

INTERIM FINANCIAL REPORT

31 DECEMBER 2018





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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the Company during the period from 1 July 2018 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



CORPORATE DIRECTORY

DIRECTORS	Grant Paterson Dean Joscelyne Clifford Rosenberg	Non-Executive Chairman (Acting) Executive Director Non-Executive Director
COMPANY SECRETARY (JOINT)	Andrew Whitten David Bonham	
REGISTERED OFFICE AND PRINCIPAL BUSINESS	Level 3 7 Bridge Street Sydney NSW 2000	
SHARE REGISTER	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Telephone: 1300 554 474 Email: registrars@linkmarketservices.com.au	
AUDITOR	William Buck Audit (WA) Pty Ltd Level 3, 15 Labouchere Road South Perth WA 6151	
SOLICITORS	Whittens and McKeough Pty Ltd (An Automic Group company)	
BANKERS	St George Bank Limited	
SECURITIES EXCHANGE LISTING	IXUP Limited shares are listed on the Australian Securities Exchange. ASX Code: IXU	
WEBSITE	ixup.com	
PLACE OF INCORPORATION	Victoria, Australia	

Your data is only part of a bigger story.
Imagine being able to enrich it.
To uncover hidden and transformative insights.
To empower innovation, productivity and
customer experiences. With IXUP you can –
without ever putting your data at risk.
Realise the promise of secure data analytics.



DIRECTORS' REPORT

Your directors present their interim financial report on IXUP Limited ("IXUP" or the "Company") for the half-year ended 31 December 2018.

DIRECTORS

The names of each person who has been a director from 1 July 2018 and up to the date of this report, unless otherwise stated, are:

Grant Paterson	Non-Executive Chairman (Acting) (13 November 2018 to present)
Timothy Ebbeck	Executive Chairman (29 September 2017 to 13 November 2018)
Dean Joscelyne	Executive Director
Clifford Rosenberg	Non-Executive Director

COMPANY SECRETARY

The names of each person who has been a company secretary from 1 July 2018 and up to the date of this report, unless otherwise stated, are:

Andrew Whitten
David Bonham

PRINCIPAL ACTIVITIES

IXUP is a technology company that secures data analytics and delivers insights across encrypted data within a proprietary governance framework. The IXUP platform enables organisations to obtain previously hidden insights by securely combining their data, and other organisations' data in a fully encrypted form, solving the problems of data loss and misuse by enabling data owners to remain in complete control.

Businesses can extract value from their own data, leverage their choice of third-party analytics tools and build customer centric applications utilising the IXUP platform. Large organisations can also use the platform to provide the same encrypted data insights internally between different divisions, operations or geographical locations. The IXUP platform is deployed within Microsoft Azure for optimal scalable performance.

The Company's go-to-market approach involves working with relevant parties in the Big Data and Big Data Analytics industry including system integrators, data services providers and consulting firms, application and analytics software vendors, cloud providers and owners of data.

During H1FY19, the Company has expanded its partnerships and strengthened its existing relationships to help organisations leverage data for their competitive advantage. The Company continues to work on expanding the scope and value of its industry-leading technology and providing a strong base for further accelerating growth.



REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the first-half of FY19, IXUP focused on delivering its secure analytics environment that perform at scale and address the complex questions clients need answered. These objectives are intended to increase client use of IXUP's unique technology.

The Company believes that future demand for the IXUP product will increase due to high levels of data growth being driven by new types of data, such as big data and the internet of things. IXUP's pipeline of new clients remains strong, and the Company will continue to update the market regarding material changes as they occur.

The loss from operations for the half-year after providing for income tax was \$3,181,637. Additional information on the operations and financial position of the Company is set out in the financial statements.

The Company has also undertaken a thorough review of its costs and has taken significant steps to rationalise its operating expense structure for the second-half of FY19. As at 31 December 2018, IXUP reported a total cash and term deposits balance of \$4,935,514.

PARTNERSHIPS UPDATE

During the half-year, IXUP announced its partnership with Australian-based data and analytics consulting firm, Servian. The early adopters of IXUP's technology expected through the partnership range from medium to large enterprise customers. The positive market response and early client adoption of IXUP's technology is a strong endorsement of the Company's product and its ability to provide valuable business insights.

Since September 2018, IXUP has worked closely with Finity Consulting to support its clients realise the advantages of innovative, scalable and secure data analytics solutions. The Company continues to strengthen its partnership with Finity, driving momentum and investing in potential collaborations to create value for Finity with their adoption of IXUP's technology.

IXUP is also working with one of the world's largest IT consulting companies to provide a secure data analytics environment for collaboration across the health industry. This initiative has already received strong interest from potential clients in the sector with commercial discussions continuing. The relationship signals significant progression in IXUP's growth strategy and the Company will update the market further as the project progresses.

ADDITIONAL PRODUCT FEATURES

Post-period end, the Company developed and made available additional product features, which include new fuzzy matching and data visualisation capabilities. Driven by client feedback, the new features will help future clients maximise their results and ensures IXUP's technology is one of the most powerful tools available on the market.

CEO PETER LEIHN ALIGNS THE COMPANY FOR GROWTH WITH NEW SALES STRATEGY

Since his commencement in November 2018 as Chief Executive Officer, Peter Leihn has set about transforming the business for future growth. To support this strategy, IXUP will now make it easier for clients to access the Company's unique technology through new sales offerings.

IXUP will introduce new purchasing and deployment options in the second-half of FY19, which includes the ability for clients to directly purchase IXUP's technology on a subscription-based software-as-a-service (SaaS) license. As the market continues to move from predominantly capital, enterprise software purchases to subscription-based purchasing options, IXUP's additional business offering will improve the Company's sales effectiveness. The SaaS model will be offered in addition to the existing usage options.

Mr Leihn has built a track record of driving results and successfully navigating business transformations. Peter's experience coupled with his sector understanding will help the Company execute on its growth strategy and accelerate IXUP's position in the market.

IXUP WELL POSITIONED TO CAPITALISE ON GROWING DATA ANALYTICS MARKET

There is a growing appetite for secure, data analytics solutions in the enterprise space, which has created a significant opportunity for IXUP. The Company has recognised a distinct shift in the market, from organisations initially learning and understanding the benefits of data analytics, to now actively seeking solutions to increase business insight and productivity.

According to Gartner, the world's leading research and advisory company for the technology sector, global revenue in the data analytics sector is projected to total US\$22.8 billion by the end of 2020.¹ This supports IXUP's view that data analytics promises to be one of the most disruptive and growing sectors during the next decade.

IXUP's continued investment in sales and marketing, combined with its partnership activities, is fuelling growth in the Company's sales pipeline and is expected to support growth for the latter half of FY19 and beyond.

OPERATING RESULT

The loss from operations for the half-year after providing for income tax was \$3,181,637 (2017: \$5,477,554). Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the interim financial statements.

1. Gartner.com, Gartner Says Worldwide Business Intelligence and Analytics Market to Reach \$18.3 Billion in 2017.

The loss from operations was comprised of:

	6 months to 31 December 2018	6 months to 31 December 2017
Loss from ordinary activities before income tax	(\$2,955,503)	(\$2,019,482)
Non-cash accrued share-based costs	(\$226,134)	(\$3,458,072)
Loss from operations for the period	(\$3,181,637)	(\$5,477,554)

The non-cash share based costs have been recorded in the accounts in accordance with the relevant accounting standards and calculated using the appropriate models (including Black Scholes) to reflect the equity-based compensation provided to staff and directors. Full details are included in the notes to the financial statements.

Revenue increased for the six months to December year-on-year, from \$50,000 to \$90,000 (+80%), as the Company commenced licensing the IXUP technology platform (compared to 2017 pilot revenue), whilst continuing to develop the product, including adding new features.

EVENTS AFTER THE REPORTING PERIOD

At the date of this report, other than discussed above, there are no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect:

- a. the Entity's operations in future years, or
- b. the results of those operations in future financial years, or
- c. the Entity's state of affairs in future financial years.

There were no other significant changes in the state of affairs in the half year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 of the interim financial report.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 306 (3) of the *Corporations Act 2001*.

Grant Paterson
Non-Executive Chairman (Acting)
27 February 2019

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

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2018 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

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

Conley Manifis
Director
Dated this 27th day of February, 2019

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

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		31 DECEMBER 2018	31 DECEMBER 2017
	NOTE	\$	\$
REVENUE	2	90,000	50,000
Cost of sales		(39,134)	(16,017)
GROSS PROFIT		50,866	33,983
Interest income	2	74,845	4,995
Research & Development Tax rebate	2	712,498	-
Employee benefits expense		(2,257,328)	(1,212,527)
Other Personnel costs (Share based costs)	3	(226,134)	(3,458,072)
Occupancy costs		(115,477)	(109,397)
Administrative costs		(1,119,310)	(461,491)
Depreciation and amortisation expense		(298,126)	(272,464)
Finance costs		(3,471)	(2,580)
LOSS BEFORE INCOME TAX		(3,181,637)	(5,477,554)
Tax benefit/(expense)		-	-
LOSS AFTER INCOME TAX		(3,181,637)	(5,477,554)
Other comprehensive income for the year, net of income tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(3,181,637)	(5,477,554)
EARNINGS PER SHARE FROM CONTINUING OPERATIONS		CENTS	CENTS
Basic earnings per share		(2.01)	(6.17)
Diluted earnings per share		(2.01)	(6.17)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. The "Share based costs" have been recorded in the accounts in accordance with the relevant accounting standards. They are non-cash and reflect equity-based compensation provided to staff, directors, and advisors.

STATEMENT OF FINANCIAL POSITION

		CONSOLIDATED	
	NOTE	31 DECEMBER 2018	30 JUNE 2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,935,514	1,576,127
Other receivables		83,021	291,772
Other financial assets	4	-	6,052,356
Other assets		53,233	9,823
TOTAL CURRENT ASSETS		5,071,768	7,930,078
NON-CURRENT ASSETS			
Property, plant and equipment		63,576	73,189
Intangibles		256,451	520,244
TOTAL NON-CURRENT ASSETS		320,027	593,433
TOTAL ASSETS		5,391,795	8,523,511
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		430,630	589,080
Provisions		203,049	230,422
TOTAL CURRENT LIABILITIES		633,679	819,502
NON-CURRENT LIABILITIES			
Provisions		9,609	-
TOTAL NON-CURRENT LIABILITIES		9,609	-
TOTAL LIABILITIES		643,288	819,502
NET ASSETS		4,748,506	7,704,009
EQUITY			
Issued capital	5	16,038,325	16,038,325
Reserves	7	7,666,838	7,799,992
Accumulated losses		(18,956,656)	(16,134,308)
TOTAL EQUITY		4,748,506	7,704,009

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

STATEMENT OF CHANGES IN EQUITY

	ISSUED CAPITAL	RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
CONSOLIDATED	\$	\$	\$	\$
Balance as at 1 July 2017	3,413,927	1,839,662	(7,454,852)	(2,201,263)
Loss for the period	-	-	(5,477,554)	(5,477,554)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(5,477,554)	(5,477,554)
Transactions with shareholders in their capacity as owners:				
Issue of shares	12,665,000	-	-	12,665,000
Issue of shares on conversion of convertible notes	2,500,000	-	-	2,500,000
Issue of shares on conversion of loans	826,000	-	-	826,000
Share issue costs	(1,281,452)	-	-	(1,281,452)
Issue of options as part of capital raising	(2,085,150)	2,085,150	-	-
Share-based costs	-	3,458,072	-	3,458,072
Balance at 31 December 2017	16,038,325	7,382,884	(12,932,406)	10,488,803
Balance as at 1 July 2018	16,038,325	7,799,992	(16,134,308)	7,704,009
Loss for the period	-	-	(3,181,637)	(3,181,637)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(3,181,637)	(3,181,637)
Transactions with shareholders in their capacity as owners:				
Transfer relating to options and rights expired and/or cancelled (note 7)	-	(359,289)	359,289	-
Share-based payments (note 6)	-	226,134	-	226,134
Balance at 31 December 2018	16,038,325	7,666,838	(18,956,656)	4,748,506

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

STATEMENT OF CASH FLOWS

	31 DECEMBER 2018	31 DECEMBER 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	99,000	-
Payments to suppliers and employees	(3,673,112)	(2,605,166)
Tax R&D benefit received	875,130	-
Interest received	99,995	5,000
Net cash used in operating activities	(2,598,987)	(2,600,166)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(93,982)	(11,663)
Payments for investments in term deposits	-	(7,500,000)
Proceeds from investments in term deposits	6,052,356	-
Net Cash generated by / (used in) Investing Activities	5,958,374	(7,511,663)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	12,665,150
Payment for share issue costs	-	(1,409,762)
Proceeds from issue of convertible notes	-	250,000
Net Cash generated by Financing Activities	-	11,505,388
Net increase in cash and cash equivalents	3,359,387	1,393,560
Cash and cash equivalents at the beginning of the reporting period	1,576,127	1,396,756
Cash and cash equivalents at the end of the reporting period	4,935,514	2,790,316

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

GENERAL INFORMATION

The consolidated financial report covers IXUP Limited (the “Company”), IXUP Operations Pty Ltd and IXUP IP Pty Ltd (together the “IXUP Group”, “consolidated entity” or the “Group”). IXUP Limited, IXUP Operations Pty Ltd and IXUP IP Pty Ltd are for profit companies which are incorporated and domiciled in Australia.

The registered office and principal place of business for the IXUP Group is Level 3, 7 Bridge Street, Sydney.

The functional and presentation currency of the Group is Australian dollars.

The financial report was authorised for issue by the Directors on 27 February 2019.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The half-year condensed consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2018, other than for the impact of the adoption of new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the consolidated entity and effective for annual reporting periods beginning on or after 1 July 2018.

There have been no new and revised standards that have had a significant impact on the measurement or disclosure requirements of the Group, except as noted below.

(a) New and revised Standards adopted by the Group

AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018 which has resulted in the following changes to the accounting policy for financial assets and liabilities.

On 1 July 2018, the Company has assessed which business models apply to the financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities as subsequently measured at either amortised cost or fair value, depending on the business model for those assets and on the asset’s contractual cash flow characteristics. There were no changes in the measurement of the Company’s financial instruments.

There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The following table summarises the impact on the classification and measurement of the Company’s financial instruments at 1 July 2018:

Presented in statement of financial position	Financial Asset	AASB 139	AASB 9	Reported \$	Restated \$
Cash and cash equivalents	Bank deposits	Loans and receivables	Amortised Cost	No change	No change
Trade and other receivables	Loans and receivables	Loans and receivables	Amortised Cost	No change	No change

The Company does not currently enter into any hedge accounting and therefore there is no impact to the Company’s Interim Financial Reports.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers applied to the Group from 1 July 2018 and replaced AASB 118 Revenue which covers revenue arising from the sale of goods and the rendering of services.

The new standard is based on the principle that revenue is recognised when control of a service, or goods, transfers to a customer.

The Company completed its assessment of the implications of adopting the new standard and concluded that, due to the nature of the Group’s services, there has been no changes to the timing of the Group’s revenue recognition.

The Group’s accounting policy under AASB 15 is as follows.

Revenue is recognised when the Group satisfies its performance obligations by transferring its products and services to the customer, and the revenue can be reliably measured at the fair value of the consideration received.

(b) Accounting Standards issued but not yet applied by the Group

AASB 16 Leases

The new leasing standard, effective 1 July 2019, replaces AASB 117 Leases and required that:

- All leases are ‘capitalised’ by recognising the present value of the leased payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment.
- A financial liability is recognised representing obligations to make future lease payments.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The standard will affect primarily the accounting for the Group’s operating leases. As at 30 June 2018, the Group had non-cancellable operating lease commitments of \$542,230.

The Company is currently completing its assessment of the effects of applying the new standard on the Group’s financial statements, including the extent to which these commitments will result in the recognition of lease assets and liabilities for future payments and how this will affect the Group’s net assets, profit and classification of cash flows.

NOTE 2. INCOME FROM OPERATIONS

	31 December 2018	31 December 2017
	\$	\$
Revenue	90,000	50,000
Interest income	74,845	4,995
R&D Tax Rebate	712,498	-
	877,343	54,995

NOTE 3. OPERATIONAL EXPENSES AND SHARE BASED TRANSACTIONS

Expenses	31 December 2018	31 December 2017
	\$	\$
Cost of sales	39,134	16,017
Personnel costs	2,257,328	1,212,527
Other Personnel costs (Share-based costs)	226,134	3,458,072
Occupancy costs	115,477	109,397
Administrative costs	1,119,310	461,491
Depreciation and amortisation	298,126	272,464
Finance costs	3,471	2,580
	4,058,980	5,532,549

The non-cash Share-based costs are recorded in the accounts in accordance with the relevant accounting standards, calculated using the appropriate models to reflect the equity-based compensation provided to staff and directors. Full details are included in Note 6.

NOTE 4. OTHER FINANCIAL ASSETS

Other Financial Assets consists of Term Deposits with maturity dates of more than 3 months but less than 12 months.

NOTE 5. ISSUED CAPITAL

Share capital	31 Dec 2018	31 Dec 2018	30 June 2018	30 June 2018
	Shares	\$	Shares	\$
Ordinary shares fully paid	158,443,751	16,038,325	158,443,751	16,038,325

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 6. OPTIONS AND PERFORMANCE RIGHTS

Movements in the number of options on issue during the period are as follows:

Description	Plan Options	Unlisted Options
Opening Balance 1 July 2018	7,070,000	56,426,470
Issued during the period	5,685,000	-
Exercised during the period	-	-
Expired and/or canceled during the period	(2,496,666)	-
Balance at 31 December 2018	10,258,334	56,426,470

During the half-year ended 31 December 2018:

- IXUP issued 5,685,000 Plan Options in December 2018 to employees and directors.
 - Vesting occurs over 3 years in equal instalments.
 - The Plan Options have been valued using the Black Scholes Model with independent advice. The calculated Black Scholes Valuation is 4.694 cents per Plan Option which is \$3,978 recognised during the half-year ended 31 December 2018 as part of Share based costs.
- \$95,329 was recognised relating to Plan Options issued in 2017 to employees and directors.
- \$50,126 was recognised relating to the forfeiture of Plan Options issued in 2017 to founder and Executive Director Dean Joscelyne
- 2,496,666 Plan Options were cancelled as follows:
 - 1,496,666 cancelled relating to employees and directors who left the Company and did not meet vesting conditions.
 - 1,000,000 forfeited by founder and Executive Director Dean Joscelyne in July 2018 in order to widen the Plan Option pool for new joiners.

Movements in the number of Performance Rights on issue during the period are as follows:

Description	Performance Rights
Opening Balance 1 July 2018	5,250,000
Issued during the period	1,750,000
Exercised during the period	-
Expired and/or cancelled during the period	(3,000,000)
Balance at 31 December 2018	4,000,000

During the half-year ended 31 December 2018:

- IXUP issued 1,750,000 Performance Rights in December 2018 to directors and advisory board members.
 - Vesting occurs in equal instalments subject to revenue targets and tenure conditions being achieved.
 - The rights have been valued with independent advice and recognised at \$1,701 as part of Share based costs
 - Vesting occurs in equal instalments subject to revenue targets and tenure conditions being achieved.
- \$75,000 was also recognised relating to Performance Rights issued in 2017.
- 3,000,000 Performance Rights were cancelled relating to directors who left the Company and did not meet vesting conditions.

NOTE 7. RESERVES

During the half-year ended 31 December 2018 \$359,289 relating to costs recognised in the financial year ended 30 June 2018 for share-based costs were reversed from reserves and accumulated losses. These amounts relate to the cancellation and forfeiture of securities as outlined in Note 6, as follows:

Share based cost reserve	2018	2017
	\$	\$
Opening balance as at 1 July	7,799,992	1,839,662
Share based payments	226,134	3,458,072
Issue of options as part of capital raising	-	2,085,150
Less movement of cancelled plan options	(85,421)	-
Less movement of forfeited plan options	(107,200)	-
Less movement of performance shares	(166,667)	-
Closing balance as at 31 December	7,666,838	7,382,884

NOTE 8. RELATED PARTY TRANSACTIONS

Amounts owed to related parties	31 December 2018	31 December 2017
	\$	\$
YDCJ Pty Ltd atf YDCJ Unit Trust	13,869	11,000
Dean Joscelyne	5,631	3,960
Rosenberg Trading Pty Ltd	5,500	8,250
Ebbeck TIG Consulting	-	43,642
Total	25,000	66,852

Related party transactions	6 months to 31 December 2018	6 months to 31 December 2017
	\$	\$
Destria Pty Ltd	-	5,148
YDCJ Pty Ltd atf YDCJ Unit Trust	83,217	66,000
Mr Dean Joscelyne	33,786	36,014
Rosenberg Trading Pty Ltd	33,266	8,250
Ebbeck Family Trust t/as	102,920	133,872
Ebbeck TIG Consulting	-	-
Marc Goldman	-	34,325
GTP Legal Pty Ltd	14,215	-
Total	267,404	283,609

Notes to related party transactions:

- Destria Pty Ltd is related to Dean Joscelyne
- YDCJ Pty Ltd atf YDCJ Unit Trust is related to Dean Joscelyne
- Rosenberg Trading Pty Ltd is related to Cliff Rosenberg
- Ebbeck Family Trust t/a Ebbeck TIG Consulting is related to Timothy Ebbeck
- GTP Legal Pty Ltd is related to Grant Paterson

NOTE 9. CONTINGENT LIABILITIES

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

NOTE 10. SEGMENT INFORMATION

The Group currently operates in one operating segment being the software industry. The Group continues to consider new projects in this sector and others by way of acquisition or investment. The Group currently operates in one geographic segment that being Australia.

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

NOTE 11. EVENTS AFTER THE REPORTING PERIOD

At the date of this report there are no other matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect:

- the Entity's operations in future years, or
- the results of those operations in future financial years, or
- the Entity's state of affairs in future financial years.

**DIRECTORS' DECLARATION
31 DECEMBER 2018**

In the opinion of the Directors of IXUP Limited ('the company'):

- The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year then ended.
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Grant Paterson
Non-Executive Chairman (Acting)
27 February 2019

IXUP Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of IXUP Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity) on pages 7 to 15, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of IXUP Limited on pages 7 to 15 is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and
- complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

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

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of IXUP Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



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



Conley Manifis
Director

Dated this 27th day of February, 2019



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