Appendix 4E
Preliminary final report
IXUP Limited
ABN 85 612 182 368

Reporting period: Financial year ended 30 June 2022
Previous corresponding period: Financial year ended 30 June 2021

	30-Jun-22	30-Jun-21	Movement	
	$	$	$	%
Revenues from continuing operations	977,172	16,750	960,422	5,733.8%
Loss from ordinary activities after tax attributable to members	(13,662,608)	(5,424,784)	(8,237,824)	(151.9%)
Net loss for the period attributable to members	(13,662,608)	(5,424,784)	(8,237,824)	(151.9%)

Commentary

The above results should be read in conjunction with the notes and commentary contained in the Preliminary Financial Statements attached.

Net Tangible Assets per share

	30-Jun-22	30-Jun-21
Net tangible asset backing per ordinary share (cents per share)	0.24	0.60

Control gained over entities

DataPOWA Limited (UK)

Loss of control over entities

Not applicable

Dividends (distributions)

	30-Jun-22	30-Jun-21
Interim Dividend per share (fully franked)	nil	nil
Final Dividend per share (fully franked)	nil	nil

Dividend reinvestment plan

Not applicable

Details of associates and joint ventures

Not applicable

Foreign Entities

The results of all foreign entities have been compiled using International Financial reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Status of Audit

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Financial Statements. The Financial Statements are in the process of being audited and is expected to be made available by 30 September 2022

Attachments

Details of attachments (if any)

The Preliminary Financial Statements of IXUP Limited for the year ended 30 June 2022 are attached.

The above results should be read in conjunction with the notes and commentary contained in this report.

Signed

Dated: 31 August 2022

Mr Julian Babarczy
Chairman

IXUP Limited

ABN 85 612 182 368

Preliminary Unaudited Financial Statements - 30 June 2022

Directors	Dean Joscelyne (Non-Executive Director) (Retired 29 July 2022) Freya Smith (Non-Executive Director) Julian Babarczy (Non-Executive Chairman) Marcus Gracey (Executive Director, Director Corporate Development & Strategy) Ian Penrose (Non-Executive Director) (Appointed 24 January 2022)
Company secretary	David Franks
Registered office and Principal Place of Business	Tenancy 1004, Building 10 Fleet Workshops North Sub Base Platypus 120 High Street North Sydney, NSW, 2060
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Telephone 1300 554 474 Email: registrars@linkmarketservices.com.au
Auditor	William Buck Audit (WA) Pty Ltd Level 3,15 Labouchere Road South Perth WA 6151
Solicitors	Automic Legal Pty Ltd (An Automic Group company)
Bankers	St George Bank Limited
Stock exchange listing	IXUP Limited shares are listed on the Australian Securities Exchange. ASX code: IXU
Website	www.ixup.com
Place of Incorporation	Victoria, Australia

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

Highlights of the year include:

- Completion of the acquisition of UK based, DataPOWA Limited to strategically position IXUP for accelerated growth within the global sports data markets
- Execution of Pilot Collaboration Agreement with Conscious Gaming and GeoComply Solutions Inc. in the US
- Development completion of POWA index 2.0 (FanPOWA), the next generation POWA index product recently upgraded to include the functionality and capability of IXUP's secure data collaboration technology and IXUP's secure data market
- Entered US online gaming and sports wagering markets
- Entered New Zealand market via partnership with Beyonde Ventures, a subsidiary of Australian loyalty consultancy Ellipsis & Company
- Signed data collaboration agreement with leading global customer data management and consulting company Acxiom
- Completed successful capital raise to fund ongoing commercialisation efforts for IXUP's world-leading data collaboration technologies
- Incorporated US subsidiary (IXUP Inc.) and commenced business operations in the US, including signing a commercial agreement with a large US health insurer to utilise IXUP's technology platform
- Completed Proof of Concept (POC) for US online sports betting initiative using IXUP's encryption-based data collaboration technology
- Appointed experienced CFO and executive team

DataPOWA Limited Acquisition
On 4 August 2021, the Company completed its acquisition of UK-based sports technology company, DataPOWA Limited (DataPOWA), concluding IXUP's first business acquisition in the exciting global sports data/sponsorship industry.

On 19 May 2021 IXUP announced that it entered into a binding Share Purchase Agreement (SPA) to acquire UK-based sports technology company DataPOWA, for a maximum purchase price of A$12 million on a debt-free basis (DataPOWA Acquisition).

The A$12 million purchase price included 93,085,107 IXUP shares at a deemed value of $0.094 being the price of the Company shares at the time acquisition discussions commenced. In accordance with AASB 3 *Business Combinations*, the shares have been valued at their fair value on the date of completion at $0.155 per share, an increase of $0.061 per share.

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

The DataPOWA Acquisition strategically repositions IXUP and its technology in the lucrative sports sponsorship and sports data markets with notable adjacency to the fast-growing US digital sports gaming and wagering markets.

Execution of Pilot Collaboration Agreement with Conscious Gaming and GeoComply Solutions Inc.
On 5 October 2021, the Company announced that it had executed a Pilot Collaboration Agreement with Conscious Gaming and GeoComply Solutions Inc. (GeoComply) in the US, to leverage IXUP's secure data collaboration technologies within the US online gaming and sports wagering markets (the Collaboration). The focus of the Collaboration is to initially support ethical gaming and sports integrity and to deliver functionality for self-exclusion and the exclusion of impermissible bettors to sports betting operators, major sports leagues and regulators across States in the US.

The Collaboration involves incorporating IXUP technology within GeoComply's market-leading "PlayPause" multi-state self-exclusion product in order to add further functionality, encryption based data security and product scalability. The enhanced IXUP-powered "PlayPause" product is planned to be tested via (POC) trials with key market participants in the US, and subject to successful POC testing, will then be jointly commercialised by GeoComply and IXUP, noting the significant total addressable market in the US and internationally for this product.

The final IXUP enhanced "PlayPause" product is intended to be deployed as a distributed, fully encrypted, and highly secure cloud platform to enable impermissible betters to be registered and queried in a privacy preserving manner. The platform will use a blend of military grade encryption techniques (including homomorphic encryption) to ensure data is protected and controlled by data owners at all times, yet still enable the data to be searched to identify an impermissible bettor. The scalability of the cloud platform will ensure the solution can support the growing size of the sports betting market and the significant amount of data that will need to be queried in real time as a result.

This initiative is also a meaningful opportunity to apply IXUP's unique and market leading technology to solve important social and ethical challenges being faced within this sector, while at the same time presenting a significant potential commercial opportunity to deliver value for IXUP shareholders.

POWA index 2.0 (FanPOWA)
During the reporting period DataPOWA in collaboration with IXUP has continued its development of POWA index 2.0 (also known as FanPOWA), an advanced AI sports sponsorship technology platform now also powered by the IXUP's secure data collaboration technology.

POWA index 2.0 provides sporting clubs with the ability to encrypt their own 1st party data and enrich it with anonymised demographic data from third party enrichment data providers such as Acxiom, (the world's leader in global demographic data), to create insights to better understand and engage with customers, maximise investments and create personalised customer experiences.

The productisation of POWA index 2.0 to include IXUP's secure data collaboration functionality and capabilities along with IXUP's new Secure Data Market is a significant milestone and a world first product in the sporting world. The addition of IXUP's secure data market now provides large data owners with the opportunity to commercialise their data through IXUP's technology platform in a safe a unique way that has not previously been available in the market.

The Company expects this new functionality to be attractive to data owners as a new path to market as well as to users of POWA index 2.0 as a way to enrich their own data without the need to collaborate with additional parties. The ability of IXUP to secure these sources of data and securely provide that data to IXUP customers also presents a new potential opportunity for additional revenue for IXUP particularly as additional data sources are secured and become available to our IXUP's customers.

Entry into New Zealand market
On 24 November 2021, the Company announced it had signed a 2-year rolling, partner agreement with Beyonde Ventures Pty Ltd (Beyonde). Beyonde is a subsidiary of Ellipsis & Company, an Australian-owned loyalty consultancy, with a high-profile list of clients with well-known loyalty programs.

Beyonde will establish a New Zealand instance of the IXUP platform to meet any client data sovereignty requirements; will take on the role as IXUP's partner and Master Reseller for the New Zealand market; and will provide a Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) offering of the IXUP secure Data Engine.

New partnership with Axciom to explore commercialisation opportunities
On 18 November 2021, IXUP announced that it had signed a Data Collaboration Agreement with leading global customer data management and consulting company Acxiom.

The agreement will see IXUP and Acxiom explore potential opportunities through the combination of the IXUP's leading secure data collaboration technology and Acxiom's rich global geo-demographic data sets.

The initiative is significant as it will showcase IXUP's ability to offer its clients data enrichment and collaboration opportunities that generate deeper, more valuable insights whilst at all times preserving the security of the underlying data.

Capital Raise
On 7 December 2021, the Company successfully completed a capital raise of $10 million (before costs) via the issue of 71,428,571 fully paid ordinary shares at an issue price of $0.14 per share. This will be used to fund ongoing commercialisation efforts for IXUP's world-leading data collaboration technologies, as well as related working capital.

The raising, arranged by Cygnet Capital, was significantly oversubscribed and supported by institutional and sophisticated investors, including strong support from existing shareholders.

Board and Management Appointments
On 9 December 2021, Mr Matthew Johnson was appointed as Group CFO. Mr Johnson is an experienced Chartered Accountant and Company Secretary, with experience in private, listed and international organisations, and extensive technology industry experience.

On 24 January 2022, the Company further strengthened its Board with the appointment of Ian Penrose as a Non-Executive Director of the Company. Mr Penrose is a highly experienced director and global executive with a successful career in the international gaming, technology, sports and leisure industries. His current roles include Chairman of DataPOWA, senior independent director of Playtech plc (LON: PTEC) and Non-Executive Director of Weatherbys Limited.

The Company has been operating with Joint Company Secretaries, being Mr David Franks and Ms Victoria-Jane Otavski from the Automic Group. On 28 January 2022, Ms Otavski resigned as Company Secretary.

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

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

Proof of Concept Testing Completed in relation to Collaboration Agreement with Conscious Gaming and GeoComply Solutions Inc.
In the 3rd quarter of the financial year ended 30 June 2022, IXUP successfully achieved its POC market testing phase, as contemplated in the Collaboration agreement, with 100% of testing objectives successfully achieved.

With POC testing now completed, discussions have commenced with Industry stakeholders and sporting leagues, securing commitments, finalising a pilot product for customer testing and refining our pricing and business model ahead of a US product launch.

Financial position
The Company reported sales revenue of $977,172 (30 June 2021: $16,750) for the financial year ended 30 June 2022. IXUP is in the early stages of commercialisation with version 4 of the SaaS and PaaS platform released in April 2020. The Company continues to invest in its technology platform and at 30 June 2022 had cash and term deposits of $4,816,710 (30 June 2021: $4,824,960.

During the year the Company received an Australian Tax Office R&D tax rebate of $261,291 (30 June 2021: $554,598).

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

Matters subsequent to the end of the financial year
On the 29th of July 2022, the Company announced it had commenced a global Collaboration with Microsoft Research in the quarter, having implemented Microsoft's SEAL homomorphic encryption technology to assist IXUP to solve the challenges of responsible gaming and sports integrity. This collaboration acknowledges IXUP's efforts and focus, which are considered an important ESG initiative to address the challenges of responsible gaming. IXUP is proud to be working with Microsoft on our various commercialisation initiatives.

On the 18th of August 2022, the Company announced operational changes to align the company to the strategic focus of the business. A number of important commercialisation milestones are also progressing, the success of which will aid the planned positioning of IXUP as a meaningful player in the global online sports bettering compliance and integrity industry. The changes included the following:

- Marcus Gracey transitioned from the CEO role to Director, Corporate Development & Strategy
- An Advisory Committee has been established to provide strategic, commercial and operational guidance and oversight to the management Team during the transitional period through to appointment of a new CEO
- Appointment of experienced US Online Gaming Executive, Kevin Vonasek, as a US-based consultant to oversee all US commercialisation opportunities
- Senior leadership team at IXUP given enhanced responsibility to deliver successful commercialisation outcomes
- Several key commercialisation initiatives well advanced, including multiple pilots involving major US online operators, regulators and sporting leagues

On the 29th of August 2022, the Company announced a capital raise via a pro-rata non-renounceable issue of one (1) New Share for every seven (7) held by eligible shareholders registered at the Record Date at an issue price of $0.04 per new share. The raise is expected to raise $5,154,720 before costs with offers to close on the 15th of September 2022, with the new shares trading on Friday the 23rd of September 2022.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the consolidated Company's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

General information

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

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

Tenancy 1004, Building 10
Fleet Workshops North
Sub Base Platypus
120 High Street
North Sydney, NSW, 2060

IXUP Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Revenue			
Revenue	6	977,172	16,750
Cost of sales	7	(436,869)	-
Gross profit		540,303	16,750
Other income	5	-	197,283
Interest revenue calculated using the effective interest method		1,212	4,917
Research & Development Tax rebate		261,291	554,598
Expenses			
Employee benefits expense	7	(6,062,004)	(1,650,564)
Share-based costs		(2,591,332)	(2,191,924)
Depreciation and amortisation expense	7	(1,083,755)	(80,077)
Loss on disposal of assets		(154)	-
Occupancy cost	7	(45,143)	(48,189)
Administration costs	7	(4,670,037)	(2,223,907)
Finance costs	7	(12,989)	(3,672)
Loss before income tax expense		(13,662,608)	(5,424,785)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the shareholders of IXUP Limited	25	(13,662,608)	(5,424,785)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the shareholders of IXUP Limited		(13,662,608)	(5,424,785)
		Cents	**Cents**
Basic earnings per share	38	(1.59)	(0.88)
Diluted earnings per share	38	(1.59)	(0.88)

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

IXUP Limited
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	9	4,816,710	4,824,960
Trade and other receivables	10	612,139	407,559
Other financial assets		341,200	-
Prepayments		254,371	35,979
Total current assets		6,024,420	5,268,498
Non-current assets			
Property, plant and equipment	11	36,761	28,153
Right-of-use assets	12	233,151	74,691
Intangibles	13	17,027,780	2,935,245
Deposits	14	52,666	9,725
Total non-current assets		17,350,358	3,047,814
Total assets		23,374,778	8,316,312
Liabilities			
Current liabilities			
Trade and other payables	15	1,015,739	842,536
Lease liabilities	16	74,566	68,052
Provisions	17	338,472	179,697
Deferred revenue	18	80,229	-
Total current liabilities		1,509,006	1,090,285
Non-current liabilities			
Other financial liabilities	19	2,375,000	-
Borrowings	20	37,295	-
Lease liabilities	21	159,291	5,826
Provisions	22	118,043	88,167
Total non-current liabilities		2,689,629	93,993
Total liabilities		4,198,635	1,184,278
Net assets		19,176,143	7,132,034
Equity			
Issued capital	23	49,133,674	26,530,941
Reserves	24	14,754,971	11,650,987
Accumulated losses	25	(44,712,502)	(31,049,894)
Total equity		19,176,143	7,132,034

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	18,611,718	8,442,017	(25,855,668)	1,198,067
Loss after income tax expense for the year	-	-	(5,424,785)	(5,424,785)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,424,785)	(5,424,785)
Issue of shares	9,855,409	-	-	9,855,409
Issue of options as cost of capital raising	(1,247,605)	1,247,605	-	-
Share issue costs	(688,581)	-	-	(688,581)
Transfer relating to options and rights expired and/or forfeited	-	(230,559)	230,559	-
Transactions with shareholders in their capacity as shareholders:				
Share-based payments (note 39)	-	2,191,924	-	2,191,924
Balance at 30 June 2021	26,530,941	11,650,987	(31,049,894)	7,132,034

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	26,530,941	11,650,987	(31,049,894)	7,132,034
Loss after income tax expense for the year	-	-	(13,662,608)	(13,662,608)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(13,662,608)	(13,662,608)
Issue of shares	22,258,143	-	-	22,258,143
Share issue costs	(967,215)	-	-	(967,215)
Transactions with shareholders in their capacity as shareholders:				
Share-based payments (note 39)	-	2,591,332	-	2,591,332
Options Exercised	1,311,805	(1,311,805)	-	-
Contingent consideration for DataPOWA acquisition	-	1,731,383	-	1,731,383
Foreign Exchange translation	-	93,074	-	93,074
Balance at 30 June 2022	49,133,674	14,754,971	(44,712,502)	19,176,143

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

IXUP Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Cash flows from operating activities			
Receipts from customers		594,244	45,950
Interest and other finance costs paid		(1,096)	(984)
Payments to suppliers and employees		(11,290,667)	(3,354,228)
Interest received		1,482	9,291
Government grants and tax incentives (R&D Incentive, JobKeepers Rebate, Cash Boost, EMD Grant)		290,305	786,754
Net cash used in operating activities	36	(10,405,732)	(2,513,217)
Cash flows from investing activities			
Payments for property, plant and equipment	11	(28,215)	(26,964)
Payments for intangibles	13	(3,250,000)	(3,271,796)
Payments for investments in term deposits		(142,941)	-
Payments for Investments in Convertible Notes		(341,200)	
Other - GST on DataPOWA acquisition		300,000	-
Other - DataPOWA cash on acquisition		27,208	-
Net cash used in investing activities		(3,435,148)	(3,298,760)
Cash flows from financing activities			
Proceeds from issue of shares		10,000,000	9,855,409
Payment for share and issue transaction costs		(964,408)	(730,445)
Proceeds from issue of options		4,908,545	-
Repayment of borrowings		(9,524)	-
Repayment of lease liabilities		(52,511)	(25,392)
Net cash from financing activities		13,882,102	9,099,572
Net increase in cash and cash equivalents		41,222	3,287,595
Cash and cash equivalents at the beginning of the financial year		4,824,960	1,537,365
Effects of exchange rate changes on cash and cash equivalents		(49,472)	-
Cash and cash equivalents at the end of the financial year	9	4,816,710	4,824,960

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

The financial report has been prepared on a going concern basis which assumes the settlement of liabilities and the realisation of assets in the normal course of business.

The Group has incurred a loss of $13,662,608 (2021: $5,424,785) and experienced net cash outflows from operating activities of $10,405,732 (2021: $2,512,233). As at 30 June 2022, the Group had cash and cash equivalents of $4,816,710 (2021: $4,824,960).

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to raise additional capital or obtain external financing in the next few months. The Board is assessing capital raising opportunities as at the date of this report.

Management have prepared a cash flow forecast for a period of 22 months from the date of this report incorporating the above factors.

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

- The ability of the Company to raise the additional capital, for which it has a successful history in doing so;
- Commercialisation of its intellectual property, to deliver future revenue; and
- Recognising that the priority of the Board and management remains revenue growth and cost reductions.

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

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

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

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Note 1. Significant accounting policies (continued)

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

Derivative financial instruments
Hedges of a net investment
Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

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

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Website
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

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

Note 1. Significant accounting policies (continued)

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

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

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

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

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

Employee benefits

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

Fair value measurement
Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. There are no standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

Goodwill impairment testing
The Group tests goodwill for impairment by estimating future cashflows which are discounted at an appropriate discount rate. Please refer to note 13.

Note 3. COVID-19 impact

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

Specific actions taken during the year included:

- Staff hours and fixed remuneration reduced with focus on maintaining core sales and technical support functions;
- Successful application for the Federal Government's JobKeeper Wage Subsidy (Round 1) for all eligible staff;
- Reduction in costs relating to essential services and infrastructure costs;

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

Note 4. Operating segments

Identification of reportable operating segments
The Group currently operates in one operating segment being the software industry. The Group continues to consider new projects in this sector and others by way of acquisition or investment. The Group operated in three geographic segments that being Australia, UK and US.

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

Operating segment information

Consolidated - 2022	Australia $	UK $	U.S $	Total $
Revenue				
Sales to external customers	-	423,945	553,227	977,172
Interest Income	1	-	-	1
Total revenue	1	423,945	553,227	977,173

Note 5. Other income

	Consolidated 2022 $	Consolidated 2021 $
Export Market Development Grant	-	47,156
Profit on sale of assets	-	1,127
ATO COVID-19 Cashflow Boost	-	50,000
ATO COVID-19 JobKeeper subsidy	-	99,000
Other income	-	197,283

Note 6. Revenue

	Consolidated 2022 $	Consolidated 2021 $
Software revenue	977,172	16,750

Note 7. Expenses

	Consolidated 2022 $	Consolidated 2021 $
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	(436,869)	-
Depreciation		
Depreciation	488,883	40,962
Amortisation	594,872	39,115
Total depreciation and amortisation	1,083,755	80,077
Administrative Costs		
Professional adviser and legal costs	1,759,644	1,475,161
Consulting costs paid to entities related to the directors	60,000	181,668
Recruitment costs	76,449	36,464
Advertising and promotion	100,415	11,805
Travel and accommodation	160,138	20,662
Software licenses	752,069	112,381
Other	1,761,322	385,766
	4,670,037	2,223,907
Employee benefits expense		
Wages and salaries	5,233,849	1,427,680
Superannuation costs	387,716	128,948
Other employee benefits	379,347	93,936
	6,000,912	1,650,564
Occupancy costs		
Rent (short term lease payments)	20,424	28,333
Other occupancy costs	24,719	19,856
	45,143	48,189
Finance costs		
Interest costs	8,603	2,687
Interest and finance charges paid/payable on lease liabilities	4,386	985
Finance costs expensed	12,989	3,672
Share-based payments expense		
Share-based payments expense	2,591,332	2,191,924

Note 8. Income tax expense

	Consolidated 2022 $	Consolidated 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(13,662,608)	(5,424,785)
Tax at the statutory tax rate of 25% (2021: 26%)	(3,415,652)	(1,410,444)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	647,833	569,900
Non assessable other income	340,093	-
Non assessable Research & Development refund	-	(144,195)
	(2,427,726)	(984,739)
Current year temporary differences not recognised	2,427,726	984,739
Income tax expense	-	-

	Consolidated 2022 $	Consolidated 2021 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	30,365,148	21,012,648
Potential tax benefit at statutory tax rates	7,591,287	5,463,288

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

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

Deferred tax assets and liabilities

	Consolidated 2022 $	Consolidated 2021 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	31,890	17,390
Entertainment	-	520
Depreciation	4,134	4,701
Payroll accrual	14,825	2,080
Deferred tax assets used to offset deferred tax liabilities	(21,540)	84,983
Tax losses carried forward	7,591,287	5,463,289
Deferred tax assets not brought into account	(7,620,596)	(5,572,963)
Total deferred tax assets recognised	-	-

Note 8. Income tax expense (continued)

	Consolidated	
	2022	2021
	$	$
Deferred tax liability		
Accrued expenses	(86,161)	326,858
Deferred tax assets used to offset deferred tax liabilities	86,161	(326,858)
	-	-

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

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2022	2021
	$	$
Cash at bank	4,716,710	4,724,960
Term deposits	100,000	100,000
	4,816,710	4,824,960

Term deposits have maturity dates of less than 3 months.

Note 10. Current assets - Trade and other receivables

	Consolidated	
	2022	2021
	$	$
Trade receivables	414,723	-
Other receivables	145,849	6,156
GST	51,567	401,403
	612,139	407,559

Allowance for expected credit losses
The consolidated entity has recognised a loss of $nil (2021: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

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

	Consolidated 2022 $	Consolidated 2021 $
Computer equipment - at cost	112,011	79,417
Less: Accumulated depreciation	(78,694)	(53,182)
	33,317	26,235
Office equipment - at cost	13,780	7,791
Less: Accumulated depreciation	(10,336)	(5,873)
	3,444	1,918
	36,761	28,153

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

Consolidated	Leasehold improvements * $	Computer equipment $	Office equipment $	Total $
Balance at 1 July 2020	14,574	3,868	-	18,442
Additions	-	25,640	2,154	27,794
Depreciation expense	(14,574)	(3,273)	(236)	(18,083)
Balance at 30 June 2021	-	26,235	1,918	28,153
Additions	-	30,924	3,208	34,132
Additions through business combinations (note 32)	-	7,956	740	8,696
Disposals	-	(12,450)	-	(12,450)
Exchange differences	-	(303)	(13)	(316)
Reversal of depreciation on disposals	-	978	-	978
Depreciation expense	-	(20,023)	(2,409)	(22,432)
Balance at 30 June 2022	-	33,317	3,444	36,761

* These assets were disposed after they were fully depreciated.

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

	Consolidated 2022 $	Consolidated 2021 $
Right-of-use asset	350,479	77,635
Less: Accumulated depreciation	(117,328)	(2,944)
	233,151	74,691

The consolidated entity leases an office and a parking space, with lease terms of 1.1 years. Both commenced on 15 June 2021 and will terminate on 31 July 2022. The company has leased new premises with 3 parking spaces, with lease terms of 3.3 years. Both commenced 1 June 2022. Depreciation for the year for the right-of-use asset was $114,385.

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

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

Consolidated	Right-of-use asset $	Total $
Balance at 1 July 2020	19,936	19,936
Additions	77,635	77,635
Depreciation expense	(22,880)	(22,880)
Balance at 30 June 2021	74,691	74,691
Additions	272,845	272,845
Depreciation expense	(114,385)	(114,385)
Balance at 30 June 2022	233,151	233,151

Note 13. Non-current assets - intangibles

	Consolidated	
	2022 $	**2021 $**
Goodwill - at cost	13,909,359	-
Development - at cost	1,731,909	1,731,909
Less: Accumulated amortisation	(1,731,909)	(1,731,909)
	-	-
Website - at cost	1,120,389	-
Less: Accumulated amortisation	(342,341)	-
	778,048	-
Intellectual Property	2,974,360	2,974,360
Less: Accumulated amortisation	(633,987)	(39,115)
	2,340,373	2,935,245
	17,027,780	2,935,245

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

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

Consolidated	Goodwill $	Development $	Website $	Intellectual Property $	Total $
Balance at 1 July 2020	-	-	-	-	-
Additions	-	-	-	2,974,360	2,974,360
Amortisation expense	-	-	-	(39,115)	(39,115)
Balance at 30 June 2021	-	-	-	2,935,245	2,935,245
Additions through business combinations (note 32)	13,909,359	-	1,120,389	-	15,029,748
Amortisation expense	-	-	(342,341)	(594,872)	(937,213)
Balance at 30 June 2022	13,909,359	-	778,048	2,340,373	17,027,780

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

Goodwill
Goodwill and website relate to the acquisition of DataPOWA Ltd in August 2021. Measurement of the assets and liabilities acquired from the acquisition of DataPOWA Ltd are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about the facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised as of the date.

Goodwill is subject to impairment testing on an annual basis or whenever there is an indication of impairment. Capitalised development costs, website and software costs are subject to impairment testing whenever there is an indication of impairment. A review of indicators of impairment relating to all intangible assets was performed at 30 June 2022. This review was determined by using a value-in-use calculation using a discounted cash flow model, based on a 2 year projection approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

The following key assumptions were used in the discounted cash flow for DataPOWA:
- 18% post tax discount rate;
- Terminal year discount period of 5 years
- Terminal Growth rate of 3%
- Forecast revenue growth averaging 59% year on year

Based on the strategy presented by management and the early stage of the business the average growth rate is justified.

Sensitivity
As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:
- The average revenue growth would need to decrease by 18% before goodwill would need to be impaired, with other assumptions remaining constant
- The discount rate would be required to increase by 7% before goodwill would need to be impaired, with other assumptions remaining constant

As a result of this review, no indicators of impairment were identified as at 30 June 2022.

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

Developed Software
During the year ended 30 June 2022, the gross carrying value of Developed Software equated to $1,731,909 (2021;$1,731,909). This asset was originally capitalised at this gross value with effect September 2015 and is being depreciated on a straight-line basis at 30% per annum.

Accumulated depreciation of this Developed software totalled $1,731,909 (2021; $1,731,909), giving net written down value of $nil (2021: $nil) at financial year end.

Intellectual Property
During the year ended 30 June 2021, the company completed the strategic acquisition of the entire intellectual property of Data Republic Pty Ltd. The acquisition is capitalised at cost of $2,974,360 and is being depreciated on a straight-line basis at 20% per annum.

Accumulated depreciation of this Intellectual Property totalled $633,978, giving net written down value of $2,340,373 at financial year end.

Based on the replacement value to develop the intellectual property of Data Republic and the ongoing commercialisation of the software no indicators of impairment were identified as at 30 June 2022.

Note 14. Non-current assets - Deposits

	Consolidated	
	2022 $	2021 $
Security Deposit	52,666	9,725

This amount represents two security deposits for the office space rented. On termination or cancellation of the rental contract the deposits will be refunded.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2022 $	2021 $
Trade payables	478,119	465,388
Accrued expenses	151,114	281,836
PAYG withholding payable	233,754	42,984
Superannuation payable	113,687	42,829
Wages payable	21,962	8,459
Other payables	17,103	1,040
	1,015,739	842,536

Refer to note 27 for further information on financial instruments.

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

Note 16. Current liabilities - lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Lease liability	74,566	68,052

Refer to note 27 for further information on financial instruments.

The consolidated entity leases an office and a parking space, with lease terms of 1.1 years. Both commenced on 15 June 2021 and will terminate on 31 July 2022. The company has leased new premises with 3 parking spaces, with lease terms of 3.3 years. Both commenced 1 June 2022.

Note 17. Current liabilities - provisions

	Consolidated 2022 $	Consolidated 2021 $
Annual leave	338,472	179,697

Note 18. Current liabilities - Deferred revenue

	Consolidated 2022 $	Consolidated 2021 $
Deferred revenue	80,229	-

Note 19. Non-current liabilities - Other financial liabilities

	Consolidated 2022 $	Consolidated 2021 $
Contingent consideration	2,375,000	-

Contingent consideration
The provision represents the obligation to pay contingent consideration following the acquisition of DataPOWA Limited. For more information refer to note 32.

Note 20. Non-current liabilities - borrowings

	Consolidated 2022 $	Consolidated 2021 $
Bank loans	37,295	-

Refer to note 27 for further information on financial instruments.

Note 21. Non-current liabilities - lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Lease liability	159,291	5,826

Refer to note 27 for further information on financial instruments.

Note 22. Non-current liabilities - provisions

	Consolidated 2022 $	Consolidated 2021 $
Long service leave	118,043	88,167

Note 23. Equity - issued capital

	Consolidated 2022 Shares	Consolidated 2021 Shares	Consolidated 2022 $	Consolidated 2021 $
Ordinary shares - fully paid	902,076,031	703,995,838	49,133,674	26,530,941

Movements in ordinary share capital

Details	Date	Shares	$
Balance	01 July 2020	222,840,158	18,611,718
Issue of shares	22 July 2020	142,049,018	1,420,490
Issue of shares	30 July 2020	80,791,140	807,912
Issue of shares	9 September 2020	150,000,000	1,500,000
Issue of shares	20 November 2020	104,545,455	5,750,000
Issue of shares		-	(365,898)
Issue of unlisted options to Cygnet Capital as fees	2 March 2021	29,191	2,919
Issue of shares	26 March 2021	272,272	27,227
Issue of shares	21 April 2021	327,869	32,787
Issue of shares	18 May 2021	272,729	27,273
Issue of shares	3 June 2021	2,827,869	282,787
Issue of shares	18 June 2021	40,137	4,014
Share issue costs		-	(688,581)
Issue of unlisted options to Cygnet Capital as fees		-	(881,707)
Balance	30 June 2021	703,995,838	26,530,941
Issue of shares	3 August 2021	47,872,340	7,420,213
Issue of shares	17 August 2021	28,000,000	560,000
Issue of shares	17 August 2021	22,182,045	2,218,205
Issue of shares	30 September 2021	5,000,000	500,000
Issue of shares	30 September 2021	10,000,000	1,000,000
Issue of shares	30 September 2021	1,625,000	162,500
Issue of shares	29 October 2021	3,736,863	373,686
Issue of shares	24 November 2021	235,374	23,537
Issue of shares	7 December 2021	71,428,571	10,000,000
Issue of shares	9 December 2021	8,000,000	1,311,805
Share issue costs		-	(967,213)
Balance	30 June 2022	902,076,031	49,133,674

Note 23. Equity - issued capital (continued)

Options (Refer to note 39 for further information on Options)

Details	Date	Options	$
	1 July 2020	75,201,469	-
Issue of unlisted options to Cygnet Capital	30 July 2020	20,000,000	-
Issue of unlisted options to Cygnet Capital	9 September 2020	8,000,000	-
Issue of plan options to employees and directors	22 October 2020	10,000,000	-
Issue of plan options to directors	10 November 2020	4,000,000	-
Cancelled due to forfeiture during the year		(750,000)	-
Issue of unlisted options to sophisticated and institutional investors	3 February 2021	52,272,723	-
Issue of unlisted options to Cygnet Capital	3 February 2021	20,000,000	-
Issue of unlisted options to Tekkorp Capital LLC	3 February 2021	40,000,000	-
Issue of unlisted options to Checkside Ltd	30 June 2021	2,000,000	-
Exercised during the year		(3,770,067)	-
Balance	30 June 2021	226,954,125	-
Issue of unlisted options to Cygnet Capital		25,000,000	-
Options exercised during the year		(70,779,282)	-
Balance	30 June 2022	181,174,843	-

Performance Rights (Refer to note 39 for further information on Performance Rights)

Details	Date	Performance Rights	$
Balance	1 July 2020	14,750,000	-
Issue of performance rights to directors	3 February 2021	24,000,000	-
Cancelled due to forfeiture during the year		(7,500,000)	-
Balance	30 June 2021	31,250,000	-
Issue of performance rights to Advisors	13 September 2021	3,000,000	-
Issue of performance rights to Ian Penrose	5 October 2021	11,000,000	-
Issue of performance rights to Tekkorp Capital LLC	9 December 2021	50,000,000	-
Vesting of performance rights	9 December 2021	(8,000,000)	-
Issue of performance rights to employees	21 December 2021	3,155,649	-
Balance	30 June 2022	90,405,649	-

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

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

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

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

Note 23. Equity - issued capital (continued)

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

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

Note 24. Equity - reserves

	Consolidated 2022 $	Consolidated 2021 $
Foreign currency reserve	93,074	-
Equity-settled reserves	4,847,884	1,839,662
Options reserve	9,814,013	9,811,325
	14,754,971	11,650,987

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

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

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

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

Consolidated	Foreign currency reserve $	Equity-settled reserve $	Options reserve $	Total $
Balance at 1 July 2020	-	1,839,662	6,602,355	8,442,017
Issue of options as cost of capital raising	-	-	1,247,605	1,247,605
Share based payments as consideration for goods/services	-	-	2,191,924	2,191,924
Transfer relating to options and rights expired and/or cancelled	-	-	(230,559)	(230,559)
Balance at 30 June 2021	-	1,839,662	9,811,325	11,650,987
Foreign currency translation	93,074	-	-	93,074
Contingent consideration for DataPOWA acquisition	-	3,008,222	-	3,008,222
Share based payments	-	-	1,314,493	1,314,493
Transfer relating to options exercised	-	-	(1,311,805)	(1,311,805)
Balance at 30 June 2022	93,074	4,847,884	9,814,013	14,754,971

Note 25. Equity - accumulated losses

	Consolidated 2022 $	Consolidated 2021 $
Accumulated losses at the beginning of the financial year	(31,049,894)	(25,855,668)
Loss after income tax expense for the year	(13,662,608)	(5,424,785)
Transfer relating to options and rights expired and/or cancelled	-	230,559
Accumulated losses at the end of the financial year	(44,712,502)	(31,049,894)

Note 26. Equity - dividends

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

Note 27. Financial instruments

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

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

	Consolidated 2022 $	Consolidated 2021 $
Financial assets		
Cash and cash equivalents	4,816,710	4,824,960
Other receivables and other assets	145,803	6,156
	4,962,513	4,831,116
Financial liabilities		
Trade and other payables	668,298	756,723
Lease Liabilities	233,857	73,877
	902,155	830,600

Market risk

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

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

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

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

Note 27. Financial instruments (continued)

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

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

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

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

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	478,119	-	-	-	478,119
Other payables	-	190,179	-	-	-	190,179
Interest-bearing - variable						
Lease liability	10.00%	74,566	-	-	-	74,566
Total non-derivatives		742,864	-	-	-	742,864

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

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

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

Note 27. Financial instruments (continued)

Capital Management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Group consists of net cash (there were no borrowings at year end offset by cash as detailed in note 9 and equity (detailed in note 23).

As at reporting date, the Group had net assets of $19,176,143 (2021: $7,132,034) and issued capital of $49,133,674 (2021:$26,530,941).

Note 28. Key management personnel disclosures

Directors
The following persons were directors and KMP's of IXUP Limited during the financial year:

Julian Babarczy	Chairman and Non-Executive Director
Dean Joscelyne	Non-Executive Director (Retired 29 July 2022)
Freya Smith	Non-Executive Director
Marcus Gracey	Director Corporate Development & Strategy
Ian Penrose	Non-Executive Director (Appointed 24 January 2022)
Matthew Johnson	CFO (Appointed 9 December 2021)

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

	Consolidated	
	2022	**2021**
	$	**$**
Short-term employee benefits	673,557	349,940
Post-employment benefits	46,881	16,190
Share-based payments	383,977	970,947
	1,104,415	1,337,077

Note 29. Remuneration of auditors

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

	Consolidated	
	2022	**2021**
	$	**$**
Audit services - William Buck Audit (WA) Pty Ltd		
Audit or review of the financial statements	36,000	33,957

Note 30. Related party transactions

Parent entity
IXUP Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Note 30. Related party transactions (continued)

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

Mr Julian Babarczy is one of the ultimate controlling parties of Jigsaw Consulting Pty Ltd.

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

	Consolidated	
	2022 $	2021 $
Payment for goods and services:		
Payment/Accrual to Destria Pty Ltd for consulting services and Director fees	91,274	201,667
Payment to Mr Dean Joscelyne as landlord for company premise and office services	-	59,797
Payment to Jigsaw Consulting Pty Ltd for consulting services	55,000	38,288

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

	Consolidated	
	2022 $	2021 $
Amounts owed to related parties:		
Destria Pty Ltd	-	28,459

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

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

Note 31. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $	2021 $
Loss after income tax	(2,793,017)	(4,162,496)
Total comprehensive loss	(2,793,017)	(4,162,496)

Note 31. Parent entity information (continued)

Statement of financial position

	Parent 2022 $	Parent 2021 $
Total current assets	4,734,195	22,471,673
Total assets	51,012,257	31,570,678
Total current liabilities	311,618	805,322
Total liabilities	2,845,909	811,148
Equity		
Issued capital	46,213,460	26,530,942
Equity-settled reserves	2,354,290	1,839,662
Options reserve	9,814,014	9,811,325
Accumulated losses	(10,215,416)	(7,422,399)
Total equity	48,166,348	30,759,530

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

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

Note 32. Business combinations

On 4 August 2021, the Company acquired 100% of the ordinary shares of DataPOWA Limited, concluding IXUP's first business acquisition in the exciting global sports data/sponsorship industry.
The DataPOWA transaction was approved by shareholders at an Extraordinary General Meeting (EGM), which was held on Friday, 30 July 2021. The formal completion of the transaction subsequently occurred on the evening of Tuesday, 3 August 2021.

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

Upfront consideration
On completion of the Acquisition, the company made a cash payment to Vendors of $3.25 million and issued 47,872,340 new fully paid ordinary shares (being shares to the value of $4,500,000, based on a deemed issue price of $0.094 per share, which was the price of the Company shares at the time acquisition discussions commenced). Those shares will be subject to voluntary escrow for a period of 12 month after completion. Under AASB 3, the shares have been valued as at acquisition date at a total of $7,420,213.

Note 32. Business combinations (continued)

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

- £549,000 revenue in the 12-month period to 30 June 2022 (A$1.875 million worth of IXUP shares based on a deemed issue price of $0.094 per share) which has been recognised at a fair value of $3,091,755; and
- £2,000,000 revenue in the 12-month period to 30 June 2023 (A$1.875 million worth of IXUP shares, plus a further A$500,000 worth of IXUP shares as a bonus for achieving the milestone, in each case, at a deemed price per share equal to the VWAP during the 15 ASX trading days immediately prior to the Relevant Date (as defined)).

If either of the above revenue targets is not met within the stated 12-month timeframes, the value of the applicable contingent consideration instalment will be pro-rated to reflect the percentage achievement of those milestones (and as regards the second instalment, the A$500,000 bonus will neither be payable nor counted in the relevant pro rata calculation).

Details of the acquisition are as follows:

	Fair value **$**
Cash and cash equivalents	8,353
Trade receivables	176,735
Other receivables	85,062
Plant and equipment	8,696
Website	1,161,124
Trade payables	(476,579)
Revenue received in advance	(47,131)
Bank loans	(49,023)
Acquisition-date fair value of the total consideration transferred	867,237
Representing:	
Cash paid or payable to vendor	3,250,000
IXUP Limited shares issued to vendor	7,420,213
Contingent consideration	5,466,755
	16,136,968
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	16,136,968
Less: contingent consideration	(5,466,755)
Less: shares issued by Company as part of consideration	(7,420,213)
Net cash used	3,250,000

Note 33. Fair value measurement

Fair value hierarchy
The contingent consideration payable on meeting the £2,000,000 revenue target referred to in note 15 has been reported as a financial liability as it will be paid through the issue of a variable number of shares amounting to a maximum of $1,875,000 and a bonus of $500,000.

This financial liability is measured at fair value by applying management's assessment of the probability of the revenue target being met to maximum fair value payable. and therefore, the fair value is deemed to be a level 3 valuation under AASB 13 *Fair Value* as it is based on unobservable inputs. Change in fair value arising from changes in management's assessment of the likelihood of the target being met are recognised in profit and loss. Changes in management's assessment of the likelihood of the targets being met would change the fair value of the consideration payable in accordance with the terms summarised in Note 15.

There was no change in the fair value between the date of acquisition and 30 June 2022.

Note 34. Interests in subsidiaries

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

			Parent	
			Ownership interest	Ownership interest
Name	**Principal activities**	**Principal place of business / Country of incorporation**	**2022 %**	**2021 %**
IXUP Operations Pty Ltd	Software development	Australia	100%	100%
IXUP IP Pty Ltd	Software patents	Australia	100%	100%
DataPOWA Ltd	Software development	UK	100%	100%
Ixup INC	Software development	US	100%	100%

Note 35. Events after the reporting period

On the 29th of July 2022, the Company announced it had commenced a global Collaboration with Microsoft Research in the quarter, having implemented Microsoft's SEAL homomorphic encryption technology to assist IXUP to solve the challenges of responsible gaming and sports integrity. This collaboration acknowledges IXUP's efforts and focus, which are considered an important ESG initiative to address the challenges of responsible gaming. IXUP is proud to be working with Microsoft on our various commercialisation initiatives.

On the 18th of August 2022, the Company announced operational changes to align the company to the strategic focus of the business. A number of important commercialisation milestones are also progressing, the success of which will aid the planned positioning of IXUP as a meaningful player in the global online sports bettering compliance and integrity industry. The changes included the following:
- Marcus Gracey transitioned from CEO role to Director, Corporate Development & Strategy
- An Advisory Committee has been established to provide strategic, commercial and operational guidance and oversight to the management Team during the transitional period through to appointment of a new CEO
- Appointment of experienced US Online Gaming Executive, Kevin Vonasek, as a US-based consultant to oversee all US commercialisation opportunities
- Senior leadership team at IXUP given enhanced responsibility to deliver successful commercialisation outcomes
- Several key commercialisation initiatives well advanced, including multiple pilots involving major US online operators, regulators and sporting leagues

On the 29th of August 2022, the Company announced a capital raise via a pro-rata non-renounceable issue of one (1) New Share for every seven (7) held by eligible shareholders registered at the Record Date at an issue price of $0.04 per new share. The raise is expected to raise $5,154,720 before costs with offers to close on the 15th of September 2022, with the new shares trading on Friday the 23rd of September 2022.
No other matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the consolidated Company's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 36. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2022 $	Consolidated 2021 $
Loss after income tax expense for the year	(13,662,608)	(5,424,785)
Adjustments for:		
Depreciation and amortisation	1,083,755	80,077
Share-based payments	2,551,756	2,191,924
Change in operating assets and liabilities:		
(Increase)/decrease in other receivables and other assets	(1,119,998)	(1,096)
Increase in trade and other payables	600,186	574,760
(Decrease)/Increase in provisions	141,177	66,887
Net cash used in operating activities	(10,405,732)	(2,512,233)

Note 37. Non-cash investing and financing activities

During the current year, the Group entered into the following non-cash investing and financing activities, which are not reflected in the consolidated statement of cash flows:

During the year ended 30 June 2022, the Group entered into the following non-cash investing and financing activities, which are not reflected in the consolidated statement of cash flows:
(i) The Company issued 25,000,000 Unlisted Options to Cygnet Capital as part of their fees for providing underwriting and offer management services.(ii) The Company issued 3,000,000 Performance Rights to Advisors as part of their fees for professional services.
(ii) The Company issued 50,000,000 Performance Rights to Tekkorp Capital LLC as part of their fees for providing underwriting and offer management services.

During the year ended 30 June 2021, the Group entered into the following non-cash investing and financing activities, which are not reflected in the consolidated statement of cash flows:
(i) The Company issued 48,000,000 Unlisted Options to Cygnet Capital as part of their fees for providing underwriting and offer management services.
(ii) The Company issued 40,000,000 Unlisted Options to Tekkorp Capital LLC pursuant to a strategic collaboration agreement.
(iii) The Company issued 2,000,000 Unlisted Options to Checkside pursuant to a strategic partnering agreement.

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

Note 38. Earnings per share

	Consolidated 2022 $	Consolidated 2021 $
Loss after income tax attributable to the shareholders of IXUP Limited	(13,662,608)	(5,424,785)
	Cents	**Cents**
Basic earnings per share	(1.59)	(0.88)
Diluted earnings per share	(1.59)	(0.88)

Note 38. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	857,593,159	616,591,541
Weighted average number of ordinary shares used in calculating diluted earnings per share	857,593,159	616,591,541

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