as financial institutions, have and create enormous amounts of data with significant potential value to their customers, but have the following problems:

- (i) Maintaining privacy of the data.
- (ii) Maintaining security of the data.
- (iii) Limited ability to provide their customers additional value beyond their traditional financial services products.
- (iv) Limited ability to differentiate themselves from their competitors.

- (v) Existing solutions require manual processing which is very time consuming to prepare and therefore only available to a limited number of clients.
- (vi) Reporting is very standardised and not easily able to generate different reporting for different requirements (for example the executive team and board have different needs).

By implementing the IXUP Platform the financial institution can collaborate their data with their customers' and partners' data enabling:

- (i) Near real time (on-demand) market/competitor analysis to provide an understanding of their relative positioning and share.
- (ii) "What if" simulation.
- (iii) Insights from data to identify trends and customise reports for the needs of the user.
- (iv) Maintenance of customer privacy and security due to the encryption of the data.

The Company expects that this type of deployment will be delivered using one of its partners, with the partner undertaking any customisation and training as required by the customer. The partner will sell these services and the IXUP Platform to the customer.

The end result is that the IXUP Platform delivers the financial institution the tool to unlock value from the data it generates in a secure encrypted environment in near real time.

(b) Data services providers and Consulting firms

Data services providers and consulting firms provide advice, analytics and reporting to their clients. They allow organisations to access greater expertise and insight than they would usually be able to afford internally. Key to the data services providers and consulting firm's ability to deliver results for a client is their ability to access the client's data and collaborate with their own proprietary data and other third party datasets. Data services providers and consulting firms come up against the following problems:

- (i) Large portions of their current systems are manual, labour intensive, time consuming low value work from the customer's perspective and creates opportunities for security breaches.
- (ii) Quite often they need to de-identify the data which is time consuming and limits the usefulness of output to the customer.
- (iii) At times the transfer method of the data is via a memory stick from the customer to the data services provider or consulting firm, with a high risk of leakage or exposure of their customer's confidential information.
- (iv) A new operating platform (hardware and software applications) where physical separation of the data is required has to be created for each new customer project which can be very time consuming.

- (v) Due to the large number of manual steps in the process, it can take months to generate the results, meaning the results of the analysis are historic, not real time, and expensive.
- (vi) Very few customer engagements are replicable due to the manual steps and long data manipulation process.
- (vii) It is difficult to expand their data pool to add value to their customers' data and answer industry problems that affect their customers.

The IXUP Platform solves the above problems by:

- (i) Addressing the threats of customer data by protecting the data through encryption and keeping it in its existing repository.
- (ii) Enabling the connection of multiple external sources of data into a single platform while protecting the data in a contained encryption repository.
- (iii) Quickly delivering data matching and analysis.
- (iv) Allowing the encrypted data to be removed from the IXUP Platform once the customer reporting is complete, avoiding any potential breaches or exposure.
- (v) Enabling the data services provider or consulting firm to bring two or more organisations together to collaborate data and produce mutually beneficial insights about their mutual markets, customers, and trends.

The IXUP Platform enables the data services provider or consulting firm to remove large portions of the manual processes from a customer engagement and focus on delivering meaningful insights faster.

The data services provider or consulting firm applies its methodology and algorithms to be embedded into the analytics tools to enable actionable insights to be identified. The data services provider or consulting firm will charge its customers for these services. In addition it creates further opportunity for the data services provider or consulting firm to sell additional value added services such as machine learning.

As the data services provider or consulting firm builds up the number of clients and datasets on the IXUP Platform they gain the ability to cross sell multiple collaborations to clients and further add value by delivering analytics to support decision making and strategy in close to real time.

The Company will earn its subscription license fees in these engagements and additional license fees for each additional collaboration (when the data services provider or consulting firm brings in additional datasets into the IXUP Platform).

(c) *Healthcare – co-ordinated care platform*

Medical insurers are looking to find ways to increase the rate of early intervention for chronic diseases and assist patients with managing their risk and avoiding the need for acute care. Within the current systems the following problems exist:

- (i) Increase in hospital visits and costs due to patient information remaining in disparate datasets between care providers and insurance organisations.
- (ii) Limit in care co-ordination and communication due to potential exposure of confidential information, and the accuracy and timing of data being delivered between providers.
- (iii) There are no ways to identify gaps in health care.
- (iv) There are limited ways to add value by providing better “personalised” care to the community and health providers.
- (v) Limited ways of identifying “at risk” patients before they get into the acute system.

By implementing the IXUP Platform across hospitals, general practitioners (GPs) and insurance companies and then applying parameters to large populations of patients, collaborative data could be used to quickly and accurately identify patients at risk of various illnesses. This solution would allow each individual provider and physician to keep the patient’s information encrypted and secure, while identifying the patients within the population that are likely to have, or be at risk of contracting, certain diseases and provide them with early assistance. This information can then be shared so that a co-ordinated approach to patient management could be established in a cost effective, safe and personalised way. In addition, machine learning applications could also be implemented to profile populations of patients for early identification of at risk patients with the ability for early intervention.

The Company will provide the IXUP Platform with a systems integrator who will provide the solution integration, managed service on their private cloud, and develop the algorithms related to the search criteria or “wellness” programs.

The Company will typically earn subscription license fees from this kind of deployment of the IXUP Platform with indicative annual pricing being in excess of one million dollars where the insurer can run as many programs as they like. The IXUP Platform allows organisations to implement various programs (from wellness to chronic disease plans) to search patient populations for candidates that fit the search criteria and identify “at risk” patients within these large populations. Any extra work required is usually undertaken by a partner system integrator. Any additional customisation work performed by IXUP will incur a fee charged at an hourly rate. Each extra site (GPs) with access to contribute patient information and/or view output using the IXUP Platform, will be charged a limited-use subscription fee.

The end resulting solution offers a patient-centric model that allows disparate providers to bring health data together to deliver a single secure encrypted repository of clinical and financial information about patients, including referral, clinical and insurance data.

(d) *Life sciences – clinical trial data*

Pharmaceutical companies and clinical trial organisations (also called contract research organisations) are responsible for the setup and running of clinical drug/therapy trials. These organisations look for solutions that assist in some or all of the following important areas that will have an impact on the success of the drug/therapy trial:

- (i) From a clinical resource management perspective, the time required to identify and review patients that qualify for the trial itself can make the trial incredibly costly. This

requires many hours of clinical expertise to review potential patient's clinical information for eligibility for the trial.

- (ii) There are many moving parts with significant data capture and analysis required from many disparate systems to ensure accurate and effective reporting.
- (iii) Each drug/therapy trial requires a combination of multiple sources of data from patient participation, medical records and results to be able to deliver accurate and effective reporting of the effects of the drug/therapy being trialled.
- (iv) Most of the data sources are not setup to connect and merge trial data together and deliver a collaborative trial program while ensuring that the patient, service provider and trial information privacy is maintained.

In this case the IXUP Platform could be provided either as a direct solution with a relevantly skilled partner or using systems integrators to solve these problems by delivering the following:

- (i) The IXUP Platform is deployed as a cloud based solution on a private cloud to be hosted by either IXUP's systems integration partner or the clinical trial organisation with the participating stakeholders having access to the information resulting in a "closed loop system" for the specific drug or therapy trial.
- (ii) IXUP will customise the IXUP Platform around the patient end-to-end enrolment process to provide a very specific profile of the patient population for the most effective patient enrolment. The systems integrator produces the customised interfaces, training and process implementation for the clinical trial organisations.
- (iii) the IXUP Platform will manage the clinical documentation/data within its clinical repository once the patients are identified and enrolled in the trial.

The IXUP Platform allows organisations to implement a "closed loop" patient management repository for the secure collection of clinical documentation for a clinical trial. Customisation for required additional care coordination documentation by participating caregivers is usually undertaken by a partner system integrator. Any additional customisation work performed by IXUP will incur a fee charged at an hourly rate. Every extra site with access to contribute patient information and view output using the IXUP Platform will be charged a fee of five hundred dollars per site.

The Company expects for this type of use case that the pharmaceutical company will pay for their portion of the license fees as well as those of the clinical trial organisations and clinicians who have patients participating.

The Company will typically earn subscription license fees from this kind of deployment of the IXUP Platform with the potential to establish unlimited use pricing for the period of the trial.

The result is that the IXUP Platform offers a full end-to-end, cost effective solution for a successful coordinated managed clinical or drug trial program. Delivering a fully encrypted repository for the engagement with the patient and other providers to enrol and manage the patient through the trial process while maintaining privacy. Having coordinated information allows for clinicians to concentrate on best outcomes for their patients.

8.8 Sales cycle

The Company typically expects to sell the IXUP Platform to large corporate and government organisations in specific industries with complex internal structures and decision making processes. These organisations often have a large management team with coverage required across multiple parties in order to secure a contract and this takes longer than a single point of contact. The steps are:

(a) *Discovery*

When an organisation shows interest in the IXUP Platform, the organisation commences a period of education and qualification to determine if the IXUP Platform is the best solution for their challenge or business opportunity and is within their budget. This work is completed by a Company partner with support from IXUP.

This process can take from one to six months depending on the complexity of the solution.

(b) *Proposal and acceptance*

If the organisation and their use case and business objectives can be met within budget, a formal proposal and scope of work is prepared by the partner with support from IXUP. Once the proposal has been agreed and signed, the scope of work is finalised and the project management team is formed from the customer and partner's teams. Simultaneous with this process, a formal license agreement will be negotiated and executed.

This process can take from four to twelve months depending on the complexity of the solution.

(c) *Implementation and first revenue*

The Company's partner commences detailed information gathering across the technical and business owner groups within the customer to ensure the implementation plan is complete. This generally takes between six to twelve weeks.

The technical implementation is then completed. This can take from three to four weeks for a simple implementation and up to eight to twelve weeks for a more complex deployment.

Testing and handover is then completed and the customer invoicing commences. Customers typically pay annual licenses fees quarterly or annually in advance.

8.9 Intellectual Property

(a) **Company Patents**

IXUP has registered or applied for the following patents:

Innovation Patent: System of shared secure data storage and management	Country: Australia Earliest Priority Date: 26 June 2014
Standard Patent Application: System of shared secure data storage and management	Country: Australia Earliest Priority Date: 26 June 2014

Standard Patent Application: System of shared secure data storage and management	Country: Singapore Earliest Priority Date: 26 June 2014
Standard Patent Application: System of shared secure data storage and management	Country: United States of America Earliest Priority Date: 26 June 2014
PCT Patent Application: System of shared secure data storage and management	Country: Patent Co-operation Treaty Earliest Priority Date: 20 November 2015

The prospect of attaining patent protection for products and the technology such as the IXUP Platform is highly uncertain and involves complex and continually evolving factual and legal questions. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by IXUP. As a result, IXUP's patent applications may not proceed to an issued patent and, if issued, may not be of commercial benefit to IXUP, or may not afford IXUP adequate protection from competing products. See the risk in Sections 13.1(a) - 13.1(c) and 13.1(r) relating the intellectual property.

In relation to the PCT Patent Application the Company has received an initial written opinion which is non-binding in relation to the PCT Patent Application which raises objections to the application based on the novelty and inventive step requirements. The Company is not required, nor is it proposing, to respond to this written opinion.

The Company is of the view having considered the arguments of the examiner that the claims are novel and inventive. The Company has identified and documented arguments setting out why it considers the claimed inventions to be novel and inventive. These arguments have not yet been submitted but will be kept on file with IXUP's patent attorneys and will be used in further responses during examination of national patents lodged pursuant to the PCT Patent Application. Where required, the Company intends to further amend the claims the subject of its patent application to narrow the scope of the claims and highlight the novelty and inventive step of the Company's innovation. The Company's management will work with FB Rice to maximise the likelihood of patents being granted.



As noted in the Patent Report, it is not unusual, in the course of pursuing a patent to have such objections raised – a patent application can be an iterative process that involves the refinement of the claims the subject of the application to address objections raised by the relevant examiner. However, there is a risk that the Company will not be granted the above referred patents.

The potential protection offered by patents notwithstanding, the IXUP Platform is a sophisticated software platform that has had significant time and resources invested in its development by skilled and experienced personnel in bringing the platform to commercialisation. IXUP believes that an investment of this magnitude in intellectual property itself offers a reasonable barrier to imitation with or without patent protection. IXUP does not believe that the non-grant of any of the patent applications described in this Section will prevent it from continuing with its business operations, or from implementing its business strategy, as outlined in this Prospectus.

Please refer to the Patent Report in Section 12 for further details in respect to the IXUP Patent and the IXUP Patent Applications and Sections 13.1(a) - 13.1(c) and 13.1(r) for the risks relating the intellectual property.

(b) Trade Marks

IXUP has the following registered trademarks:

Trade mark number	Words	Image
1647367	CIM CONNECTED INFORMATION MANAGEMENT	
1669043	IXUP	
1669044	IXUP	

(c) Domain Names

IXUP owns the following domain names:

- (i) ixup.com
- (ii) ixup.com.au
- (iii) ixup.net
- (iv) ixup.net.au
- (v) ixup.biz
- (vi) ixup.info
- (vii) ixup.org
- (viii) ixupmail.com

(d) Independent Report

The Company notes that the Patent Report is an independent report that has been prepared by FB Rice. When considering the Patent Report, investors should note the following:

- (i) Prior to the date of this Prospectus, FB Rice have acted for IXUP from 18 June 2015 in connection with their patent and trade mark matters. These services were charged at hourly rates for time spent on the matter under FB Rice's standard terms and conditions of engagement. As at the date of this Prospectus, FB Rice has been or is entitled to be paid \$56,635 (including GST and disbursements) for these services.

- (ii) FB Rice has reviewed the data on record for the IXUP Patent and IXUP Patent Applications and prepared the Patent Report accordingly. This service was charged on FB Rice's standard terms and conditions of engagement, being hourly rates for time spent. FB Rice has received a total of \$3,500 (exclusive of GST) for the services relating to the preparation of the Patent Report and for services in relation to due diligence on the IXUP Patent and IXUP Patent Applications in connection with the Prospectus.
- (iii) Neither FB Rice, nor any of its principals or employees that were involved in the review of the IXUP Patent and IXUP Patent Applications have any entitlement to any shares in IXUP, or has any interest in the promotion of IXUP, and has no financial interest in the outcome of the Offer.
- (iv) FB Rice has prepared the Patent Report. As noted above, FB Rice will be paid a total of approximately \$3,500 (exclusive of GST) for the services relating to the preparation of the Patent Report and for services in relation to due diligence on the IXUP Patent and the IXUP Patent Applications in connection with the Prospectus. Payment of this amount is not contingent on the outcome of the Offer. FB Rice confirms that the Patent Report has been prepared by Manuel Schmidt, Senior Associate, who is not associated with IXUP. He has acted and will likely continue to act for IXUP for drafting and prosecuting patent applications. However, he has no direct financial interest in the outcome of the Offer.

9. Directors, Key Management, Advisory Board and Corporate Governance

9.1 Director Profiles

Tim Ebbeck

Executive Chairman

Tim has over 30 years' experience in business in a range of roles and industries including the technology industry. Tim is presently the principal of his own consultancy, providing advice to companies on transformation, innovation and growth. Previously, Tim was Managing Director of Oracle in Australia and New Zealand, and Chief Commercial Officer of NBN Co, where he led the first strategic review of the NBN in 2013. Prior to NBN Co he was Chief Executive Officer of SAP in Australia and New Zealand. He is also a former Chief Financial Officer of SAP, Compaq, and Unisys and Investment Director in the venture capital industry. Tim has twice been a member of the Business Council of Australia (BCA) and its Innovation and Sustainable Growth Taskforces and an inaugural BCA Women "CSuite" Mentor.

Tim is currently a non-executive director of GeoOp Ltd (NZX:GEO) and a former director of Nvoi Limited (ASX:NVO). He is also a non-executive director of NextGen Distribution Pty Ltd and a trustee of the Museum of Applied Arts and Sciences in NSW. Tim holds a Bachelor of Economics degree, has completed a management program at INSEAD, is a Fellow of CPA Australia, a Fellow of the Australian Institute of Management and a Graduate Member of the Australian Institute of Company Directors.

Dean Joscelyne

Executive Director and Founder

Dean founded IXUP and is an 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.

Cliff Rosenberg

Non-Executive Director

Cliff has spent more than 20 years working at digital companies leading innovation and change in the industry both as an entrepreneur and senior executive. Cliff was a senior executive and the Managing Director of LinkedIn for South East Asia, Australia and New Zealand for over 7 years where he led the expansion of LinkedIn in this region. Prior to LinkedIn, Cliff was Managing Director at Yahoo Australia and New Zealand, and previously the founder and Managing Director of iTouch Australia and New Zealand, one of the biggest mobile content and application service providers in Australia. Prior to iTouch Cliff was the head of strategy for Vodafone Australasia.

Cliff is also a non-executive director of ASX listed companies Afterpay Touch Group Limited, Nearmap Limited, Cabcharge Australia Limited and Pureprofile Ltd. Cliff has a Bachelor of Business Science (Honours) degree and a Master of Science in Management and is a Member of the Australia Institute of Company Directors.

9.2 Key Management Personnel

In addition to the Directors as set out in Section 9.1, the following persons are key management personnel with the Company.

Marc Goldman
Chief Operating Officer

Marc is a respected enterprise software executive specialising in the e-health and life science industry. Marc has more than 20 years' experience in developing solutions for various patient care settings and care delivery models globally. Marc, by way of his various roles, has built channels and developed solutions throughout the USA, Australia, Asia and Europe.

Marc was a founding partner of Monet Technologies Inc, which developed a leading practice management and clinical suite of products. Monet was acquired by iSoft Group Limited (which has been acquired by DXC) and Marc took on the role of Group Director of Primary, Aged and Community Care with a global remit.

Marc then went on to be a founding partner and Chief Executive Officer of Cloud9 Software, which developed a suite of platform and software products that delivered solutions from acute to primary care organisations. Cloud9 Software was acquired by Telstra.

Paul Coe
Chief Technology Officer

Paul is the IT strategist at the helm of the IXUP Platform development. Paul has more than 15 years' experience in large transformation programs delivering enterprise end-to-end solutions. Paul was previously Chief Information Officer of Corum Group Limited, where he led an innovative transformation of legacy applications into modern, high-performing systems, and has held senior roles at .NET, PBL Media and Think Software Pty Ltd. Paul earned a Bachelor of Computer Science (Honours) and Doctor of Philosophy, Computer Science, both from the University of Edinburgh.

9.3 Advisory Board

The Company has appointed an advisory board comprised of the persons below (**Advisory Board**).

The primary role of the Advisory Board is to provide introductions for the Company and to assist the Company with generating revenue. The secondary role for the Advisory Board is to provide objective strategic advice to the Board particularly in relation to growing the IXUP business, including advice in relation to mergers and acquisition and new markets. The Company currently contemplates that the Advisory Board will comprise up to four members. There are two current members. The Advisory Board is governed by the Advisory Board Charter which is available on the Company's website at www.ixup.com.

Neither of the parties set out below have been involved in the preparation of this Prospectus.

Glen Boreham AM
Advisory Board Chairman

Glen has over 30 years' experience working in information technology, media and creative industries. During his career Glen has led organisations through periods of growth, innovation and disruption, including serving between 2006 – 2011 as Managing Director of IBM Australia and New Zealand, as part of a 25 year career with IBM.

Glen is currently a director of ASX listed Southern Cross Media Group Limited, Link Administration Holdings Limited and Cochlear Limited. He is also currently the Chairman of the Business School Advisory Board for the University of Technology, Sydney, Chairman of Advance (the global network representing Australians living overseas), a founding member of Male Champions of Change (a group working to promote increased participation of women in the workforce) and an Advisory Council Member to law firm, Minter Ellison. He previously served as the inaugural Chairperson of Screen Australia for six years.

Glen holds a Bachelor of Economics and an Honorary Doctorate from the University of Technology, Sydney and is a Fellow of the Australian Institute of Company Directors. In 2012 Glen was appointed a Member of the Order of Australia for his services to business and the arts.

Peter Chapman
Advisory Board Member

Peter is a founder of the Asia Principal Capital Group Pte Ltd, an international technology and early stage business accelerator. APCL provides active hands on executive skills to early stage businesses and has active investments across the UK and Europe, the USA and Australia. Peter is also a Director and Investment Committee member of Morpheus Ventures, an international venture capital fund.

Peter has created and seed funded a number of successful entrepreneurial organisations, drawing on his background in strategy, development, and implementation, including one of Australia's first internet service providers and a global leader in travel payments.

Peter's diverse background includes previously founding a private equity and venture capital firm which operated internationally with offices in London, Sydney, and Singapore, co-founding a boutique advisory firm specialising in international workouts, and early in his career helping grow a fledgling Melbourne based real estate group, into an international operation.

Peter has led a variety of negotiations and mergers and acquisition projects across numerous industry sectors in Australia, the US, Europe and developing countries. He has also led a number of workout and turnaround transactions. He has lived and worked in Asia, US, UK and Australia.

9.4 Directors' Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (c) the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

9.5 Security Holdings of Directors and Advisory Board Members

Directors and Advisory Board Members are not required under the Company's Constitution to hold any Shares.

Set out in the table below are details of the existing relevant interests of the Directors and Advisory Board Members in Securities of the Company at the date of this Prospectus.

Director	Shares		Unlisted Options	Plan Options	Performance Rights
	Number	%			
Dean Joscelyne	25,500,001	35.94%	25,200,000	1,000,000	0
Tim Ebbeck	0	0%	0	0	0
Cliff Rosenberg	0	0%	0	0	0
Peter Chapman	0	0%	0 ¹	0	0
Glen Boreham	0	0%	1,200,000	0	0
Notes:					
1. Peter Chapman is an employee and shareholder of APCL who provide advisory services to the Company. APCL holds 10,826,470 Unlisted Options.					

The Directors and Peter Chapman have advised that they do not intend to subscribe for any Shares under the Offer. Glen Boreham has advised that he may apply for up to 500,000 Shares under the Offer. The anticipated relevant interests of Directors and Advisory Board Members in the Securities of the Company following completion of the Offer is as follows:

Director	Shares		Unlisted Options	Plan Options	Performance Rights
	Number	%			
Dean Joscelyne	25,500,001	16.09%	25,200,000	1,000,000	0
Tim Ebbeck	0	0%	0	1,250,000	3,000,000 ¹
Cliff Rosenberg	0	0%	0	500,000	1,250,000 ²
Peter Chapman	0	0%	0 ⁴	0	0
Glen Boreham	500,000 ⁵	0.32%	1,200,000	0	1,000,000 ³
Notes:					
1. Comprises 1,000,000 Class A Performance Rights, 1,000,000 Class B Performance Rights and 1,000,000 Class C Performance Rights.					

2. Comprises 416,667 Class A Performance Rights, 416,667 Class B Performance Rights and 416,666 Class C Performance Rights.
3. Comprises 333,334 Class A Performance Rights, 333,333 Class B Performance Rights and 333,333 Class C Performance Rights.
4. Peter Chapman is an employee and shareholder of APCL who provide advisory services to the Company. APCL holds 10,826,470 Unlisted Options.
5. Glen Boreham has advised that he may apply for up to 500,000 Shares under the Offer.

9.6 Remuneration of Directors and Advisory Board Members

The Constitution 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 has been set at an amount not to exceed \$500,000 per annum. The Board has resolved that the Non-Executive Directors' fees 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. Cliff Rosenberg is a Non-Executive Director. A summary of the material terms of the agreement between the Company and Cliff Rosenberg (Non-Executive Director) is set out in Section 9.7(f).

The remuneration of Executive Directors will be fixed from time to time by the Directors and may be paid by way of fixed salary or consultancy fees. A summary of the material terms of the agreement between the Company and Dean Joscelyne (Executive Director) is set out in Section 9.7(a) and the agreements between the Company and Tim Ebbeck (Executive Chairman) are set out in Sections 9.7(b) and 9.7(e).

The Company has determined that no cash fees will be paid to the Members of the Advisory Board. However, Glen Boreham will be granted 1,000,000 Performance Rights pursuant to the Performance Rights Plan following completion of the Offer.

The annual remuneration (inclusive of statutory superannuation) on completion of the Offer payable to each of the Directors is as follows:

Director	Annual Remuneration from completion of the Offer
Dean Joscelyne	\$284,700
Tim Ebbeck	\$310,000 ¹
Cliff Rosenberg	\$60,000

- 1 Comprises \$110,000 per annum Chairman fee and \$200,000 per annum salary as an executive.

In the two years prior to the date of this Prospectus,

- (a) Messers Ebbeck and Rosenberg have not received any remuneration from the Company although it is noted that Mr Ebbeck's executive arrangements commenced on 28 August 2017 and salary from this time until Official Quotation are accruing. See section 9.7(b); and

- (b) Mr Dean Joscelyne was entitled to receive \$695,326 (including superannuation and GST (as applicable)) in remuneration for his role as an employee or executive Director of the Company (either paid directly to Mr Joscelyne or to an entity controlled by Mr Joscelyne). Of this amount, approximately \$344,975 has been paid, \$210,788 was converted into loans and forgiven and \$139,563 remains payable to an entity related to Mr Joscelyne for these services as at the date of this Prospectus. The amount that remains payable will be paid following completion of the Offer.

9.7 Key Terms of Agreements with Directors, Senior Management or Related Parties

(a) Dean Joscelyne, Head of Innovation and Strategy, Employment Agreement

The Company and Mr Dean Joscelyne have entered into an employment agreement for Mr Joscelyne's role as Head of Innovation and Strategy.

The principal terms of the agreement with Mr Joscelyne are as follows:

- (i) A base salary of \$260,000 per annum (exclusive of statutory superannuation).
- (ii) A bonus of 13% of the base salary at the Company's discretion.
- (iii) Entitlement to participate in employee and executive incentive plans and the Company may provide additional bonus and incentives. Mr Joscelyne has been granted 1,000,000 Plan Options pursuant to the Option Plan.
- (iv) The agreement has no fixed term and may be terminated:
 - (A) by either party without cause with 12 weeks' notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (B) by the Company with immediate effect following serious breach of the agreement or for serious misconduct.
- (v) Other industry standard provisions for a senior executive of a public listed company.

(b) Tim Ebbeck, Executive Chairman, Consultancy Agreement

The Company and an entity related to Mr Tim Ebbeck have entered into a consultancy agreement for Mr Ebbeck's role as Executive Chairman.

The principal terms of the agreement are as follows:

- (i) A fee of \$200,000 per annum (inclusive of GST).
- (ii) The agreement has an initial term of six months after which the parties will assess the position and determine whether Mr Ebbeck's engagement as an executive should continue. During the initial six month period, the agreement may be terminated:
 - (A) by either party without cause with six weeks' notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (B) by the Company with immediate effect as a result of an occurrence that gives the Company a right of summary dismissal at common law; or

- (C) by the consultant with immediate effect if the Company is in breach of a material term of the agreement.
- (iii) Other industry standard provisions for a senior executive of a public listed company.
- (iv) If Mr Ebbeck's engagement continues beyond the initial six month period the parties will review the agreement to ensure it is appropriate for a long term agreement.

(c) Marc Goldman, Chief Operating Officer, Employment Agreement

The Company and Mr Marc Goldman have entered into an employment agreement for Mr Goldman's role as Chief Operating Officer.

The principal terms of the agreement with Mr Goldman are as follows:

- (i) A base salary of \$250,000 per annum (exclusive of statutory superannuation).
- (ii) A performance bonus of \$50,000 payable upon the Company's Shares being admitted to the Official List of the ASX and a bonus of 12% of the base salary at the Company's discretion.
- (iii) Entitlement to participate in employee and executive incentive plans and the Company may provide additional bonus and incentives. Mr Goldman has been granted 1,000,000 Plan Options pursuant to the Option Plan.
- (iv) The agreement has no fixed term and may be terminated:
 - (A) by either party without cause with 10 weeks' notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (B) by the Company with immediate effect following serious breach of the agreement or for serious misconduct.
- (v) Other industry standard provisions for a senior executive of a public listed company.

(d) Paul Coe, Chief Technology Officer, Employment Agreement

The Company and Mr Paul Coe have entered into an employment agreement for Mr Coe's role as Chief Technology Officer.

The principal terms of the agreement with Mr Coe are as follows:

- (i) A base salary of \$200,000 per annum (exclusive of statutory superannuation).
- (ii) A bonus of 10% of the base salary at the Company's discretion and the Company may provide additional bonus and incentives. Mr Coe will be granted 1,000,000 Plan Options pursuant to the Option Plan following completion of the Offer.
- (iii) The agreement has no fixed term and may be terminated:
 - (A) by either party without cause with 8 weeks' notice, or in the case of the Company, immediately with payment in lieu of notice;

- (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.

(e) Chairman Appointment – Tim Ebbeck

The Company has entered into an agreement with Mr Tim Ebbeck in respect of his appointment as a Director and Chairman of the Company.

Mr Ebbeck will be paid a fee of \$110,000 per annum (inclusive of statutory superannuation) for his services as a Director and Chairman from the date of the Company's admission to the Official List of ASX and will be reimbursed for all reasonable expenses incurred in performing his duties. In addition, the Company will issue to Mr Ebbeck 1,250,000 Plan Options and 3,000,000 Performance Rights (comprising 1,000,000 Class A Performance Rights, 1,000,000 Class B Performance Rights, and 1,000,000 Class C Performance Rights) following completion of the Offer.

The appointment of Mr Ebbeck as Chairman is otherwise on terms that are customary for an appointment of this nature.

(f) Director Appointment – Dean Joscelyne

The Company has entered into an agreement with Mr Dean Joscelyne in respect of his appointment as a Director of the Company.

No additional fees are payable to Mr Joscelyne for his role as a director in excess of the amounts payable to him under the employment agreement referred to in Section 9.7(a).

The appointment of Mr Joscelyne as Director is otherwise on terms that are customary for an appointment of this nature.

(g) Non-Executive Director Appointment – Cliff Rosenberg

The Company has entered into an agreement with Mr Cliff Rosenberg in respect of his appointment as a Non-Executive Director of the Company.

Mr Rosenberg will be paid a fee of \$60,000 per annum (inclusive of statutory superannuation) for his services as Non-Executive Director from the date of the Company's admission to the Official List of ASX and will be reimbursed for all reasonable expenses incurred in performing his duties. Mr Rosenberg will also be paid an additional \$10,000 per annum (inclusive of statutory superannuation) for each Board committee that he participates in. At the date of this Prospectus the Company does not have any Board committees. In addition, the Company will issue to Mr Rosenberg 500,000 Plan Options and 1,250,000 Performance Rights (comprising 416,667 Class A Performance Rights, 416,667 Class B Performance Rights, and 416,666 Class C Performance Rights) following completion of the Offer.

The appointment of Mr Rosenberg as Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

(h) Deeds of indemnity, insurance and access

The Company is party to deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act

against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect board papers in certain circumstances.

(i) **Office leases and service arrangements with entities associated with Mr Dean Joscelyne**

(i) Office leases

(A) The Company has a commercial lease agreement with YDCJ Pty Ltd (**YDCJ**) (an entity controlled by Mr Dean Joscelyne) for its current office space at units 10 and 15/7 Bridge Street, Sydney NSW 2000. The material terms of the lease agreement are:

- (1) the premises relate to office space at units 10 and 15/7 Bridge Street, Sydney NSW 2000;
- (2) 3 year term which commenced 1 January 2015;
- (3) on 18 August 2017 the Company exercised its option to renew the lease for a further 3 year term from 1 January 2018 (until 31 December 2020);
- (4) rent of \$120,000 (plus GST) per annum payable in monthly instalments;
- (5) the Company must pay all outgoings in relation to the premises.

(B) As at 3 October 2017 approximately \$176,000 in rent arrears is payable to YDCJ. This amount will be paid following completion of the Offer.

(C) The Company has a commercial lease agreement with Mr Dean Joscelyne for its current office space at 11/5-7 Ross Street, Parramatta NSW 2150. The material terms of the lease agreement are:

- (1) the premises relate to office space at 11/5-7 Ross Street, Parramatta NSW 2150;
- (2) 3 year term which commenced 1 January 2015;
- (3) on 18 August 2017 the Company exercised its option to renew the lease for a further 3 year term from 1 January 2018 (until 31 December 2020);
- (4) rent of \$43,200 (plus GST) per annum payable in monthly instalments;
- (5) the Company must pay all outgoings in relation to the premises.

(D) As at 3 October 2017 approximately \$51,186 in rent arrears is payable to Mr Joscelyne. This amount will be paid following completion of the Offer.

(E) In the two years prior to the date of this Prospectus Mr Joscelyne and YDCJ have received \$150,774 in rent in relation to the leases detailed above.

(ii) Service arrangements

- (A) Entities associated with Mr Dean Joscelyne have formerly provided office services including advertising, telephone, internet, computer and IT hardware and services, entertainment, travel, strata levies, utilities, consulting services, staff amenities, personnel and other general operating supplies to IXUP. In the two years prior to the date of this Prospectus these entities were entitled to receive \$409,677 for these services. Of this amount, approximately \$214,322 has been paid, \$150,113 was converted into loans and forgiven and \$45,242 remains payable to the entities related to Mr Joscelyne as at the date of this Prospectus. The amount that remains payable will be paid following completion of the Offer.

9.8 Corporate Governance

This summary identifies the key corporate governance policies and practices adopted by the Company's Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

The role of the Board

The role of the board of Directors is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its Shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for Shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

Responsibilities of the Board

The responsibilities of the Board include:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders;
- (c) set, review and ensure compliance with the Company's values and governance framework; and

- (d) ensure that Shareholders are kept informed of the Company's performance and major developments.

Composition of the Board

Under the Company's constitution, the minimum number of Directors is three and the maximum number is ten. The Board at the date of this Prospectus comprises of three Directors, namely Dean Joscelyne, Tim Ebbeck and Cliff Rosenberg. The Directors consider the size and composition of the Board is appropriate given the current size and status of the Company.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish committees to assist in carrying out various responsibilities of the Board. Such committees will be established by a formal charter.

The responsibility for the day to day operation and administration of the Company is delegated by the Board to the executive of the Company determined by the Board.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

Independent professional advice

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

Securities trading policy

The Company has adopted a formal policy for dealing in the Company's securities by Directors and employees and their related entities (in accordance with Listing Rule 12.9). The securities trading policy provides that Key Management Personnel should:

- (a) not deal in the Company's securities while in possession of price sensitive, non-public information; and
- (b) only trade in the Company's securities after receiving clearance to do so from a designated clearance officer, where clearance may not be provided in defined "blackout periods".

The securities trading policy is available on the Company's website at www.ixup.com.

Remuneration policy

The Company has adopted a remuneration policy designed to align individual and team reward and encourage executives to perform to their full capacity.

Remuneration packages may contain any or all of the following:

- (a) annual salary with provision to recognise the value of the individuals' personal performance and their ability and experience;
- (b) rewards, bonuses, commissions, special payments and other measures available to reward individuals if deemed appropriate;

- (c) long term incentives – executive Directors may participate in share option schemes with the prior approval of Shareholders; and
- (d) other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits.

The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year.

Remuneration of executives will be reviewed annually by the Board. Determination of Non-Executive Director's fees is with regard to the long term performance of the Company.

Continuous disclosure policy

The Company, as a listed public company, is required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The continuous disclosure policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to ASX and placed on the Company's website.

Shareholder communication

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

- (a) through the release of information to the market via ASX;
- (b) through the distribution of the annual report and notice of annual general meeting;
- (c) through letters and other forms of communications directly to Shareholders; and
- (d) by posting relevant information on the Company's website.

Ethical standards and business conduct

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of the Company. The code of conduct and further details of these standards can be found on the Company's website.

ASX Corporate Governance Principles and Recommendations

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (3rd Edition) issued by ASX Corporate Governance Council. As a listed entity the Company has been required to report any departures from the principles and recommendations in its annual report. The Company's proposed departures from the principles and recommendations, as at the date of admission to the Official List, are set out in the table below.

Recommendation	Nature of departure	Explanation for departure
1.5(c)	Measurable objectives for achieving gender diversity have not been established or disclosed.	<p>The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees.</p> <p>The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.</p>
1.6(b)	No performance evaluations undertaken for the Board, its committees and individual directors.	<p>To date formal performance evaluations have not been undertaken. Given the size and resources available to the Company, it is not proposed that performance evaluations will take place immediately from the date of admission of the Company to the Official List.</p> <p>As the Company's operations and employee numbers grow, the Board will reassess the Company's practices in relation to performance reviews.</p>
1.7(b)	No performance evaluations undertaken for senior executives.	As above.
2.1	The Board will not have a separate nomination committee.	<p>Given the size and level of the Company's operations, it is not proposed that the Board will have a separate nomination committee.</p> <p>As the Company's operations and employee numbers grow, the Board will</p>

Recommendation	Nature of departure	Explanation for departure
		reassess the need for a separate nomination committee.
2.4	A majority of the board of a listed entity should be independent directors.	<p>The Board believes that it is able to exercise independence and judgement and possesses the necessary skills, expertise and experience required to effectively discharge their duties. The focus has been on the ability of the Board to add value by effectively exercising independence and discharging their duties, rather than on meeting the independence test in the guidelines.</p> <p>However, the board intends to appoint an additional independent Non-Executive Director to the Board as and when an appropriate candidate is identified.</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chair is not considered to be independent. However, the Board believes that his extensive experience enables him to effectively exercise independence in his role as Executive Chairman.
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that</p>	<p>Given the size and level of the Company's operations, it is not proposed that the Board will have a separate audit committee.</p> <p>As the Company's operations and employee numbers grow, the Board will reassess the need for a separate audit committee.</p>

Recommendation	Nature of departure	Explanation for departure
	independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company has a Risk Management Policy outlining the processes it employs for overseeing the entity's risk management framework and is available on the website.</p> <p>However, it does not have a separate committee to oversee risk. The board as a whole will oversee risk of the Company.</p>
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p>	<p>Given the size and level of the Company's operations, it is not proposed that the Board will have a separate remuneration committee.</p> <p>As the Company's operations and employee numbers grow, the Board will reassess the need for a separate remuneration committee.</p>

Recommendation	Nature of departure	Explanation for departure
	<p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	

10. Financial Information

10.1 The Company

The first prototype of the IXUP Platform was initially developed by Dean Joscelyne in 2011 with the intellectual property owned by a private entity (Joscelyne Investments Unit Trust) associated with Mr Joscelyne. In September 2015 the business of the IXUP group was transferred to IXUP Operations as part of the process of bringing external funding into the IXUP business to continue the development and commercialisation of the IXUP Platform. In October 2016 the Company was added as the ultimate holding company of the IXUP group with all the shareholders exchanging their equity interest in IXUP Operations for an equivalent equity interest in IXUP. For more details see Section 8.2.

Accordingly, the Investigating Accountant's Report prepared by William Buck Consulting (WA) Pty Ltd incorporates abbreviated historical statements of financial position, historical statements of profit or loss and other comprehensive income and historical statements of cash flows for the entity that owned the IXUP Platform in the relevant financial periods/years, being:

- (a) the Company, on a consolidated basis, for the financial year ended 30 June 2017;
- (b) IXUP Operations, on a consolidated basis, for the financial period from 20 August 2015 to 30 June 2016; and
- (c) the Joscelyne Investments Unit Trust (the entity that operated the IXUP business and assigned the business to IXUP Operations) for the financial year ended 30 June 2015.

In addition the Investigating Accountant's Report contains the historical statement of profit or loss and other comprehensive income and historical statement of cash flows for the period of the Joscelyne Investments Unit Trust for the period from 1 July 2015 until 6 September 2015. The IXUP business was transferred from Joscelyne Investments Unit Trust to IXUP Operations on 7 September 2015.

Please refer to Appendices 1, 3 and 4 of the Investigating Accountant's Report in Section 11 for further information.

William Buck Audit has, without modifying its opinion, issued its auditor report for both the financial period/year ended 30 June 2016 and 30 June 2017 with an emphasis of matter in respect of material uncertainty regarding the ability of IXUP to continue as a going concern and the consequential need for IXUP to seek additional funding. The Company believes that the completion of the Offer will provide the Company with sufficient working capital to resolve this emphasis of matter raised by William Buck Audit.

The consolidated pro-forma statement of financial position referred to in Section 10.2 has been derived from the Company's consolidated historical statement of financial position as at 30 June 2017.

The audited financial statements (inclusive of significant accounting policies) of the entity which owned the IXUP Platform for the financial period/years ended 30 June 2015, 30 June 2016 and 30 June 2017 and for the Joscelyne Investments Unit Trust for the period from 1 July 2015 until 6 September 2015 are available (free of charge) on request to the Company on (02) 8206 8888 between 9.00am and 5.00pm (AEST) Monday to Friday.

IXUP is in the early stages of commercialising the IXUP Platform and IXUP currently has one contract which is revenue generating, and a second contract to commence revenue generation in the near future. IXUP continues to work on numerous other opportunities. The Company's key asset is the intellectual property associated with the IXUP Platform and the commercialisation of that product.

Given the limited trading history of the Company, no assurance can be given that the Company will achieve commercial viability through implementation of the business plan and accordingly an investment in the Company should be considered high risk.

10.2 Pro-forma statement of financial position

A pro-forma historical statement of financial position as at 30 June 2017 for the Company is contained in Appendix 2 of the Investigating Accountant's Report.

The pro-forma historical financial information has been derived from the audited historical financial information of the Company as at 30 June 2017, after adjusting for the effects of any subsequent events described in Appendix 6 and the pro-forma adjustments described in Appendix 7 of the Investigating Accountant's Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Appendix 5 of the Investigating Accountants' Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the Company's actual or prospective financial position.

Shareholders should read the Investigating Accountant's Report in full before making any investment decision.

11. Investigating Accountant's Report



29 September 2017

The Directors
IXUP Limited
Level 3, 5-11 Bridge Street
Sydney NSW 2000

Dear Sirs

Investigating Accountant's Report on IXUP Limited historical and pro forma historical financial information

Introduction

We have been engaged by IXUP Limited ("IXUP" or the "Company") (formerly IXUP Holdings Pty Ltd) to prepare this Investigating Accountant's Report (the "Report") on the historical financial information and pro forma historical financial information of the Company as at 30 June 2017 for inclusion in the Prospectus dated on or about 3 October 2017 and relating to an offer of 62,500,000 Shares at an issue price of \$0.20 each to raise \$12,500,000 before costs (the "Offer").

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Historical Financial Information

You have requested William Buck Consulting (WA) Pty Ltd to review the following historical financial information of the Company and Other Entities* included in Appendices 1, 3 and 4 of the Report:

Joscelyne Investments Pty Ltd ATF Joscelyne Investments Unit Trust*

- the historical Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015;
- the historical Statement of Financial Position as at 30 June 2015;
- the historical Statement of Cash Flows for the year ended 30 June 2015;
- the historical Statement of Profit or Loss and Other Comprehensive Income for the period from 1 July 2015 to 6 September 2015; and
- the historical Statement of Cash Flows for the period from 1 July 2015 to 6 September 2015.

IXUP Operations Pty Ltd (formerly IXUP Pty Ltd)*

- the historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period from 20 August 2015 to 30 June 2016;
- the historical Consolidated Statement of Financial Position as at 30 June 2016; and
- the historical Consolidated Statement of Cash Flows for the period from 20 August 2015 to 30 June 2016.

CHARTERED ACCOUNTANTS & ADVISORS

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williambuck.com

IXUP Limited

- the historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017;
- the historical Consolidated Statement of Financial Position as at 30 June 2017; and
- the historical Consolidated Statement of Cash Flows for the year ended 30 June 2017.

*The historical statements of profit or loss and other comprehensive income for the year ended 30 June 2015 and period from 1 July 2015 to 6 September 2015 represent the entity of the Joscelyne Investments Unit Trust. On 7 September 2015, the assets of Joscelyne Investments Unit Trust were acquired by IXUP Operations Pty Ltd (formerly IXUP Pty Ltd) and Joscelyne Investments Unit Trust assigned all trademarks to IXUP IP Pty Ltd, entities which were under common control at the date of the transfer, as part of a restructure of the IXUP corporate group.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's / Other Entities' adopted accounting policies. The historical financial information has been extracted from the financial report of the Company and Other Entities for the year ended 30 June 2015, period ended 6 September 2015, period ended 30 June 2016 and year ended 30 June 2017, which was audited by William Buck Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. William Buck Audit (WA) Pty Ltd issued an unmodified audit opinion on the financial reports for the year ended 30 June 2015 and period ended 6 September 2015 and an unmodified audit opinion with an emphasis of matter in relation to going concern on the financial reports for the period ended 30 June 2016 and year ended 30 June 2017. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested William Buck Consulting (WA) Pty Ltd to review the pro forma historical Consolidated Statement of Financial Position as at 30 June 2017 referred to as "the pro forma historical financial information" as included in Appendix 2 of the Report.

The pro forma historical financial information has been derived from the historical financial information of IXUP, after adjusting for the effects of the subsequent events and pro forma transactions described in Appendices 6 and 7 of the Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma transactions relate, as described in Appendices 6 and 7 of the Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

The pro forma historical financial information as described in Appendix 2 of the Report has been prepared by adjusting the Consolidated Statement of Financial Position of

IXUP as at 30 June 2017 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2017:

- In the period since 30 June 2017, the Company has paid \$277,211 to creditors;
- On 28 August 2017, Cygnet Capital Pty Ltd raised \$250,000 in funding for IXUP in the form of an increase in the Group's Convertible Note;
- On 1 September 2017, the Company issued 32,000,000 options to entities associated with Mr Joscelyne and Mr Goldman and the Company recognised expenses totalling \$3,180,000 representing the fair value of these options. Each option entitles the holder to purchase one fully-paid share in the Company for \$0.25 per option over the 5-year life of the option. Of the 32,000,000 options issued, 2,000,000 were Plan Options and were subject to vesting conditions. The expense relating to the 2,000,000 Plan Options issued will be recognised over the vesting period of the Plan Options and accordingly no value has been attributed to these unvested options in the Subsequent Events. To determine the fair value of the other 30,000,000 fully vested options, the directors estimated the fair value of the options using a widely-accepted valuation methodology and assumptions based on historical data for similar publicly-listed securities;
- On 1 September 2017, the Company issued 11,426,470 Unlisted Options to Asia Principal Capital Group Pte Ltd and 11,426,470 Warrants were cancelled. Each Unlisted Option entitles the holder to purchase one fully-paid share in the Company for \$0.25 per option over the 5-year life of the option;
- On 4 September 2017, the Company issued 5,162,500 shares to convert debts owed by IXUP totalling \$826,000 into ordinary shares;
- On 4 September 2017, the Company issued 1,031,250 new shares to raise \$165,000; and
- On 29 September 2017, a total of 1,200,000 Unlisted Options were transferred to Mr Boreham, consisting of 300,000 Unlisted Options from each of Mr Joscelyne and Mr Goldman and 600,000 Unlisted Options from Asia Principal Capital Group Pte Ltd.

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Offer:

- The issue of 62,500,000 shares at an issue price of \$0.20 to raise \$12,500,000 before costs, pursuant to the Offer under the Prospectus;
- The issue of 25,000,000 shares at an issue price of \$0.10 to repay the Convertible Note;
- The issue of 15,000,000 Unlisted Options under the mandate with Cygnet Capital Pty Ltd at an issue price of \$0.00001 per Unlisted Option in settlement of the non-cash costs of the Offer;
- Expenses of the Offer are estimated to be \$1,133,089, of which \$940,000 is to be offset against contributed equity. The remaining \$193,089 is to be expensed through accumulated losses;
- Repayment of lenders estimated to be owed a total of \$66,274 after completion;
- Payment of trade and other payables of \$1.1m;

- Payment of a contractual \$50,000 incentive to Mr Goldman upon completion.
- The issue of 4,880,000 Plan Options to current management and employees of the Company following completion of the Offer under the Option Plan. The expense relating to the 4,880,000 Plan Options issued will be recognised over the vesting period of the Plan Options and accordingly no value has been attributed to these unvested options in the pro forma adjustments; and
- The issue of a total of 5,250,000 Performance Rights to Directors and Advisory Board members following completion of the Offer under the Performance Rights Plan. The expense relating to the 5,250,000 Performance Rights issued will be recognised over the vesting period of the Performance Rights and accordingly no value has been attributed to these unvested Performance Rights in the pro forma adjustments.

Directors' responsibility

The directors of IXUP are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Appendices 1, 3 and 4 of the Report, and comprising:

- the historical Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015; the historical Statement of Profit or Loss and Other Comprehensive Income for the period from 1 July 2015 to 6 September 2015; the historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period from 20 August 2015 to 30 June 2016; and the historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017;
- the historical Statement of Financial Position as at 30 June 2015; the historical Consolidated Statement of Financial Position as at 30 June 2016; and the historical Consolidated Statement of Financial Position as at 30 June 2017; and
- the historical Statement of Cash Flows for the year ended 30 June 2015; the historical Statement of Cash Flows for the period from 1 July 2015 to 6 September 2015; the historical Consolidated Statement of Cash Flows for the period from 20 August 2015 to 30 June 2016; and the historical Consolidated Statement of Cash Flows for the year ended 30 June 2017.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Appendix 5 (1a) of the Report.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Consolidated Statement of Financial Position as at 30 June 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Appendix 5 (1a) of the Report.

Restriction on Use

We disclaim any assumptions of responsibility for any reliance on this report or on the prospective financial information to which this report relates for any purpose other than the purpose for which it was prepared. This report should be read in conjunction with the Prospectus.

General Advice Limitation

This report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence

William Buck Consulting (WA) Pty Ltd does not have any interest in the outcome of the issue of shares other than in connection with the preparation of this report and

participation in due diligence procedures for which normal professional fees will be received.

Consent

William Buck Consulting (WA) Pty Ltd has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included. At the date of this Report our consent has not been withdrawn. William Buck Consulting (WA) Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

William Buck Consulting (WA) Pty Ltd has not authorised the issue of the Prospectus and our report should not be taken as an endorsement of the Company or a recommendation by William Buck Consulting (WA) Pty Ltd of any participation in the share issue by any intending investors.

Yours faithfully

William Buck Consulting (WA) Pty Ltd
ABN 74 125 178 734



Robin Judd
Director
Dated this 29th day of September, 2017

APPENDIX 1

IXUP LIMITED

HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Audited Statements of Profit or Loss and Other Comprehensive Income	Year ended 30 June 2017	Period from 20 August 2015 to 30 June 2016 ⁽ⁱ⁾	Period from 1 July 2015 to 6 September 2015 ⁽ⁱⁱ⁾	Year ended 30 June 2015 ⁽ⁱⁱⁱ⁾
	\$	\$	\$	\$
Revenue	153,695	247,610	-	240,000
Cost of sales	(20,562)	(15,488)	-	-
Gross Profit	133,133	232,122	-	240,000
Other income	4,818	293	997	1,144,039 ^(iv)
Gain recognised on debt forgiveness	1,148,131	-	-	-
Employee benefit expense	(2,249,131)	(1,542,668)	-	(11,887)
Share-based payments	-	(1,839,662)	-	-
Administrative costs	(1,206,955)	(1,250,393)	(28,328)	(166,372)
Depreciation and amortisation	(526,205)	(268,417)	(885)	(3,730)
Occupancy costs	(213,185)	(214,486)	(31,202)	(189,294)
Finance costs	(84,273)	(1,924)	-	-
Foreign currency losses	-	(1,831)	-	-
(LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	(2,993,668)	(4,886,965)	(59,418)	1,012,757
Income tax benefit	-	425,781	-	-
(LOSS)/PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX	(2,993,668)	(4,461,184)	(59,418)	1,012,757
Other comprehensive income, net of income tax	-	-	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	(2,993,668)	(4,461,184)	(59,418)	1,012,757

Notes

- (i) IXUP Operations Pty Ltd (formerly "IXUP Pty Ltd") was incorporated on 20 August 2015 and acquired the assets of the Joscelyne Investments Unit Trust on 7 September 2015.
- (ii) The Historical Statement of Profit or Loss and Other Comprehensive Income for the period from 1 July 2015 to 6 September 2015 represents the entity of the Joscelyne Investments Unit Trust. On 7 September 2015, the assets of Joscelyne Investments Unit Trust were acquired by IXUP Operations Pty Ltd and Joscelyne Investments Unit Trust assigned all trademarks to IXUP IP Pty Ltd, entities which were under common control at the date of the transfer, as part of a restructure of the IXUP corporate group.
- (iii) The Historical Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015 represents the entity of the Joscelyne Investments Unit Trust.
- (iv) \$1,138,500 of this amount represents costs incurred in the prior financial periods in regards to development of software. Based on the directors' assessment, the developed software was considered to have future economic benefits expected to flow to the entity during the reporting period. As such, prior costs incurred were reversed and an intangible asset was recognised in the year ended 30 June 2015. Should the reversal have been omitted as income in the statement of profit or loss and other

comprehensive income, the entity would have incurred a loss of \$125,743 for the year ended 30 June 2015.

The Historical Statements of Profit or Loss and Other Comprehensive Income show the historical financial performance of IXUP Limited and Joscelyne Investments Unit Trust, as applicable and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2

IXUP LIMITED

HISTORICAL AND PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Audited 30 June 2017	Subsequent events	Pro forma adjustments	Reviewed pro forma after Offer
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	2	1,396,756	137,789	10,145,097	11,679,642
Trade and other receivables		17,402	-	-	17,402
Total current assets		1,414,158	137,789	10,145,097	11,697,044
Non-current assets					
Intangibles	11	1,037,531	-	-	1,037,531
Property, plant and equipment		-	-	-	-
Total non-current assets		1,037,531	-	-	1,037,531
Total assets		2,451,689	137,789	10,145,097	12,734,575
Current liabilities					
Trade and other payables	3	1,384,786	(277,211)	(1,105,690)	1,885
Borrowings	5	3,142,274	(576,000)	(2,566,274)	-
Provisions	4	125,892	-	-	125,892
Total current liabilities		4,652,952	(853,211)	(3,671,964)	127,777
Total liabilities		4,652,952	(853,211)	(3,671,964)	127,777
Net (liabilities) / assets		(2,201,263)	991,000	13,817,061	12,606,798
Equity					
Contributed equity	6	3,413,927	991,000	11,975,150	16,380,077
Reserves	7	1,839,662	2,551,544	2,085,000	6,476,206
Accumulated losses	8	(7,454,852)	(2,551,544)	(243,089)	(10,249,485)
Total equity		(2,201,263)	991,000	13,817,061	12,606,798

The above pro forma consolidated statement of financial position after the Offer is as per the consolidated statement of financial position before the Offer, adjusted for key subsequent events and the transactions relating to the issue of Shares pursuant to this Prospectus. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5.

APPENDIX 3

IXUP LIMITED

HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Audited Statements of Financial Position	Audited 30 June 2017	Period ended 30 June 2016	Year ended 30 June 2015 ⁽ⁱ⁾
	\$	\$	\$
Current assets			
Cash and cash equivalents	1,396,756	39,110	2,823
Trade and other receivables	17,402	555,166	186,291
Total current assets	1,414,158	594,276	189,114
Non-current assets			
Intangibles	1,037,531	1,539,012	1,650,128
Property, plant and equipment	-	-	14,609
Total non-current assets	1,037,531	1,539,012	1,664,737
Total assets	2,451,689	2,133,288	1,853,851
Current liabilities			
Trade and other payables	1,384,786	547,514	1,912,716
Borrowings	3,142,274	731,888	-
Provisions	125,892	61,482	-
Total current liabilities	4,652,952	1,340,884	1,912,716
Total liabilities	4,652,952	1,340,884	1,912,716
Net (liabilities) / assets	(2,201,263)	792,404	(58,865)
Equity			
Contributed equity	3,413,927	3,413,926	120
Reserves	1,839,662	1,839,662	-
Accumulated losses	(7,454,852)	(4,461,184)	(58,985)
Total equity	(2,201,263)	792,404	(58,865)

Notes

- (i) The Historical Statements of Financial Position for the year ended 30 June 2015 represents the entity of the Joscelyne Investments Unit Trust. On 7 September 2015, the assets of Joscelyne Investments Unit Trust were acquired by IXUP Operations Pty Ltd (formerly "IXUP Pty Ltd") and Joscelyne Investments Unit Trust assigned all trademarks to IXUP IP Pty Ltd, entities which were under common control at the date of the transfer, as part of a restructure of the IXUP corporate group.

APPENDIX 4
IXUP LIMITED
HISTORICAL STATEMENTS OF CASH FLOWS

Audited Statements of Cash Flows	Year ended 30 June 2017	Period from 20 August 2015 to 30 June 2016⁽ⁱ⁾	Period from 1 July 2015 to 6 September 2015⁽ⁱⁱ⁾	Year ended 30 June 2015⁽ⁱⁱⁱ⁾
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	270,496	118,517	11,242	240,748
Payments to suppliers and employees	(2,872,425)	(2,417,792)	(1,746)	(185,714)
Tax R&D benefit received	425,781	-	-	-
Net Cash used in Operating Activities	(2,176,148)	(2,299,275)	9,496	55,034
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for intangible assets	(19,644)	(1,759,379)	-	-
Payments for property, plant and equipment	(5,080)	(48,050)	-	(12,415)
Net Cash used in Investing Activities	(24,724)	(1,807,429)	-	(12,415)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	3,558,517	731,888	2,850,000	-
Proceeds from issue of shares	1	3,463,926	-	-
Payment for share issue cost	-	(50,000)	-	-
Drawings by beneficiaries	-	-	-	(55,757)
Repayments of borrowings	-	-	(771,872)	-
Net Cash generated by Financing Activities	3,558,518	4,145,814	2,078,128	(55,757)
Net increase in cash and cash equivalents	1,357,646	39,110	2,087,624	(13,138)
Cash and cash equivalents at the beginning of the reporting year/period	39,110	-	2,823	15,961
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR/PERIOD	1,396,756	39,110	2,090,447	2,823

Notes

- (i) IXUP Operations Pty Ltd (formerly "IXUP Pty Ltd") was incorporated on 20 August 2015 and acquired the assets of the Joscelyne Investments Unit Trust on 7 September 2015.
- (ii) The Historical Statement of Cash Flows for the period from 1 July 2015 to 6 September 2015 represents the entity of the Joscelyne Investments Unit Trust. On 7 September 2015, the assets of

- Joscelyne Investments Unit Trust were acquired by IXUP Operations Pty Ltd and Joscelyne Investments Unit Trust assigned all trademarks to IXUP IP Pty Ltd, entities which were under common control at the date of the transfer, as part of a restructure of the IXUP corporate group.
- (iii) The Historical Statement of Cash Flows for the year ended 30 June 2015 represents the entity of the Joscelyne Investments Unit Trust.

The Historical Statements of Cash Flows show the historical cash flows of IXUP Limited and Joscelyne Investments Unit Trust, as applicable and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 5
IXUP LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL AND PRO FORMA
HISTORICAL FINANCIAL INFORMATION

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and pro forma historical financial information are set out below. These policies have been consistently applied to all periods presented unless otherwise stated:

a) Basis of preparation

The historical and pro forma historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements specified by all the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The historical and pro forma historical financial information has been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

All amounts are presented in Australian dollars, unless otherwise noted.

The significant accounting policies adopted in the preparation of the historical and pro forma historical financial information are presented below.

b) Going Concern

The historical and pro forma historical financial information 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 consolidated entity has incurred a loss of \$2,993,668 (period ended 30 June 2016: \$4,461,184) and experienced net cash outflows from operating and investing activities of \$2,200,872 (period ended 30 June 2016: \$4,106,704) during the year ended 30 June 2017. As at 30 June 2017, the consolidated entity had cash and cash equivalents of \$1,396,756 (2016: \$39,110).

These conditions indicate a material uncertainty that may cast significant doubt about IXUP Limited's ability to continue as a going concern.

The directors believe that it is appropriate to prepare this historical and pro forma historical financial information on a going concern basis after consideration of the following matters:

- IXUP Limited has secured new business partners subsequent to year end and is expecting future revenues.
- IXUP Limited has appointed Cygnet Capital Pty Ltd ("Cygnet") to assist with completing an Initial Public Offering ("IPO") and, as part of that IPO, new capital in the amount of at least \$12.5m will be raised. Cygnet is an Australian boutique corporate advisory and investment banking group focussed on leading fundraisings for emerging companies. On 22 May 2017 and 13 June 2017, Cygnet raised \$2.25m in funding for IXUP Limited in the form of a Convertible Note.

- Since year end, IXUP Limited has converted debts totalling \$826,000 into equity and has obtained financial support in the form of new issued capital totalling \$165,000. A further \$250,000 has been raised by Cygnet for IXUP Limited in the form of an increase in the Convertible Note already issued by IXUP Limited.
- A director and shareholder who has financial capacity has advised the consolidated entity that financial support will be provided to the consolidated entity should the IPO be unsuccessful.
- On 31 May 2017, the director and shareholder, Dean Cameron Joscelyne, and related entities forgave an amount of \$1.1m.
- The directors are confident that IXUP Limited will obtain additional financial support from existing shareholders, should that support be required before the IPO is completed.

Should the consolidated entity be unable to achieve the matters set out above, there is material uncertainty regarding whether the consolidated entity will be able to continue as a going concern and therefore, whether the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business. This historical and pro forma historical financial information report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification or liabilities that might be necessary should the consolidated entity not continue as a going concern.

c) Basis of Consolidation

This historical and pro forma historical financial information incorporates the financial statements of 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of IXUP Limited are eliminated in full on consolidation.

d) 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.

e) Depreciation

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.

f) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Trade receivables are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound Instruments

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to issued capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment of Non-Financial Assets

At the end of each reporting period the directors determine whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

g) 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.

h) Revenue Recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

i) Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

j) Goods and Services Tax (GST)

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).

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.

k) Share-based payments arrangements

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.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

l) 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. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

m) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, when it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

n) Intangibles

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. The following useful lives are used in the calculation of amortisation:

- Software: 3.33 years
- Trademarks and other intangibles: 8 years

o) 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.

p) 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.

q) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in this note, 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.

In the course of preparing the pro forma historical financial information, the directors have remeasured the fair value of the APCL Warrants to reflect the effect of the conversion of the APCL Warrants into Unlisted Options on 4 September 2017. The directors' estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from this estimate.

NOTE 2. CASH AND CASH EQUIVALENTS	Audited as at 30 June 2017	Pro forma after Offer
	\$	\$
Cash and cash equivalents	1,396,756	11,679,642
Audited balance of IXUP Limited at 30 June 2017		1,396,756
<i>Subsequent events:</i>		
Receipt of additional \$250,000 in form of increase in Convertible Note		250,000
Issue of 1,031,250 new shares at \$0.16 per share		165,000
Payment of creditors		(277,211)
		137,789
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the Offer		12,500,000
Grant of 15.0m Unlisted Options to Cygnet		150
Trade and other payables repaid on completion		(1,171,964)
Costs of the Offer & Transaction costs		(1,133,089)
Payment of \$50,000 completion bonus to Mr Marc Goldman		(50,000)
		10,145,097
Pro forma balance		11,679,642

NOTE 3. TRADE AND OTHER PAYABLES	Audited as at 30 June 2017	Pro forma after Offer
	\$	\$
Trade and other payables	1,384,786	1,885
Audited balance of IXUP Limited at 30 June 2017		1,384,786
<i>Subsequent events:</i>		
Payment of creditors		(277,211)
<i>Pro forma adjustments:</i>		
Repayment of trade and other payables		(1,105,690)
Pro forma balance		1,885

NOTE 4. PROVISIONS	Audited as at 30 June 2017 \$	Pro forma after Offer \$
Employee benefits	125,892	125,892
Audited balance of IXUP Limited at 30 June 2017		125,892
Pro forma balance		125,892

NOTE 5. BORROWINGS	Audited as at 30 June 2017 \$	Pro forma after Offer \$
Borrowings	3,142,274	-
Audited balance of IXUP Limited at 30 June 2017		3,142,274
<i>Subsequent events:</i>		
Conversion of loans into equity at \$0.16 per share		(826,000)
Receipt of additional \$250,000 in form of increase in Convertible Note		250,000
		(576,000)
<i>Pro forma adjustments:</i>		
Conversion of Convertible Note into ordinary shares		(2,500,000)
Lenders repaid upon completion		(66,274)
		(2,566,274)
Pro forma balance		-

The key terms of the Convertible Note are:

- Commencement Date: 22 May 2017 (as varied from time to time)
- Value: \$2,500,000
- Interest: Nil, unless there is an event of Default, in which case the interest rate is 10% per annum
- Price for conversion into Shares: one-half of the issue price per Share in the Offer in this Prospectus

NOTE 6. CONTRIBUTED EQUITY	Audited as at 30 June 2017	Pro forma after Offer
	\$	\$
Contributed equity	3,413,927	16,380,077
Audited balance of IXUP Limited at 30 June 2017		3,413,927
<i>Subsequent events:</i>		
Conversion of loans into equity at \$0.16 per share		826,000
Issue of 1,031,250 new shares at \$0.16 per share		165,000
		991,000
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under this Prospectus		12,500,000
Conversion of Convertible Note into ordinary shares		2,500,000
Costs of the Offer		(940,000)
Net cost of grant of 15.0m Unlisted Options to Cygnet recognised as cost of capital raising		(2,084,850)
		11,975,150
Pro forma balance		16,380,077

MOVEMENT IN ORDINARY SHARE CAPITAL	Audited as at 30 June 2017	Pro forma after Offer
	No. of shares	No. of shares
Ordinary shares on issue	64,750,001	158,443,751
Audited balance of IXUP Limited at 30 June 2017		64,750,001
<i>Subsequent events:</i>		
Conversion of loans into 5,162,500 shares at \$0.16 per share		5,162,500
Issue of 1,031,250 new shares at \$0.16 per share		1,031,250
		6,193,750
<i>Pro forma adjustments:</i>		
Shares issued under this Prospectus		62,500,000
Conversion of Convertible Note into ordinary shares		25,000,000
		87,500,000
Pro forma balance		158,443,751

NOTE 7.	RESERVES	Audited as at 30 June 2017 \$	Pro forma after Offer \$
Reserves		1,839,662	6,476,206
Audited balance of IXUP Limited at 30 June 2017			1,839,662
<i>Subsequent events:</i>			
Grant of 25.5m Unlisted Options to Mr Dean Joscelyne			2,703,000
Grant of 4.5m Unlisted Options to Mr Marc Goldman			477,000
Remeasurement of fair value following effects of modifications to APCL Warrants converted into 11,426,470 Unlisted Options on 4 September 2017			(628,456)
			2,551,544
<i>Pro forma adjustments:</i>			
Grant of 15.0m Unlisted Options to Cygnet			2,085,000
			2,085,000
Pro forma balance			6,476,206

MOVEMENT IN OPTIONS	Audited as at 30 June 2017 No. of options	Pro forma after Offer No. of options
Options on issue	-	63,306,470
Audited balance of IXUP Limited at 30 June 2017		-
<i>Subsequent events:</i>		
Unlisted Options issued to Mr Joscelyne, net of transfer to Mr Boreham		25,200,000
Conversion of APCL Warrants into Unlisted Options		10,826,470
Unlisted Options issued to Mr Goldman, net of transfer to Mr Boreham		4,200,000
Unlisted Options transferred to Mr Boreham		1,200,000
Plan Options issued to Mr Joscelyne		1,000,000
Plan Options issued to Mr Goldman		1,000,000
		43,426,470
<i>Pro forma adjustments:</i>		
Unlisted Options issued to Cygnet Capital under the Corporate Advisory Mandate		15,000,000
Plan Options issued pursuant to Option Plan		4,880,000
		19,880,000
Pro forma balance		63,306,470

MOVEMENT IN PERFORMANCE RIGHTS	Audited as at 30 June 2017 No. of rights	Pro forma after Offer No. of rights
Performance Rights on issue	-	5,250,000
Audited balance of IXUP Limited at 30 June 2017		-
<i>Pro forma adjustments:</i>		
Performance Rights issued to Mr Ebbeck		3,000,000
Performance Rights issued to Mr Rosenberg		1,250,000
Performance Rights issued to Mr Boreham		1,000,000
		5,250,000
Pro forma balance		5,250,000

NOTE 8. ACCUMULATED LOSSES	Audited as at 30 June 2017 \$	Pro forma after Offer \$
Accumulated losses	(7,454,852)	(10,249,485)
Audited balance of IXUP Limited at 30 June 2017		(7,454,852)
<i>Subsequent events:</i>		
Grant of 25.5m Unlisted Options to Mr Dean Joscelyne		(2,703,000)
Grant of 4.5m Unlisted Options to Mr Marc Goldman		(477,000)
Change in value due to conversion of APCL Warrants into Unlisted Options on 4 September 2017		628,456
		(2,551,544)
<i>Pro forma adjustments:</i>		
Transaction costs		(193,089)
Payment of \$50,000 contractual incentive to Mr Marc Goldman		(50,000)
		(243,089)
Pro forma balance		(10,249,485)

NOTE 9. RELATED PARTY DISCLOSURES

The Company has entered into the following related party transactions on arms' length terms:

- Letters of appointment with each of the existing Directors on standard terms (refer to Sections 9.7(e), (f) and (g) of the Prospectus for details);
- An employment agreement with Mr Joscelyne in respect of his duties as an employee (refer to Section 9.7(a) of the Prospectus for details);
- A consultancy agreement with a company controlled by Mr Ebbeck in respect of his duties as Executive Chairman (refer to Section 9.7(b) of the Prospectus for details);
- Lease agreements with Mr Joscelyne and YDCJ Pty Ltd, an entity controlled by Mr Joscelyne, in respect of the leases of the Company's two office premises (refer to Section 9.7(i) of the Prospectus for details); and
- Deeds of indemnity, insurance and access with each of its Directors and officers on standard terms (refer to Section 9.7(h) of the Prospectus for details).

NOTE 10. COMMITMENTS AND CONTINGENCIES

At the date of the pro forma historical financial information, the Company is liable to pay Mr Goldman the amount of \$50,000 contingent on the admission of the Company to the ASX.

NOTE 11. INTANGIBLES

At the date of the pro forma historical financial information, the Company has intangible assets of \$1,037,531, which consist of capitalised software development costs (\$996,535 net of accumulated amortisation) and trademarks and other intangibles (\$40,996 net of accumulated amortisation).

APPENDIX 6

IXUP LIMITED

SUBSEQUENT EVENTS

The pro forma historical statement of financial position reflects the following events that occurred subsequent to 30 June 2017:

- a) In the period since 30 June 2017, the Company has paid \$277,211 to creditors;
- b) On 28 August 2017, Cygnet Capital Pty Ltd raised \$250,000 in funding for IXUP Limited in the form of an increase in the Group's Convertible Note;
- c) On 1 September 2017, the Company issued 32,000,000 options to entities associated with Mr Joscelyne and Mr Goldman and the Company recognised expenses totalling \$3,180,000 representing the fair value of these options. Each option entitles the holder to purchase one fully-paid share in the Company for \$0.25 per option over the 5-year life of the option. Of the 32,000,000 options issued, 2,000,000 were Plan Options and were subject to vesting conditions. The expense relating to the 2,000,000 Plan Options issued will be recognised over the vesting period of the Plan Options and accordingly no value has been attributed to these unvested options in the Subsequent Events. To determine the fair value of the other 30,000,000 fully vested options, the directors estimated the fair value of the options using a widely-accepted valuation methodology and assumptions based on historical data for similar publicly-listed securities. Refer to the table below for key assumptions adopted in the valuation of the options:

Options	Inputs
Underlying share price	\$0.16
Exercise price	\$0.25
Expected annual volatility	95%
Expiry date (years)	5 years
Expected dividends	Nil
Risk free rate	2.25%
Value per option	\$0.106
Value of options granted to Mr Joscelyne (25,500,000 fully vested options)	\$2,703,000
Value of options granted to Mr Goldman (4,500,000 fully vested options)	\$477,000

- d) On 1 September 2017, the Company issued 11,426,470 Unlisted Options to Asia Principal Capital Group Pte Ltd and 11,426,470 Warrants were cancelled. Each Unlisted Option entitles the holder to purchase one fully-paid share in the Company for \$0.25 per option over the 5-year life of the option;
- e) On 4 September 2017, the Company issued 5,162,500 shares to convert debts owed by IXUP Limited totalling \$826,000 into ordinary shares;
- f) On 4 September 2017, the Company issued 1,031,250 new shares to raise \$165,000;
- g) On 29 September 2017, a total of 1,200,000 Unlisted Options were transferred to Mr Boreham, consisting of 300,000 Unlisted Options from each of Mr Joscelyne and Mr Goldman and 600,000 Unlisted Options from Asia Principal Capital Group Pte Ltd.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of IXUP Limited, not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

APPENDIX 7

IXUP LIMITED

ASSUMPTIONS ADOPTED IN COMPILING THE PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

Pro Forma Transactions

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2017, the subsequent events set out in Appendix 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- a) The issue of 62,500,000 shares at an issue price of \$0.20 to raise \$12,500,000 before costs, pursuant to the Offer under the Prospectus;
- b) The issue of 25,000,000 shares at an issue price of \$0.10 to repay the Convertible Note;
- c) The issue of 15,000,000 Unlisted Options under the mandate with Cygnet Capital Pty Ltd at an issue price of \$0.00001 per Unlisted Option in settlement of the non-cash costs of the Offer;
- d) Expenses of the Offer are estimated to be \$1,133,089, of which \$940,000 is to be offset against contributed equity. The remaining \$193,089 is to be expensed through accumulated losses;
- e) Repayment of lenders estimated to be owed a total of \$66,274 after completion;
- f) Payment of trade and other payables of \$1.1m;
- g) Payment of a contractual \$50,000 incentive to Mr Goldman upon completion;
- h) The issue of 4,880,000 Plan Options to current management and employees of the Company following completion of the Offer under the Option Plan. The expense relating to the 4,880,000 Plan Options issued will be recognised over the vesting period of the Plan Options and accordingly no value has been attributed to these unvested options in the pro forma adjustments;
- i) The issue of a total of 5,250,000 Performance Rights to Directors and Advisory Board members following completion of the Offer under the Performance Rights Plan. The expense relating to the 5,250,000 Performance Rights issued will be recognised over the vesting period of the Performance Rights and accordingly no value has been attributed to these unvested Performance Rights in the pro forma adjustments.

12. Patent Report

FB RICE



29 September 2017

IXUP Limited
Lot 10 Level 3
7 Bridge Street
Sydney NSW 2000

IXUP Pty Ltd – Patent Report
Our Ref: 171343

Dear Directors

We are instructed by IXUP Pty Ltd to provide this report (**Report**) on the patent portfolio of IXUP Limited, IXUP Pty Ltd and IXUP IP Pty Ltd (together **IXUP**).

The Report has been prepared for inclusion in a prospectus to be issued by IXUP Limited in connection with the listing of IXUP (**Prospectus**). We understand that the Prospectus will be lodged with the Australian Securities & Investments Commission by IXUP on or about the date of this Report.

This Report sets out the particulars of intellectual property residing in patents in the name of IXUP.

Background

FB Rice

FB Rice is a firm of patent and trade mark attorneys specialising in the law and practices relating to intellectual property and, more particularly, patents, trademarks, industrial designs and plant breeders rights. All partners of FB Rice are Fellows of the Institute of Patent and Trade Mark Attorneys of Australia. In addition, all partners of FB Rice are registered New Zealand patent attorneys. The patent attorneys of FB Rice are specialists in the technology areas of electrical and mechanical engineering, electronics, chemistry, biotechnology, medical devices, computers, information technology and communication technology. Each of the professional staff members in the patent department of FB Rice hold tertiary qualifications in the technology area in which that person practises. Many professional staff members of FB Rice in the patent department also hold postgraduate qualifications.

Patents

Patents are an important component of an intellectual property portfolio. To obtain protection in any jurisdiction, it is necessary to file an application for registration of the relevant right in that jurisdiction. Patents are a form of intellectual property that cover inventions and provide a

Patent and Trade Mark Attorneys

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FB RICE

IXUP Limited
Our Ref: 171343
29 September 2017

monopoly in exchange for an inventor's full disclosure of his or her invention to the public. Patents are granted for inventions that are new or improved useful products or methods.

The filing strategy that was adopted for the IXUP patent portfolio involves filing a provisional patent application in Australia followed by filing an international application under the Patent Cooperation Treaty (PCT). The PCT application then forms the basis of national phase applications in various jurisdictions. More particularly, filing a provisional application reserves a priority date that can be maintained throughout the process. A provisional application lapses after 12 months and can be followed by a PCT application at the end of the 12 months period. The PCT application provides another 18 months (30 months from the priority date) in which applications in individual jurisdictions (national phase) can be filed. In most cases, national phase is commenced at the very end of the 18 months.

An International Search Report (ISR) and Written Opinion (WO) generally issue on the PCT application and provides an opinion of the International Bureau on the patentability of the claimed invention. This opinion is non-binding in the sense that during national phase the local examiners form their own view on patentability. However, the local examiners often consider the Written Opinion and in some jurisdictions raise identical objections.

At that time, IXUP will need to respond to the examiner's objections in order to progress the application to grant. This response may include arguments or amendments that could narrow the scope of the claims and thereby narrow the scope of IXUP's monopoly. If the examiner maintains the objections or raises further objections, further responses will need to be filed, which means the process is iterative until grant is achieved or the application is abandoned. The typical time frame for local examination differs between jurisdictions and ranges from about 1 to about 5 years (applications may progress slower or faster than this time frame).

A patent has a finite term and provides the owner with a period in which others may be excluded from commercially exploiting an invention that is covered by the claims of the granted patent. However, the granting of patent rights does not confer a right on the patentee to exploit an invention and this is subject to the existence of any intervening third party rights, such as an earlier patent in the same field which is in force.

The granting of a patent does not mean the patent is valid. A granted patent can be revoked through re-examination proceedings before the Patent Office in those jurisdictions that provide for re-examination, or through revocation proceedings before the Courts. Grounds for invalidity include the invention not being proper subject matter, not novel, not inventive (obvious), and the patent specification being deficient.

Maintenance of a patent is subject to payment of renewals, which if not paid within the allowed time, will result in the patent ceasing.

FB RICE

IXUP Limited
Our Ref: 171343
29 September 2017

The invention

The IXUP Patent and IXUP Patent Applications can be grouped into two families. Namely, items 1 to 4 in the table below are members of the first family while item 5 below is member of the second family.

The first family (items 1 to 4) relates to an invention directed to storing two sets of encrypted data with associated meta-tags and consolidating the meta-tags so that less storage is required.

The second family (item 5) relates to a later invention directed to a method for sharing confidential data with other parties while the actual data records remain protected from the other parties.

Patent Families

IXUP is officially recorded in the records of the respective Patent Offices, as the owner of the granted patent (**IXUP Patent**) and patent applications (**IXUP Patent Applications**) as set out in the table below.

FB Rice have filed the IXUP Patent and IXUP Patent Applications and are the address for service. IXUP Patent and IXUP Patent Applications have not yet undergone examination, noting that item 1 is an Innovation Patent and examination is optional for Innovation Patents.

The IXUP Patent and IXUP Patent Applications can be grouped into two families. Namely, items 1 to 4 are members of the first family while item 5 is member of the second family as indicated by the shading of the rows below.

	Official Number	Title	Status	Country	Type	Earliest Priority
1	2015101745	System of shared secure data storage and management	Granted	Australia	Innovation Patent	26/06/2014
2	2015281798	System of shared secure data storage and management	Pending	Australia	Patent	26/06/2014
3	11201610749V	System of shared secure data storage and management	Pending	Singapore	Patent	26/06/2014
4	15/321326	System of shared secure data storage and management	Pending	United States of America	Patent	26/06/2014
5	PCT/AU2016/051114	System of shared secure data storage and management	Pending	Patent Co-operation Treaty	Patent	20/11/2015

The filing of a PCT application constitutes designation of all Contracting States bound by the PCT on the international filing date (currently 152 states). The earliest deadline for entering national phase in most countries for item 5 is 20 May 2018.

Patentability of IXUP Patent and IXUP Patent Applications

FB Rice have not performed a formal patentability analysis of the IXUP Patent and IXUP Patent Applications. However, on the second family (item 5) FB Rice have performed a prior art search. The claims were amended in response to the search results to further distinguish the claimed invention from the located prior art.

FB RICE

IXUP Limited
Our Ref: 171343
29 September 2017

Further, on both families an International Search Report issued where all claims were found to be not novel and not inventive. FB Rice have reviewed the citations that were raised in objections to the claims. For both families, FB Rice have identified and provided arguments setting out why we consider the claimed inventions to be novel and inventive. Similar to many other PCT applications, these arguments have not yet been submitted but kept on file as a basis for further responses during examination in various jurisdictions if similar objections are raised by local examiners.

It should be noted that it is not unusual, in the course of pursuing a patent to have such objections raised – a patent application can be an iterative process that involves the refinement of the claims the subject of the application to address objections raised by the relevant examiner.

Ownership and Assignments

The inventor of the invention covered by the first family (items 1 to 4) is Dean Joscelyne. On 9 March 2017 Dean Joscelyne has assigned his entire right, title, and interest in and to this invention to IXUP IP Pty Ltd. The corresponding Assignment was registered with the US Patent Office on 28 March 2017.

The inventors of the invention covered by the second family (item 5) are Dean Joscelyne and Rhona Marks. Rhona Marks was employed from 14 September 2015 and the first patent application of the second family was filed on 20 November 2015, that is, at a time where Rhona Marks was employed by IXUP. Dean Joscelyne has been a Director of IXUP since 20 August 2015, that is, he was a Director when the first patent application of the second family was filed on 20 November 2015. It is the view of FB Rice that this fact pattern shows clear ownership of IXUP in the second patent family. However, for the avoidance of any doubt, Dean Joscelyne and Rhona Marks executed confirmatory Deeds of Assignment to assign their rights to Intellectual Property to IXUP.

General Statements about the Status of Patents and Patent Applications

FB Rice believe the information provided here to be accurate as it reflects the information that was received on filing receipts issued by the respective Patent Offices.

Patent Validity and Infringement of Third Party Rights

Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner often include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs. In some countries the patent owner can also file criminal complaints against the infringer.

This Report is not a 'Freedom to Operate' opinion and FB Rice makes no assertion that the patents and patent applications are valid or enforceable or that IXUP has the freedom in any country to exploit the technology referred to in the relevant patent specifications without infringing intellectual property rights of third parties.

Further, it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention.

FB Rice cannot guarantee that the patents, even if valid, will adequately cover any commercial products commercialised by IXUP, its licensees or sub-licensees, or that the inventions achieve the stated results or advantages.

FB RICE

IXUP Limited
Our Ref: 171343
29 September 2017

Independence

This is an independent report. When considering this Report, it should be noted that:

- a) FB Rice has reviewed the data on record for the IXUP Patent and IXUP Patent Applications and provided this Report accordingly. This service was charged on FB Rice's standard terms and conditions of engagement, being hourly rates for time spent. FB Rice has received a total of approximately \$3,500 (exclusive of GST) for the services relating to the preparation of this Report and for services in relation to due diligence on the IXUP Patent and IXUP Patent Applications in connection with the Prospectus.
- b) Neither FB Rice, nor any of its principals or employees that were involved in the review of the IXUP Patent and IXUP Patent Applications have any entitlement to any shares in IXUP, or has any interest in the promotion of IXUP, and has no financial interest in the outcome of the offer under the Prospectus.
- c) FB Rice have prepared this Report. As noted above, FB Rice has been paid a total of approximately \$3,500 (exclusive of GST) for the services relating to the preparation of this Report and for services in relation to due diligence on the IXUP Patent and the IXUP Patent Applications in connection with the Prospectus. Payment of this amount is not contingent on the outcome of the listing under the Prospectus. FB Rice confirms that the Report has been prepared by Manuel Schmidt, Senior Associate, who is not associated with IXUP. He has acted and will likely continue to act for IXUP for drafting and prosecuting patent applications. However, he has no direct financial interest in the outcome of the listing under the Prospectus.
- d) Prior to the date of the Prospectus, FB Rice have acted for IXUP from 18 June 2015 in connection with their patent and trade mark matters. These services were charged at hourly rates for time spent on the matter under FB Rice's standard terms and conditions of engagement. As at the date of this Prospectus, FB Rice has been or is entitled to be paid \$56,635 (including GST and disbursements) for these services.

Yours sincerely
FB Rice



Manuel Schmidt
Senior Associate
mschmidt@fbrice.com.au

13. Risk Factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved with the Company's business. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

13.1 Risks specific to the Company

(a) Patent rights

The Company holds a granted innovation patent and four patent pending applications in respect of the IXUP Platform. The Company acknowledges the prospect of obtaining patent protection for products and the technology such as those proposed under the patent applications is uncertain and involves complex and continually evolving factual and legal questions. These include:

- (i) legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect the Company's ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by the Company. As a result, the Company's patent application may not proceed to issued patents and, if issued, may not be of commercial benefit to the Company, or may not afford the Company adequate protection from competing products. In particular, objections have been raised in relation to the Company's international patent application based on the novelty and inventive step requirements, citing existing patents owned by third parties. If the Company is not able to overcome these objections, there is a risk that the patent will not be awarded to it. Alternatively, in modifying the relevant claims to address the objections, there is a risk that the scope of protection in the issued patent being significantly less than the scope of protection sought by the Company; and
- (ii) since most patent applications remain secret for eighteen months from the time of filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, the Company cannot be certain that it is the first to make the inventions covered by the pending patent applications or that its patent applications for such inventions was the first to be filed.

Even if the Company succeeds in obtaining patent protection for its products, its patents could be partially or wholly invalidated following challenges by third parties.

(b) Protection of intellectual property rights

The Company holds a granted innovation patent and patent pending applications. The Company may be required to spend significant resources to monitor and protect the intellectual property. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and divert the efforts of its personnel. In addition, unauthorised use of the Company's technology and brand in counterfeit products or services could not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

(c) Infringement of third party intellectual property rights

If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against the Company may be able to obtain injunctive or other relief that could prevent the Company from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent the Company from commercialising available products and could cause it to incur substantial expenditure.

(d) Limited operating history

The Company has limited operating history and the unproven potential of its proposed new business model makes any evaluation of the business or its prospects difficult.

No assurances can be given that the Company will achieve commercial viability through the successful acquisition and retention of customers and implementation of its business plans in respect of the IXUP Platform.

In this regard the Company notes that William Buck Audit has, without modifying its opinion, issued its auditor report for both the financial period/year ended 30 June 2016 and 30 June 2017 with an emphasis of matter in respect of material uncertainty regarding the ability of IXUP to continue as a going concern and the consequential need for IXUP to seek additional funding.

(e) Brand establishment and maintenance

The Company believes that establishing and maintaining the IXUP brand is important to growing its proposed customer base and product acceptance. This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if customers do not have a positive experience using the platform, devices or operating systems that provide access to the IXUP Platform. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

(f) Marketing and sales success

Following completion of the Offer, the Company intends to accelerate the commercialisation of the IXUP Platform by focussing on marketing and sales. By its nature, there is no guarantee that the Company's marketing campaign will be successful and generate new customers of the IXUP Platform. In the event that it is not successful, the Company may encounter difficulty in bring the IXUP Platform to market and creating awareness of the IXUP brand. This would likely have an adverse impact on the Company's sales and profitability.

Even if the Company does successfully commercialise the IXUP Platform, there is a risk that the Company will not achieve a commercial return. The Company may not be able to make sufficient revenues from customers to cover its operating and capital costs, or new technology may overtake the Company's technology.

(g) Partners

A main feature of the Company's go to market strategy is the use of partners. The amount of revenue the Company receives can be affected by the conduct of the partner. Actions by a partner such as, poor customer care, applying insufficient resources and not understanding the benefits of the IXUP Platform can all have an effect on the sales of the IXUP Platform and the customer's perception and willingness to use the IXUP Platform.

(h) Reliance on personnel

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of one or more senior executives may have an adverse effect on the Company's operations. The Company continues to seek and hire expertise in the areas where opportunities exist. Furthermore, if the Company is unable to attract, train and retain these key individuals and other highly skilled employees and consultants, its business may be adversely affected.

(i) Management of growth

There is a risk that the Company will not be able to manage rapid growth of the business. The capacity of the Company to properly implement and manage business growth may affect the Company's financial performance.

(j) The IXUP Platform may contain programming errors, which could harm its brand and operating results

The IXUP Platform contains complicated programming and its objectives are to develop and launch new and innovative products and features. The IXUP Platform may therefore contain now or in the future, errors, bugs or vulnerabilities. Any errors, bugs or vulnerabilities discovered could result in (among other consequences) damage to the IXUP brand, loss of customers, loss of platform partners, fall in revenues or liability for damages, any of which could adversely affect the Company's business and operating results.

(k) Technology Risk

The Company has developed its own technology in house, and will continue to develop and seek advancements in its technology. The development and advancement of technology is complex, and progression may be subject to unexpected difficulties and external factors. Further, operating systems, components, hardware and software will require updating and maintenance, which may

also affect the ability of the Company to effectively maintain, develop and upgrade its technology, which may in turn have a detrimental effect on the Company's operating and financial performance.

(l) Product distribution and usability of the IXUP Platform will depend upon various factors outside the control of the Company including (but not limited to) operating systems, design and operation of the platform

The Company intends to continue to develop the IXUP Platform for use with a number of platforms, and software operating systems. The Company will be dependent on the ability of the IXUP Platform to operate on such platforms, devices and operating systems however it cannot control the maintenance, upkeep and continued supply of effective service from external suppliers in these areas. Any changes in such platforms, operating systems or devices that adversely affect the functionality of the IXUP Platform or give preferential treatment to competitive products could adversely affect usage of the IXUP Platform.

(m) Reliance on access to the internet in different implementations

In some instances when the Company deploys the IXUP Platform it does not require access to the internet but in other instances, this may not be the case. Access to the internet is provided by various classes of entities in the broadband and internet access marketplace. Should any of these entities disrupt service, restrict access or change the cost of access to the Company's products, usage of the Company's products may be negatively impacted.

(n) IXUP Platform performance risk

The IXUP Platform is optimised so the performance is based on system user and configuration requirements arising from scoping of the underlying infrastructure. Poor user experience may affect customer take-up, retention and level of usage of the IXUP Platform.

Additionally, impacted customer experiences may result if the Company does not have sufficient numbers of customer service personnel, fails to provide adequate training and resources for partners or there is a disruption to these systems utilised.

Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

(o) Need to attract and retain skilled staff

The Company's future success will, in part, depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and retaining such personnel. A failure to do so may have an adverse effect on the operations and profitability of the Company's business.

(p) Operating system changes

The Company uses third party operating systems with the providers of these systems regularly updating their systems. It is possible when these updates occur it could cause some of the Company's product to not operate as efficiently as before. This will require the Company to change the code on its system which may take some time to remedy.

(q) The Company's products and possible future products may use open source software, which may pose particular risks to its proprietary software and products in a manner that could have a negative effect on its business

The Company may utilise open source software in a number of its products and may consider using open source software in the future. The terms of many open source licenses to which the Company will be subject have not been interpreted by Australian or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on the Company's ability to provide or distribute its products.

The Company uses intellectual property and technology developed in the course of its business that is owned by the Company and also relies on relationships with key intellectual property licensors and technology partners, from whom it licenses the right to use particular intellectual property and technology.

(r) The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of its products and brand

The Company has trade secrets and other intellectual property rights that are important assets. The Company may therefore rely on a combination of confidentiality and license agreements with its consultants and third parties with whom it has relationships, as well as domain name, trade secret and copyright, to protect its brand and other intellectual property rights. The Company does have pending patents of its intellectual property but the Company does have other intellectual property that is not covered by its patents. If the Company fails to protect its intellectual property secrets, competitors may gain access to its technology which could harm the business.

If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent the Company from commercialising available products and could cause it to incur substantial expenditure.

(s) Competition and new technologies

The industry in which the Company will be involved is highly competitive and is subject to increasing competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's projects and business.

For instance, new technologies could overtake the advancements made by the Company which could negatively impact on the financial position and financial performance of the Company. Competing technologies could be developed or could get to market with a solution before the Company and reduce the market opportunity, even with a less comprehensive solution. Similarly, aggressive pricing or additional service offerings from competitors could require the Company to adjust its own pricing and service offerings to continue to generate business, which could negatively impact on the financial position and financial performance of the Company.

(t) Changes in technology

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies may require additional research and development activity for products that may be expensive, time consuming and difficult to design and implement. The outcome of this development is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business. The Company will seek to offset such costs where possible through applications for the research and development tax concession. However, these concessions are available in only limited circumstances and, even where the Company makes a claim which it and its advisors believe has merit, it can't be assured that the Australian Taxation Office and Ausindustry will deem the claim to be compliant.

(u) Hosting provider, data loss, theft or corruption

The Company stores data with a variety of third party service providers and Cloud Computing service providers. If these Cloud Computing service providers suffer outages, for example due to catastrophic destruction following a natural disaster, service to the IXUP Platform may also be disrupted. Hacking or exploitation of some unidentified vulnerability in its network could lead to loss, theft or corruption of data which, in turn, could negatively impact upon the Company's revenues and profitability.

(v) Security breaches

If the Company's security measures are breached, or if its products are subject to cyber-attacks that restrict customer access to its products, its products may be perceived as less secure than competitors and customers may stop using the IXUP Platform.

(w) Insurance

The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs uninsured losses or liabilities, the value of the Company's assets may be at risk.

(x) Contractual disputes

The Company's sales strategy is partially dependent on contractual agreements with third parties that have an interaction with the Company's target market. The Company is aware that there are

associated risks when dealing with third parties including but not limited to insolvency, fraud and management failure. Should a third party contract fail, there is potential for negative financial and brand damage for the Company.

(y) Credit risk

The Company intends to partner with other organisations to sell and implement the IXUP Platform. Accordingly the Company will be exposed to credit risks relating to delayed or non-payment. A failure by the Company to adequately assess and manage credit risk may result in credit losses potentially resulting in material adverse effect on the Company's business, operating and financial performance, including decreased operating cash flows.

(z) Regulatory compliance and changes in regulatory

The Company is required to comply with the laws governing privacy, taxation and consumer trade practices in each jurisdiction in which it operates. The Company may be subject to other laws in jurisdictions in which it plans to operate and the applicable laws may change from time to time.

These laws and applicable regulations give rise to risks and compliance costs for the Company. Non-compliance with such regulations, changes in the interpretation of current regulations, loss or failure to secure renewal of an accreditation, or the introduction of new laws or regulations may lead to fines imposed on the Company by the relevant regulatory authority or Governmental body, revocation of permits or licenses, or damage to the Company's reputation and may have material adverse effect on the Company's costs, business model and competitive environment and therefore could materially adversely affect the Company's future financial performance and position.

(aa) Doing business outside of Australia

The Company does not currently have employees engaged outside of Australia however for operational reasons it may establish operations in other jurisdictions.

Wherever the Company sets up operations the Company is exposed to a range of multi-jurisdictional risks such as risks relating to labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in foreign jurisdictions in which the Company may operate. Businesses that operate across multiple jurisdictions face additional complexities from unique business requirements in each jurisdiction.

(bb) Liquidity and realisation risk

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares.

(cc) Additional requirements for capital

The Company's capital requirements depend on numerous factors.

Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.

In addition, further funding may be required by the Company to support its ongoing activities and operations, including the need to develop new products or enhance the IXUP Platform, enhance its operating infrastructure and to acquire complementary businesses and technologies.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain additional funding will adversely affect the business and financial condition of the Company and consequently its performance.

(dd) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(ee) If securities or industry analysts do not publish or cease publishing research or reports about the Company, its business or its market, or if they change their recommendations regarding the Company's securities adversely, the price of its securities and trading volumes could be adversely affected

The market for the Company's securities trading on ASX may be influenced by any research or reports compiled by securities or industry analysts. If any of the analysts who may cover the Company and its products change previously disclosed recommendations on the Company or for that matter its competitors, the price of its securities may be adversely affected.

(ff) The Company does not expect to declare any dividends in the foreseeable future

The Company does not anticipate declaring or paying any dividends to Shareholders in the foreseeable future. Consequently, investors may need to rely on sales of their Securities to realise any future gains on their investment.

(gg) If the Company's goodwill or intangible assets become impaired, it may be required to record a significant charge to earnings

Under Generally Accepted Accounting Principles, the Company reviews its intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually.

13.2 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

(a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and Securities price may be affected by these factors, which are beyond the Company's control.

(b) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) Global credit and investment market

Global credit, commodity and investment markets can experience a high degree of uncertainty and volatility. The factors which lead to this situation are outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(d) Exchange rate risk

The Company currently only operates in Australia but may source products and services from overseas. Additionally the Company is planning to expand overseas.

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since the Company's financial statements are prepared in Australian dollars, this may impact its performance and position.

(e) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the Company's Shares.

(f) Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlines in this Section could affect the performance valuation, financial performance and prospects of the Company.

(g) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(h) Sharemarket conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities.

(i) **Litigation**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

(j) **Investment risk**

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Securities. While the Directors recommend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

14. Material Contracts

14.1 Westpac Services Agreement

IXUP has entered into a services agreement with Westpac. The material terms and conditions of this agreement are:

- (a) IXUP will provide Westpac with a version of the IXUP Platform and deliverables including analysed Westpac data for Westpac to provide services and related software to one customer of Westpac and will participate in workshops with the Westpac customer as required. IXUP will also provide ongoing support services to Westpac in relation to the products including a helpdesk during business hours in Sydney.
- (b) IXUP grants Westpac a royalty-free, non-exclusive, worldwide license for the later of the term of the agreement or as long as Westpac receives revenue from a customer for the deliverables, to install, use and reproduce the software and any software documentation and a right to sub-license the software to commercialise the use of the deliverables to Westpac customers.
- (c) Westpac will pay a fixed monthly fee which reflects a percentage of the amount obtained by Westpac from its customer for use of the IXUP Platform, services and deliverables and a one off fee for any professional services as required. The fees will no longer be payable if Westpac ceases to provide services to its customer.
- (d) The agreement commenced on 23 July 2015 and continues for a period of 30 months (until 23 January 2018). Westpac may extend the agreement for a further period of up to 12 months by providing notice at least 30 days before the end of the term.
- (e) Either party may terminate the agreement immediately for cause if a material breach of the agreement occurs or a non-material breach of the agreement is not remedied within 30 days of receiving notice. Westpac may terminate the agreement for convenience with 30 days written notice.
- (f) In relation to intellectual property ownership:
 - (i) each party retains ownership of its existing intellectual property at the commencement date or any intellectual property created after the commencement date other than in the course of performing the agreement;
 - (ii) subject to paragraph (i) above, any intellectual property rights in the deliverable vests in Westpac; and
 - (iii) IXUP grants Westpac a perpetual, world-wide, royalty-free, and non-exclusive license to use its pre-existing intellectual property rights (other than the IXUP Platform which is licensed separately as detailed above), and any third parties' pre-existing intellectual property rights, incorporated within the deliverables and Westpac may sub-license any of those rights to its customers to use the deliverables.

14.2 Finity Software Supply and Support Agreement

IXUP has entered into a software supply and support agreement with Finity. The material terms and conditions of this agreement are:

- (a) IXUP will provide Finity with a customised version of the IXUP Platform and associated software applications and develop user interface software to link the collaborators (entities that contribute data) and authorised users within the IXUP Platform and grants Finity a limited, non-exclusive, non-transferable licence to use the software only as part of the IXUP Platform. IXUP will also provide ongoing support services to Finity in relation to the products.
- (b) Finity is responsible for protecting its data and the integrity of personal information and both parties have obligations to comply with all applicable privacy laws.
- (c) Finity will pay:
 - (i) A fixed charge for each year of the term of the two year license term for access to the IXUP Platform, initial customised development work, and support and maintenance services (payable quarterly) which includes a specific number of collaborators and authorised internal users.
 - (ii) A variable collaborator fee calculated based on the number of additional collaborators and a fee for any additional authorised internal users (payable quarterly).

These charges exclude hosting costs and Microsoft SQL server fees.

- (d) Any additional customisation of the IXUP Platform, associated software or other material will be provided on an ad-hoc basis and charged at the Company's current rates at the time.
- (e) The agreement commenced on 14 March 2017 and continues until the date that is two years from the date that Finity accepts the IXUP Platform (expected to occur in early December 2017).
- (f) Either party may terminate the agreement for cause if a material breach of the agreement is not remedied within 60 days of receiving notice or immediately if an insolvency event occurs in relation to the other party. If the agreement is terminated Finity must cease using the software.
- (g) Finity may terminate the agreement without termination costs on or after the first anniversary of the date that Finity accepts the IXUP Platform by giving three months written notice.
- (h) In relation to intellectual property ownership:
 - (i) each party retains ownership of its existing intellectual property at the commencement date or any intellectual property created independently by the party after the commencement date;
 - (ii) any intellectual property rights in the deliverable vests in IXUP; and
 - (iii) Finity grants IXUP a non-exclusive, world-wide, royalty free, sub-licensable, irrevocable license to use, commercialise or otherwise exploit its pre-existing intellectual property

rights incorporated within the deliverables for IXUP's business purposes and as required to exercise its obligations under the agreement.

14.3 Microsoft Enterprise Cloud Alliance Agreement

IXUP has entered into an enterprise cloud alliance agreement with Microsoft. The material terms and conditions of this agreement are:

- (a) The purpose of this agreement is for Microsoft and IXUP to promote solutions designed to add value to the Microsoft products and for the parties to collaborate in marketing the solutions.
- (b) IXUP to develop products that integrate with the Microsoft products and Microsoft and IXUP will market the products in collaboration.
- (c) The agreement is non-exclusive and, subject to the confidentiality provisions, either party may develop, use, distribute, promote or support software, service or technology offerings similar to or competing with the ones under the agreement.
- (d) The agreement has a term of four years (until 25 July 2021).
- (e) Either party may terminate the agreement for cause if a material breach of the agreement is not remedied within 30 days of receiving notice; with 30 days notice for convenience; or immediately for breach of the confidentiality or assignment provisions by the other party or in the event of insolvency of the other party.
- (f) In relation to intellectual property ownership:
 - (i) the parties do not intend to jointly develop or create any intellectual property pursuant to the agreement but if they anticipate any intellectual property will be jointly created, then they will negotiate ownership of it prior to the creation of that intellectual property.
 - (ii) the copyright in any jointly authored marketing materials will be jointly owned by the parties;
 - (iii) the parties have each granted the other party a non-exclusive, royalty-free, non-transferable, personal license to use its corporate logo; and
 - (iv) the agreement does not grant either party any right, title or interest in the other party's intellectual property.

14.4 Dimension Data Partner Agreement

IXUP has entered into a partner agreement with Dimension Data. The material terms and conditions of this agreement are:

- (a) Dimension Data is appointed as a non-exclusive commercialisation partner of the Company to sell the IXUP Platform to customers in Australia in the following markets:
 - (i) Banking, finance and insurance industry;
 - (ii) Health and life sciences industry;

- (iii) Government;
- (iv) Retail industry.
- (b) Dimension Data may sell the product as an on-seller using IXUP branding, as a re-seller using its own branding, or incorporate the product into its own products (with IXUP's prior consent). Dimension Data has also been granted a limited, non-transferable, non-exclusive right to use the IXUP Platform and intellectual property and permit the access and use of the IXUP Platform and intellectual property by its customers.
- (c) Dimension Data has typical partner obligations including around promoting the product, providing support and retaining appropriately trained staff. IXUP will provide training to a specific number of staff unless otherwise agreed.
- (d) IXUP will provide support services to Dimension Data but Dimension Data is responsible for providing support services to its customers.
- (e) Pricing of the products is at the discretion of Dimension Data although IXUP may provide a list of maximum resale prices and recommended resale prices. Dimension Data will pay IXUP a one off establishment fee and a monthly licence fee for each customer. An additional fee will be added to a monthly licence fee for any additional support services provided in the previous month.
- (f) The agreement has an initial term of 12 months (until 19 May 2018) but automatically renews for additional 12 month periods unless either party gives notice of non-renewal at least 20 business days before the end of current year.
- (g) Either party may terminate the agreement with 20 business days notice for cause; with 90 business days notice for convenience; and immediately in the event of a change of control or insolvency of the other party. If the agreement is terminated Dimension Data will immediately cease distributing the product or integrating the product into its own product.
- (h) Each party retains ownership of any intellectual property rights in their products.

14.5 Empirics Partner Agreement

IXUP has entered into a partner agreement with Empirics. The material terms and conditions of this agreement are:

- (a) Empirics is appointed as a non-exclusive integration partner of the Company to sell the IXUP Platform incorporated into Empirics own products (with IXUP's prior consent) to customers in the superannuation market in Australia and New Zealand.
- (b) Empirics has been granted a limited, non-transferable, non-exclusive right to use the IXUP software and intellectual property and permit the access and use of the IXUP software and intellectual property by its customers.
- (c) Empirics has typical partner obligations including around promoting the IXUP Platform, providing support and retaining appropriately trained staff. IXUP will provide training to a specific number of staff unless otherwise agreed.

- (d) IXUP will provide support services to Empirics but Empirics is responsible for providing support services to its customers.
- (e) Pricing of the products is at the discretion of Empirics although IXUP may provide a list of maximum resale prices and recommended resale prices. Empirics will pay IXUP a one off establishment fee and a monthly licence fee for each customer. An additional fee will be added to a monthly licence fee for any additional support services provided in the previous month.
- (f) The agreement has an initial term of 12 months (until 23 June 2018) but automatically renews for additional 12 month periods unless either party gives notice of non-renewal at least 20 business days before the end of current year.
- (g) Provided it does not restrict or limit any software license agreement in place with a customer, IXUP may terminate the agreement with 20 business days notice if it withdraws the product or for cause and immediately if there is a change of control of, or insolvency event in relation to, Empirics. Empirics may terminate the agreement with 30 business days notice for cause. If the agreement is terminated Empirics will immediately cease distributing the product or integrating the product into its own product.
- (h) Each party retains ownership of any intellectual property rights in their products.

14.6 KPMG Strategic Alliance Agreement

IXUP has entered into a strategic alliance agreement with KPMG. The material terms and conditions of this agreement are:

- (a) IXUP and KPMG will work together to identify and explore mutually beneficial opportunities to provide complimentary service offerings to mutually agreed target clients. Where the parties identify potential clients, each party will present a separate proposal for their respective services and the parties will provide their services independently (and will not share revenue).
- (b) The agreement has an initial term of 12 months (until 20 July 2018) but automatically renews for additional 12 month periods unless either party gives a termination notice at least one month before the end of current year.
- (c) Either party may terminate the agreement:
 - (i) for convenience with 30 days written notice;
 - (ii) for cause if a material breach of the agreement is not remedied within 14 days of receiving notice; or
 - (iii) immediately if it considers that continued participation in the alliance may give rise to actual or potential conflict of interest or an insolvency event occurs in relation to the other party.
- (d) KPMG may also terminate the agreement immediately if it reasonably believes that continued participation in the alliance would prejudice its ability to comply with any applicable independence requirement or bring its reputation into disrepute.
- (e) In relation to intellectual property ownership:

- (i) each party retains ownership of its existing intellectual property at the date of the agreement or any intellectual property created by it during the term of the agreement; and
- (ii) IXUP grants KPMG a non-exclusive, royalty free license to use IXUP's intellectual property in connection with promotion of the alliance.

14.7 Cygnet Capital Corporate Advisory Services Mandate

The Company has entered into a corporate advisory services mandate agreement (**Corporate Advisory Mandate**) with Cygnet Capital pursuant to which the Company has appointed Cygnet Capital to act as Lead Manager of the Offer. Pursuant to this appointment Cygnet Capital will receive:

- (a) a total cash fee of 6% (excluding GST) of the total amount raised under the Offer comprising a management fee of 1% (excluding GST) and a capital raising fee of 5% (excluding GST). Cygnet Capital reserves the right to pass on some of this fee to third parties;
- (b) 15,000,000 Unlisted Options to be issued to Cygnet Capital or its nominees upon successful admission of the Company to the Official List of ASX; and
- (c) a corporate advisory fee of \$15,000 (exclusive of GST) per month for the period from 16 May 2017 (when the Corporate Advisory Mandate was signed) until the Company's admission to the Official List of ASX and \$10,000 (excluding GST) per month for a period of 12 consecutive months following the Company's admission to the Official List of ASX.

The Company has agreed to indemnify Cygnet Capital against all losses, claims, liabilities, damages, costs and expenses that Cygnet may suffer or incur that relate to or arise from the services to be provided by Cygnet Capital, or otherwise where Cygnet Capital has acted on the instructions or directions of the Company except for any claims and expenses that arise directly from the willful default or gross negligence of Cygnet Capital.

The Company will pay Cygnet Capital a break fee of \$250,000 if the Company seeks to terminate the Corporate Advisory Mandate prior to completion of the Offer, except in the event that Cygnet Capital does not complete the Offer as per the terms of the Corporate Advisory Mandate within 90 days of the date of this Prospectus.

15. Additional Information

15.1 Rights Attaching to Shares

Full details of the rights attaching to Shares are set out in the Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

(a) General meetings and notices

Each eligible Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each eligible Shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder has one vote; and
- (iii) on a poll, every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote per Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Issues of further shares

The Directors may, on behalf of the Company, issue shares and grant options over or unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights and restrictions attached to a class of shares.

(d) Variation of rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal.

(f) Partly paid shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to a dividend, the dividend as declared shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(h) Winding-up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the shares of a Shareholders is of the total amounts paid and payable (including amounts credited) on the shares of all Shareholders.

(i) Dividend reinvestment and share plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is three and the maximum number is 10.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale.

If a Shareholder does not want his shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(o) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) **Preference shares**

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's Shareholders.

15.2 Terms and conditions of the Unlisted Options

- (a) Each Unlisted Option entitles the holder to subscribe for one Share upon the exercise of each Unlisted Option.
- (b) The exercise price of each Unlisted Option is \$0.25.
- (c) The Unlisted Options will expire on the date that is five years from the date of Official Quotation of Shares on the ASX (**Expiry Date**).
- (d) The Unlisted Options are exercisable at any time on or prior to the Expiry Date.
- (e) The Unlisted Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and either payment of the Exercise Price for each Unlisted Option being exercised, or an election to use the Cashless Exercise Facility (as defined below) in respect of each Option being exercised. Any Notice of Exercise of an Unlisted Option received by the Company will be deemed to be a notice of the exercise of that Unlisted Option as at the date of receipt.

(f) Cashless Exercise Facility

- (i) If the Shares of the Company are quoted on the ASX at the time of exercise of the Unlisted Options, the holder of Unlisted Options may, subject to Section 15.2(f)(iii) below, elect to pay the Exercise Price for a Unlisted Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (Cashless Exercise Facility). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
- (ii) If the holder elects to use the Cashless Exercise Facility, the holder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Unlisted Options on the Unlisted Options being exercised and the then market value of the Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Unlisted Options.

O = Number of Unlisted Options.

MSP = Market value of the Shares (calculated using the volume weighted average prices at which Shares were traded on the ASX over the one week period immediately preceding the exercise date).

EP = Unlisted Option exercise price.

- (iii) If the difference between the total Exercise Price otherwise payable for the Unlisted Options on the Unlisted Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with Section 15.2(f)(ii)) is zero or negative, then the holder will not be entitled to use the Cashless Exercise Facility.
- (g) Shares issued on exercise of the Unlisted Options will rank equally with the then issued fully paid ordinary shares of the Company.
- (h) The Company will not apply to ASX for quotation of the Unlisted Options.
- (i) If the Shares of the Company are quoted on the ASX at the time of exercise of the Unlisted Options, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Unlisted Options.
- (j) After an Unlisted Option is validly exercised, the Company must, within 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Unlisted Option issue the Shares and do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than 5 Business Days after issuing the Shares.

- (k) There are no participation rights or entitlements inherent in the Unlisted Options and holders will not be entitled to participate in new issues of capital offered to the Company shareholders during the currency of the Unlisted Options. However, the Company will give the holders of Unlisted Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (l) If the Company makes a bonus issue of shares or other securities to existing Company shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of a Unlisted Option will be increased by the number of Shares which the Unlisted Option holder would have received if the Unlisted Option holder had exercised the Unlisted Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (m) If the Company makes an issue of Shares pro rata to the existing Company shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Unlisted Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Unlisted Option.

E = the number of underlying Shares into which one Unlisted Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (n) If there is any reorganisation of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.
- (o) The Unlisted Options are only transferable with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.
- (p) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Unlisted Options with the appropriate remittance should be lodged at the Company's share registry.

15.3 Terms and Conditions of the Plan Options

For the purpose of these terms and conditions:

Associated Body Corporate has the meaning given to that term in the Option Plan.

Eligible Participant has the meaning given to that term in the Option Plan.

Group means the Company and each Associated Body Corporate.

Relevant Person has the meaning given to that term in the Option Plan.

Rule means a rule of the Option Plan.

- (a) Each Plan Option entitles the holder to subscribe for one Share upon the exercise of each Plan Option.
- (b) The exercise price of each Plan Option is \$0.25.
- (c) The Plan Options will expire on the date that is five years from the date of official quotation of Shares on the ASX (**Expiry Date**), if it has not already otherwise lapsed in accordance with the Option Plan.
- (d) One third of the Plan Options will vest on the date of satisfaction of each of the vesting conditions set out below:

Vesting Condition
One year of continuous service as a director or employee
Two years of continuous service as a director or employee
Three years of continuous service as a director or employee

- (e) A Plan Option will lapse on that date (**Lapse Date**) which is the earlier to occur of:
 - (i) a Vesting Condition in relation to the Plan Option is not satisfied by the specified due date (if any), or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Plan Option under Section 15.3(f) below or Section 15.3(e)(ii)(B) below applies;
 - (ii) in respect of unvested Plan Options only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Plan Option under Section 15.3(f) below; or
 - (B) in its absolute discretion, resolves to allow the unvested Plan Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of vested Plan Options only, a Relevant Person ceases to be an Eligible Participant and the Plan Option granted in respect of that Relevant Person is not exercised within one month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;

- (iv) a purported transfer of the Plan Option in contravention of paragraph (o) below;
 - (v) the Board deems that a Plan Option lapses due to fraud, dishonesty or other improper behavior of the holder/Eligible Participant in accordance with Section 15.4(l) below;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made, and the Plan Option does not vest in accordance with Section 15.3(f) below; and
 - (vii) the Expiry Date referred to in Section 15.3(c) above.
- (f) The Board may in its absolute discretion, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Plan Options due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Plan Options; or
 - (ii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) On a Change in Control occurring the Plan Options will automatically vest.

For the purposes of this Sections 15.3(f) and 15.3(g):

"Change of Control" means:

- (i) a bona fide Takeover Bid (as defined in the Corporations Act) is declared unconditional and the bidder has acquired a Relevant Interest (as defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
- (ii) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in Section 9 of the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

"Special Circumstances" means:

- (i) a Relevant Person ceasing to be an Eligible Participant due to:
 - (A) death or total or permanent disability of a Relevant Person; or
 - (B) retirement or redundancy of a Relevant Person;
- (ii) a Relevant Person suffering severe financial hardship; or
- (iii) any other circumstances determined by the Board at any time (whether before or after the Invitation) and notified to the relevant Participant which circumstances may relate

to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

- (h) The Plan Options are granted in accordance with, and subject to, the Option Plan.
- (i) The Plan Options are exercisable at any time after the date that the Board notifies that the relevant Vesting Condition in Section 15.3(d) above has been satisfied or waived, or the Plan Options have otherwise vested in accordance with the Option Plan, and on or prior to the Lapse Date.
- (j) The Plan Options may be exercised by notice in writing to the Company (Notice of Exercise) and either payment of the Exercise Price for each Plan Option being exercised, or an election to use the Cashless Exercise Facility (as defined below) in respect of each Plan Option being exercised. Any Notice of Exercise of a Plan Option received by the Company will be deemed to be a notice of the exercise of that Plan Option as at the date of receipt.
- (k) Cashless Exercise Facility
 - (i) If the Shares of the Company are quoted on the ASX at the time of exercise of the Plan Options, the holder of Plan Options may, subject to Section 15.3(k)(iii) below, elect to pay the Exercise Price for a Plan Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
 - (ii) If the holder elects to use the Cashless Exercise Facility, the holder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Plan Options on the Plan Options being exercised and the then market value of the Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Plan Options.

O = Number of Plan Options.

MSP = Market value of the Shares (calculated using the volume weighted average prices at which Shares were traded on the ASX over the one week period immediately preceding the exercise date).

EP = Plan Option exercise price.

- (iii) If the difference between the total Exercise Price otherwise payable for the Plan Options on the Plan Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with Section 15.3(k)(ii)) is zero or negative, then the holder will not be entitled to use the Cashless Exercise Facility.

- (l) Shares issued on exercise of the Plan Options will rank equally with the then issued Shares of the Company.
- (m) The Company will not apply to ASX for quotation of the Plan Options.
- (n) If the Shares of the Company are quoted on the ASX at the time of exercise of the Plan Options, application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Plan Options.
- (o) After a Plan Option is validly exercised, the Company must, within 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Plan Option issue the Shares and do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than 5 Business Days after issuing the Shares.
- (p) There are no participation rights or entitlements inherent in the Plan Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options without exercising the Plan Options. However, the Company will give the holders of Plan Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (q) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of securities which must be issued on the exercise of a Plan Option will be increased by the number of securities which the Plan Option holder would have received if the Plan Option holder had exercised the Plan Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (r) If the Company makes an issue of Shares pro rata to existing the Company shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Plan Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Plan Option.

E = the number of underlying Shares into which one Plan Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

- (s) If there is any reorganisation of the issued share capital of the Company, the rights of the Plan Option holder will be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.
- (t) The Plan Options are only transferable with the prior written approval of the Board of Directors of the Company and subject to compliance with the Corporations Act.
- (u) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Plan Options with the appropriate remittance should be lodged at the Company's share registry.
- (v) Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Plan Options.

15.4 Summary of Option Plan

The Company has established an employee option plan (**Option Plan**) to assist in attracting, motivating and rewarding employees who are eligible to participate. The following is a summary of the Option Plan, and the terms on which offers of Plan Options may be made under the Option Plan:

- (a) The Directors, at their discretion, may invite Eligible Participants to apply for Plan Options at any time, having regard to relevant considerations such as the Eligible Participant's past or potential contribution to the Company, and their period of employment with the Company.
- (b) Eligible Participants in the Option Plan are full-time or part-time employees of the Company or a related body corporate (which includes Directors, the Company Secretary and officers) or such other persons as the Board determines. The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- (c) The Option Plan is administered by the Directors of the Company, who have the power to:
 - (i) determine appropriate procedures for administration of the Option Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Option Plan or any Plan Options granted under it;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Option Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) amend or terminate the Option Plan.
- (d) Plan Options must be granted for nil monetary consideration or no more than nominal monetary consideration.
- (e) The exercise price of the Plan Options shall be determined by the Board in its discretion, subject to the Listing Rules.
- (f) The Company must have reasonable grounds to believe that the number of Shares to be received on exercise of the Plan Options when aggregated with the number of Shares issued or that may be issued as a result of invitations to acquire securities made at any time during the previous three years under:

- (i) an employee incentive plan of the Company covered by ASIC Class Order 14/1000; or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

does not exceed 5% of the total number of Shares on issue at the date of the invitation provided that the Board may, in its absolute discretion, increase this percentage, subject to any applicable Corporations Act, Listing Rule (including the conditions and restrictions on issuing securities in Listing Rule 7.1) or Class Order requirements.

- (g) The Board may determine and specify in an invitation, that if the Shares of the Company are quoted on the ASX at the time of exercise of the Plan Options the holder may elect to pay the Exercise Price by using a cashless exercise facility which allows the holder to set-off the Exercise Price against the number of Shares which the holder is entitled to receive on exercise of the Plan Options.
- (h) The Board may, in its discretion, determine at any time up until exercise of Plan Options, that a restriction period will apply to some or all of the Shares issued to a participant on exercise of those Plan Options (and must impose a restriction period required to comply with any ASX escrow), up to a maximum of seven years from the date of grant, which period may subsequently be waived by the Board in its discretion.
- (i) The Shares to be issued on exercise of the Plan Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
- (j) The Board may determine the time periods or vesting conditions after which the Plan Options will vest and the percentage of Plan Options issued which will vest at each particular time. The Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company, if the Company is wound up or in other special circumstances although the Board may specify in an invitation to a Participant that a different treatment will apply if a Change of Control event occurs.

The Board has determined in respect of the initial Plan Options to be issued under the Option Plan that the Plan Options will automatically vest on a change in control. See the Plan Option terms and conditions in Section 15.3(g).

- (k) A Plan Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Plan Option has vested. The Board may determine (in its absolute discretion) any further conditions of exercise consistent with the terms of the Option Plan.
- (l) The Board will have the discretion to deem any Plan Options will lapse if, in the opinion of the Board, a holder of Plan Options acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company; has his or her employment or office terminated due to serious or wilful misconduct or otherwise for cause without notice; or becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act.
- (m) The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a participant may exercise, or has exercised, vested Plan Options,

including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.

- (n) Plan Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Plan Options as soon as practicable after their issue date.
- (o) The Plan Options are not transferable unless vested and with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.
- (p) If there is any reorganisation of the issued share capital of the Company, the rights of the Plan Option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (q) There are no participating rights or entitlements inherent in the Plan Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options.
- (r) If the Company makes an issue of Shares pro rata to existing the Company shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Plan Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Plan Option.

E = the number of underlying Shares into which one Plan Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

- (s) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of securities which must be allocated on the exercise of a Plan Option will be increased by the number of securities which the Participant would have received if the Plan Option had vested before the record date for the bonus issue.
- (t) The Option Plan otherwise contains terms considered standard for a document of this nature.

15.5 Terms and Conditions of the Performance Rights

For the purposes of these terms and conditions:

Eligible Participant has the meaning given to that term in the Performance Rights Plan.

Participant has the meaning given to that term in the Performance Rights Plan.

Rule means a rule of the Performance Rights Plan.

- (a) Each Performance Right will convert into a Share for no consideration upon exercise of the Performance Right by the holder.
- (b) The Performance Rights will be granted in three tranches and will vest on the date on which the relevant vesting conditions set out below are satisfied (**Vesting Date**):

Tranche	Vesting Conditions
Class A Performance Rights	<ul style="list-style-type: none"> (a) Two years of continuous service as a Director or member of the Advisory Board; and (b) the Company group achieving cumulative Contracted Revenue of \$5 million.
Class B Performance Rights	<ul style="list-style-type: none"> (a) Two years of continuous service as a Director or member of the Advisory Board; and (b) the Company group achieving cumulative Contracted Revenue of \$10 million.
Class C Performance Rights	<ul style="list-style-type: none"> (a) Two years of continuous service as a Director or member of the Advisory Board; and (b) the Company group achieving cumulative Contracted Revenue of \$15 million.

Contracted Revenue means the total value of future revenues of contracts signed by the Company following Official Quotation of Shares on the ASX. The value of future contract revenues is the total amount legally committed by the counterparty over the term of the contract and includes:

- (a) gross licence fees, royalties, implementation fees, development fees and all other payments under the contract from customers, partners, channels, OEMs, or other users of the IXUP technology which are committed by the customer and are not at the election or discretion of the customer. For the avoidance of doubt the value of revenues included are gross and inclusive of all partner commissions, rebates, margin or other such fees payable by the Company;
- (b) gross licence fees, royalties, implementation fees, development fees and all other payments under a partnership/master services agreement on the occurrence of the partner signing a contract with its customer under which revenue will become payable to the Company under the partnership/master services agreement;

- (c) value added or other services, which under the contract were at the election or discretion of the customer, from the time that the customer makes the election or exercises its discretion to include the value add or other service.

The Board of the Company shall determine (in its sole discretion) if the vesting conditions in the table above are satisfied.

- (a) The Expiry Date for each Performance Right will be the date which is five years from the date of Official Quotation of Shares on the ASX.
- (b) A Performance Right will lapse on that date (**Lapse Date**) which is the earliest to occur of:
 - (i) the Expiry Date referred to in paragraph (a) above;
 - (ii) failure to meet a Vesting Condition or any other condition applicable to the Performance Right within the prescribed period (if any) or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition in accordance with Section 15.6(u) below;
 - (iii) the Board determines that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Participant in accordance with Section 15.6(r) below;
 - (iv) a purported transfer of the Performance Right in contravention of paragraph (p) below;
 - (v) as determined in accordance with paragraph (c) below; and
 - (vi) as determined in accordance with paragraph (d) below.
- (c) Ceasing to be an Eligible Participant
 - (i) Unless the Board determines otherwise pursuant to paragraph (e)(A), where a Participant ceases to be an Eligible Participant:
 - (A) by reason of resignation, termination for poor performance or termination for cause, all Performance Rights held by the Participant, or on the Participant's behalf, which have not Vested at the time of cessation of Employment, will lapse or be forfeited (as the case may be); or
 - (B) for any other reason, including (but not limited to):
 - (1) his or her death;
 - (2) total and permanent disablement;
 - (3) redundancy;
 - (4) retirement; or
 - (5) termination by agreement,

all of a Participant's Performance Rights will continue to be held by, or on behalf of, the Participant (or by his or her estate as a representative) subject to the Plan and the relevant Vesting Conditions, except that any continuous service condition will be deemed to have been waived.

- (d) The Board, in its discretion, may determine within 4 months of a Participant ceasing to be an Eligible Participant that some or all a Participant's Performance Rights:

- (i) lapse;
- (ii) vest;
- (iii) are only exercisable for a prescribed period and will otherwise lapse; and/or
- (iv) are no longer subject to some of the restrictions (including any Vesting Condition) that previously applied,

as a result of the Participant ceasing to be an Eligible Participant.

- (e) Change of Control

Notwithstanding that Performance Rights have not vested, upon the occurrence of a Change of Control that that number of Performance Rights (that have not yet been exercised) that is equal to 10% of the Shares on issue immediately following Vesting under this paragraph (or if the Vesting of all Performance Rights under this paragraph would be less than 10% of the Shares on issue immediately following Vesting, all Performance Rights) will automatically Vest and may be exercised into an equivalent number of Shares, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Performance Rights on the date of exercise. For the purposes of this paragraph (e):

Change of Control means:

- (i) a bona fide Takeover Bid (as defined in the Corporations Act) is declared unconditional and the bidder has acquired a Relevant Interest (as defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
 - (ii) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (iii) in any other case, a person obtains Voting Power (as defined in Section 9 of the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (f) A Performance Right may only be exercised at any time after the date that the Performance Rights have Vested in accordance with the Plan, and on or prior to the Lapse Date.
- (g) The Performance Rights are granted in accordance with, and subject to, the Plan.

- (h) The Performance Rights may be exercised by notice in writing to the Company (**Notice of Exercise**). Any Notice of Exercise of a Performance Right received by the Company will be deemed to be a notice of exercise of that Performance Right as at the date of receipt.
- (i) Shares issued on exercise of the Performance Rights rank equally with the then Shares of the Company.
- (j) If the Shares of the Company are quoted on the ASX at the time of exercise of the Plan Options, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Performance Rights within the period required by the ASX Listing Rules.
- (k) There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (l) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of securities which must be issued on the exercise of a Performance Right will be increased by the number of securities which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.
- (m) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the number of Shares which must be issued on the exercise of the Performance Rights.
- (n) If there is any reorganisation of the issued share capital of the Company, the rights of the holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (o) No application for quotation of the Performance Rights will be made by the Company.
- (p) The Performance Rights are not transferable.
- (q) Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Rights.

15.6 Summary of Performance Rights Plan

The following is a summary of the Performance Rights Plan, and the terms on which offers of Performance Rights may be made under the Performance Rights Plan:

- (a) The directors of the Company from time to time, at their discretion, may at any time invite eligible employees to participate in the grant of Performance Rights.
- (b) The eligible employees under the Performance Rights Plan are full time and part time employees (including a director) of the Company and its related bodies corporate or any other person who is declared by the Board to be eligible to receive a grant of Performance Rights under the Performance Rights Plan (**Eligible Employees**). Subject to the Board approval, an Eligible Employee may nominate a nominee to receive the Performance Rights to be granted to the Eligible Employee.

- (c) The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- (d) The Performance Rights Plan is administered by the Directors of the Company, who have the power to:
 - (i) determine appropriate procedures for administration of the Performance Rights Plan consistent with its terms;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Performance Rights Plan;
 - (iii) delegate the exercise of any of its powers or discretions arising under the Performance Rights Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (iv) suspend, amend or terminate the Performance Rights Plan (subject to restrictions on amendments to the Performance Rights Plan which reduce the rights of a participant of the Performance Rights Plan in respect of any Performance Rights or Shares already granted).
- (e) Performance Rights will be granted for nil cash consideration, unless the Board determines otherwise (which will be no more than a nominal amount).
- (f) No amount will be payable on the exercise of Performance Rights under the Performance Rights Plan.
- (g) The Performance Rights Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.
- (h) The Company must have reasonable grounds to believe that the number of Shares to be issued on exercise of the Performance Rights when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three years under:
 - (i) an employee incentive plan of the Company covered by ASIC Class Order 14/1000; or
 - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Performance Rights is made (but disregarding any securities issued as the result of an offer that can be disregarded in accordance with ASIC Class Order 14/1000).
- (i) The Shares to be issued on exercise of the Performance Rights will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
- (j) The Performance Rights granted under the Performance Rights Plan will be subject to vesting conditions determined by the Board from time to time and expressed in a written offer made by the Company to the Eligible Employee which is subject to acceptance by the Eligible Employee within a specified period. The vesting conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance

conditions by the participant in the Performance Rights Plan and/or by the Company or (iii) such other performance conditions as the Board may determine and set out in the offer. The Board determines whether vesting conditions have been met.

- (k) Performance Rights will have an expiry date as the Board may determine in its absolute discretion and specify in the offer to the Eligible Employee.
- (l) Performance Rights will be exercisable by the holder from the date the applicable vesting conditions are satisfied or waived by the Board up to and including the applicable expiry date.
- (m) The vesting conditions of Performance Rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the offer to the Eligible Employee.
- (n) Performance Rights will not be listed for quotation. However, the Company will make an application to ASX for official quotation of all Shares issued on exercise of the Performance Rights within the period required by the Listing Rules.
- (o) The Performance Rights are not transferable.
- (p) If a vesting condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Right will lapse. Unless the Board determines otherwise, an unvested Performance Right will lapse if the holder ceases to be an Eligible Employee for the purposes of the Performance Rights Plan by reason of resignation, termination for poor performance or termination for cause.
- (q) Unless the Board determines otherwise, if the holder of Performance Rights granted under the Performance Rights Plan ceases to be an employee for any other reason other than those reasons set out in paragraph (p), including but not limited to retirement, total and permanent disablement, death, redundancy or termination by agreement, then any Performance Rights which have not lapsed will continue to be held by the holder as if it was still an Eligible Employee, except that any continuous service condition will be deemed to have been waived.
- (r) If, in the opinion of the Board, a holder of Performance rights granted under the Performance Rights Plan acts fraudulently or dishonestly, is in breach of his or her obligations to the Company and its related bodies corporate, has done an act which has brought the Company or any of its related bodies corporate into disrepute, or if the Company becomes aware of a material misstatement or omission in the financial statements in relation to the Company or any of its related bodies corporate, or a holder is convicted of an offence in connection with the affairs of the Company or any of its related bodies corporate or has judgment entered against him or her in any civil proceedings in respect of the contravention of his or her duties at law in his capacity as an employee, consultant or officer of the Company or any of its related bodies corporate, the Board will have the discretion to deem any Performance Rights will lapse.
- (s) If in the opinion of the Board, Performance Rights vested as a result of the fraud, dishonesty or breach of obligations of either the holder or any other person and in the opinion of the Board, the Performance Rights would not have otherwise vested; or the Company is required by, or entitled under, law to reclaim an overpaid bonus or other amount from a holder, then the Board may determine (subject to applicable law) any treatment in relation to the Performance Rights or Shares issued upon exercise of Performance Rights to comply with the law or to ensure no unfair benefit is obtained by the Participant.

- (t) Notwithstanding that Performance Rights have not Vested, upon the occurrence of a Change of Control the Board may, in its absolute discretion, determine that that number of Performance Rights (that have not yet been exercised) that is equal to 10% of the Shares on issue immediately following Vesting under this paragraph (or if the Vesting of all Performance Rights under this paragraph would be less than 10% of the Shares on issue immediately following Vesting, all Performance Rights) will Vest and may be exercised into an equivalent number of Shares, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Performance Rights on the date of exercise. Performance Rights that are not Vested under this paragraph will continue to be held by the holders on the same terms and conditions although the Board may specify in an invitation to a Participant that a different treatment will apply if a Change of Control event occurs.

The Board has determined in respect of the initial Performance Rights to be issued under the Performance Rights Plan that the Performance Rights will automatically vest on a change in control. See the Performance Rights terms and conditions in Section 15.5(e).

- (u) The Board may waive, amend or replace any vesting condition attaching to a Performance Right if the Board determines that the original vesting condition is no longer appropriate or applicable, provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.
- (v) There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (w) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the number of Shares which must be allocated on the exercise of a Performance Right.
- (x) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of securities which must be allocated on the exercise of a Performance Right will be increased by the number of securities which the Participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (y) If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (z) The Performance Rights Plan is a deferred plan under Subdivision 83-A of the Income Tax Assessment Act 1977 (Cth).

15.7 Substantial Shareholders

On completion of the Offer (assuming existing substantial holders do not subscribe for Shares under the Offer and no new investors become substantial holders) the substantial holders will be as set out below

Shareholder	Number of Shares held	% total Shares held
Joscelyne Investments Pty Ltd atf Joscelyne Investments Unit Trust	25,500,001	16.09%
Notes: Mr Dean Joscelyne will also be a substantial shareholder by virtue of controlling Joscelyne Investments Pty Ltd atf Joscelyne Investments Unit Trust.		

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on the ASX.

15.8 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no promoter or person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer under this Prospectus; or
- (c) the Offer under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered in connection with the formation or promotion of the Company or the Offer of Shares under this Prospectus.

Cygnit Capital Pty Ltd has acted as lead manager of the Offer. In respect of this work, it will be paid such amounts as detailed in Section 14.7. During the 24 months preceding lodgement of this Prospectus at the ASIC, Cygnit Capital has been paid or is entitled to be paid \$236,500 (inclusive of GST) in fees from the Company.

William Buck Audit is the auditor of the Company and audited the Company's financial accounts. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Buck Audit has been paid or is entitled to be paid \$53,324 (inclusive of GST) in fees from the Company.

Link Market Services has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions. During the 24 months preceding lodgement of this Prospectus with the ASIC, Link Market Services has not received any fees from the Company.

FB Rice has prepared the Patent Report which is included in Section 12 of this Prospectus and for services in relation to due diligence on the IXUP Patent and the IXUP Patent Applications in connection with the Prospectus. The Company has paid FB Rice a total of \$3,500 plus GST for its services. During the 24 months preceding lodgement of this Prospectus with ASIC, FB Rice has been paid or is entitled to be paid \$45,702 (inclusive of GST) in fees from the Company.

GTP Legal has acted as the solicitors to the Company in relation to the Offer and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay GTP Legal approximately \$100,000 plus GST for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP Legal has been paid or is entitled to be paid approximately \$80,000 (exclusive of GST) in fees from the Company which includes fees for matters done in advance of and necessary to conduct the Offers.

William Buck Consulting has acted as investigating accountant and has prepared the Investigating Accountant's Report which has been included in Section 11 of this Prospectus. The Company estimates it will pay William Buck Consulting a total of \$8,000 plus GST for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Buck Consulting has not received any fees from the Company.

15.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and
- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, or omissions from any part of this Prospectus other than a reference to its name and a statement and/or a report (if any) included in this Prospectus with the consent of that party as specified in this Section.

Mr Glen Boreham and Mr Peter Chapman have each given their written consent to being named as members of the Advisory Board in this Prospectus and have not withdrawn their consent prior to lodgement of this Prospectus with the ASIC.

Cygnit Capital has given its written consent to being named as the Lead Manager to the Offer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

William Buck Audit has given its written consent to being named as the auditor to the Company in this Prospectus. William Buck Audit has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

FB Rice has given its written consent to being named as the author of the Patent Report and to the inclusion of the Patent Report in this Prospectus in Section 12 in the form and context in which the report is included. FB Rice has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

GTP Legal has given its written consent to being named as the lawyers to the Company in this Prospectus. GTP Legal has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

William Buck Consulting has given its written consent to being named as the Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 11 in the form and context in which the report is included. William Buck Consulting has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

15.10 Litigation

To the knowledge of the Directors, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

15.11 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

15.12 Expenses of the Offer

The estimated expenses of the Offer is as follows:

Item of Expenditure	\$
ASIC and ASX fees	81,589
Legal fees	100,000
Investigating Accountant's Report	8,000
Patent Report	3,500
Lead Manager fee ¹	750,000
Lead Manager retainer	90,000
Investor relations advisory	77,500
Share registry, printing and other expenses	22,500
Total	1,133,089
Notes:	
1. Refer to Section 14.7 for further details in respect to fees payable to the Lead Manager.	

16. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

A handwritten signature in black ink, appearing to read 'Tim Ebbeck', with a long horizontal stroke extending to the right.

Tim Ebbeck
Executive Chairman
for and on behalf of IXUP Limited

3 October 2017

17. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

Advisory Board means the advisory board of the Company detailed in Section 9.3.

AEST means Australian Eastern Standard Time.

APCL means Asia Principal Capital Group Pte Ltd.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares pursuant to an Application Form.

Application Form means the application form for Shares accompanying this Prospectus relating to the Offer.

Application Monies means application monies for Shares received and banked by the Company.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited (as the context requires).

Big Data is the concept described as such in Section 7.1.

Board means the board of Directors as constituted from time to time.

Big Data Business Analytics is the concept described as such in Section 7.1.

Business Day means a week day when trading banks are ordinarily open for business in Sydney, New South Wales.

Class A Performance Right means the contractual right to a Share on the achievement of the vesting conditions and on the terms and conditions detailed in Section 15.5(b).

Class B Performance Right means the contractual right to a Share on the achievement of the vesting conditions and on the terms and conditions detailed in Section 15.5(b).

Class C Performance Right means the contractual right to a Share on the achievement of the vesting conditions and on the terms and conditions detailed in Section 15.5(b).

Closing Date means the date on which the Offer closes as set out in the indicative timetable in Section 3.

Conditions of the Offer mean the conditions of the Offer outlined in Section 6.2.

Company or IXUP means IXUP Limited ACN 612 182 368 and its wholly owned subsidiaries including IXUP Operations and IXUP IP.

Constitution means the constitution of the Company.

Convertible Loan means a convertible loan provided to the Company in the amount of \$2,500,000 which converts to Shares upon completion of the Offer at a price per Share equal to \$0.10 (25,000,000 Shares).

Corporations Act means the Corporations Act 2001 (Cth).

Cygnnet Capital means Cygnnet Capital Pty Limited ACN 103 488 606, a Corporate Authorised Representative of Cygnnet Securities Australia Pty Ltd – AFS Licensee Number 241095.

Dimension Data means Dimension Data Australia Pty Ltd ACN 003 371 239.

Directors mean the directors of the Company specified in Section 9.1.

Empirics means Empirics Marketing Pty Ltd ACN 115 085 820.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

FB Rice means FB Rice Pty Ltd ACN 618 431 851.

Finity means Finity Consulting Pty Ltd ACN 111 470 270.

GST has the same meaning as in A New Tax System (Goods & Services Tax) Act 1999 (Cth).

Patent Report means the intellectual property report in Section 12.

Investigating Accountant's Report means the investigating accountants report in Section 11.

IXUP IP means IXUP IP Pty Ltd ACN 606 610 977, a wholly owned subsidiary of IXUP Operations.

IXUP Operations means IXUP Operations Pty Ltd ACN 607 766 718, a wholly owned subsidiary of the Company.

IXUP Platform is the Company's product offering described in Section 8.3.

KPMG means KPMG ABN 51 194 660 183.

Lead Manager means Cygnnet Capital.

Link Market Services means Link Market Services Limited ACN 083 214 537.

Listing Rules means the official listing rules of ASX.

Microsoft means Microsoft Corporation.

Offer means the offer of Shares pursuant to this Prospectus as outlined in Section 6.1.

Official List means the official list of ASX.

Official Quotation means official quotation of the Shares by ASX in accordance with the Listing Rules.

Option means an option to acquire a Share.

Option Plan means the means the Company's employee Option plan summarised in Section 15.4.

Performance Rights means the Class A Performance Rights, Class B Performance Rights and Class C Performance Rights.

Performance Rights Plan means the means the Company's employee performance rights plan summarised in Section 15.6

Plan Option means an Option exercisable at \$0.25 on or before the date that is five years from the date of Official Quotation of Shares on the ASX and otherwise on the terms and conditions set out in Section 15.3.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares, Options and Performance Rights or any combination of these as the context provides.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services.

Shareholder means a holder of Shares.

Unlisted Options means an unlisted Option exercisable at \$0.25 on or before the date that is five years from the date of Official Quotation of Shares on the ASX and otherwise on the terms and conditions set out in Section 15.2.

Westpac means Westpac Banking Corporation ACN 007 457 141.

William Buck Audit means William Buck Audit (WA) Pty Ltd ACN 125 012 124.

William Buck Consulting means William Buck Consulting (WA) Pty Ltd ACN 125 178 734.