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

Reporting period:	Financial year ended 30 June 2023
Previous corresponding period:	Financial year ended 30 June 2022

	30-Jun-23	30-Jun-22	Movement	
	$	$	$	%
Revenues from continuing operations	2,360,559	1,238,463	1,122,096	90.6%
Loss from ordinary activities after tax attributable to members	(26,987,113)	(13,662,608)	(13,324,505)	(97.5%)
Net loss for the period attributable to members	(26,987,113)	(13,662,608)	(13,324,505)	(97.5%)

Commentary

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

Net Tangible Assets per share

	30-Jun-23	30-Jun-22
Net tangible asset backing per ordinary share (cents per share)	(0.19)	0.31

Loss of control over entities

Not applicable

Dividends (distributions)

	30-Jun-23	30-Jun-22
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 2023

Attachments

Detailsofattachments(ifany)

The Preliminary Financial Statements of IXUP Limited for the year ended 30 June 2023 is attached.

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

Signed

Dated: 31 August 2023

Mr Julian Babarczy
Chairman

IXUP Limited

ABN 85 612 182 368

Preliminary Unaudited Financial Statements - 30 June 2023

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) (Retired 2 February 2023) Ian Penrose (Non-Executive Director)
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	Automic Group Limited Level 5, 126 Philip Street Sydney NSW 2000 Telephone +61 2 8072 1400 Email: info@automic.com.au
Auditor	Hall Chadwick WA Audit Pty Ltd 283 Rokeby Road Subiaco WA 6008
Solicitors	Thomson Geer
Bankers	St George Bank Limited
Stock exchange listing	IXUP Limited shares are listed on the Australian Securities Exchange. ASX code: IXU
Website	www.ixup.com
Place of Incorporation	Victoria, Australia

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:
- Operational changes reflect IXUP's strategic focus on emerging compliance and integrity opportunities
- Completed successful capital raise to fund ongoing commercialization efforts for IXUP's world-leading data collaboration technologies
- Acquisition of PlayPause strengthens IXUP position in responsible gaming sector
- Material cost reduction program implemented across the organization to maximize cash runway and align cost base with commercial opportunity set
- Enters New product Development and Commercialization Agreement with Cipher Sports Technology Group
- Further strengthens Team to drive responsible gaming initiatives
- Dean Joscelyne founder and Non-Executive Director retires
- Marcus Gracey Director, Corporate Development & Strategy retires
- Enters the Australian regulatory technology compliance market via acquisition of the BetStop national self exclusion register contract
- Appoints Warren Steven as Chief Operating Officer
- Restructure of agreements with Cipher

Operational Changes
On 18 August 2022, the Company made operational changes to reflect IXUP's strategic focus on emerging compliance and integrity opportunities for its core technology within global online gaming and wagering markets.

The operational changes included, Marcus Gracey transitioning from CEO to Corporate Development & Strategy, key advisor Tekkorp Capital and Matt Davey retained to oversee strategic opportunities and the Appointment of Kevin Vonasek as a US-based consultant to oversee all US commercialisation opportunities.

An Advisory Committee has been formed to provide strategic, commercial and operational guidance and oversight to the management team whilst the recruitment process of a CEO was underway. The committee includes Julian Babarczy (currently the Non-Executive Chairman of IXUP), Ian Penrose (currently a Non-Executive Director of IXUP) and Jonathan Rosham (Founding Director of Cygent Capital and IXUP's Corporate Advisor).

Capital Raise
On 29 August 2022, the Company announced that it was looking to raise $5.15m via a pro-rata non-renounceable entitlement offer to existing eligible shareholders and supported by Directors and Management. On 30 September, the company announced that it had received $1.82m from shareholders and $2.3m firm subscription to the shortfall from Cygnet Capital Pty Ltd. The remaining shortfall was placed on 17 November.

This will be used to fund ongoing commercialisation efforts for its world-leading data collaboration technologies, as well as related working capital.

Acquisition of PlayPause core intellectual property rights related assets

On 30 September 2022, the Company acquired the intellectual property rights and related assets of PlayPause as a key step in position in the US market.

The acquisition will enhance the active discussions and negotiations with various industry stakeholders, including existing compliance related entities, large betting operators and leading state-based regulatory bodies

Material Cost Reduction Program

On 24 October 2022, the Company announced that in response to the downturn in funding markets for earlier stage technology companies and to better align the cost base of the Company to the expected commercialisation timeframe of key initiatives, a Company wide cost reduction program was implemented to ensure cash burn of the business can be appropriately managed, while protecting all key commercial opportunities.

Significant success has been achieved, with monthly cash operating costs across the organization having been reduced by nearly one third, from c.$900,000 to c.$650,000. This has further improved to c.$550,000 by the end of the period.

Enters into New product Development & Commercialisation Agreement with Cipher Sports Technology Group

On 31 October 2022, the Company announced that it had entered into a JV agreement to jointly develop and commercialise several new products for the worldwide gaming and wagering markets. The JVCo will be provided with a license to IXUP's unique and world-leading secure data collaboration platform, with Cipher contributing its product development and sales and marketing expertise to drive rapid commercialisation efforts.

The Company and Cipher have jointly assessed the potential for multi-million dollars per annum of recurring product sales from this initiative, subject to successful product development and commercialisation efforts. The intention is to have these products in market by 1QCY23.

Strengthens Team to Drive Responsible Gaming Initiatives

On 8 December 2022, the Company announced that consultants Mick d'Ancona and Warren Steven with join Kevin Vonasek to drive it's global responsible gaming initiatives. The expansion follows several presentations and follow-up meetings showcasing the Company's planned technology solution at G2E in Las Vegas in October. Following positive feedback, the Company is now in discussions with several stakeholders regarding a US pilot program which is aimed to be conducted in the coming quarters.

Board Changes

On 29 July 2022, the company announced the retirement of founder and Non-Executive Dean Joscelyne to pursue other opportunities. Dean will remain on to advise the board on commercial opportunities. On 2 February 2023, the company announced the retirement of Marcus Gracey. Marcus will continue to consult to the business on strategy, business development and corporate matters.

Acquires BetStop Operating Contract

On 1 May 2023, the company announced it had entered into a binding agreement to purchase the intellectual property and associated government contracts of Big Village Australia Pty Ltd (Administrator Appointed) for $1.325m, plus agreed employee entitlements. The acquisition principally comprises the contract to deliver and operate BetStop National Self Exclusion Register.

At the same time the company announced a $3m convertible note offering to fund the acquisition.

On 13 May 2023, the company successfully completed the acquisition and has subsequently gone live on the 21st of August 2023.

Appoints Warren Steven as Chief Operating Officer

On 17 May 2023, the company announced it has appointed Warren Steven as it's Chief Operating officer. Warren has been instrumental in assisting with the development of IXUP's responsible gaming technology (RegTech) strategy, both in Australia and Internationally.

Restructures Cipher agreement

On 29 June 2023, the company announced that as a result of the recent purchase of the intellectual property and associated government contracts of Big Village Australia Pty Ltd, the company confirmed that the Convertr joint venture announced on 1 October 2022 has been mutually agreed to be dissolved, in favour of an arms length Technology Services Agreement, whereby Cipher will have access to the IXUP secure data collaboration technology to allow it to develop and exploit its own products for its various markets of focus.

Financial position

The Company reported sales revenue of $1,256,161 (30 June 2022: $977,172) for the financial year ended 30 June 2023. 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 2023 had cash and term deposits of $1,642,869 (30 June 2022: $4,816,710).

During the year the Company received an Australian Tax Office R&D tax rebate of $867,791 (30 June 2022: $261,291).

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 2 of August 2023, the Company announced a capital raise to support increased commercialization and growth opportunities. The capital raise comprised:

- The Placement, being a placement of 33,333,334 new fully paid ordinary shares in IXUP, together with one (1) free attaching new option for every two (2) new shares issued, to raise A$2.0 million; and
- The Entitlement Offer, being a one (1) for thirty (30) pro rate non-renounceable entitlement offer of 34,516,423 New Shares, together with one (1) free attaching new options for every two (2) new shares issued, on the same terms as the placement options, to raise approximately A$2.1 million.

The raise is expected to raise $4.1m before costs with the Placement shares being issued on the 11th of August and the entitlement offer to close on the 29th of August 2023, with the new shares and options trading on the 5th of September 2023.

No other matters or circumstances have arisen since 30 June 2023 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 2023

	Note	Consolidated 2023 $	2022 $
Revenue			
Revenue	5	1,256,161	977,172
Cost of sales	6	(605,623)	(436,869)
Gross profit		650,538	540,303
Interest revenue calculated using the effective interest method		35,870	1,212
Research & Development Tax rebate		1,104,398	261,291
Expenses			
Employee benefits expense	6	(5,561,371)	(6,062,004)
Share-based costs		(2,985,526)	(2,591,332)
Depreciation and amortisation expense	6	(1,070,307)	(1,083,755)
Doubtful Debt expense		(110,077)	-
Impairment of Goodwill		(13,189,096)	-
Loss on disposal of assets		-	(154)
Occupancy cost	6	(19,302)	(45,143)
Administration costs	6	(5,799,652)	(4,670,037)
Finance costs	6	(42,588)	(12,989)
Loss before income tax expense		(26,987,113)	(13,662,608)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the shareholders of IXUP Limited	24	(26,987,113)	(13,662,608)
Other comprehensive income for the year, net of tax		(136,855)	93,074
Total comprehensive loss for the year attributable to the shareholders of IXUP Limited		(27,132,968)	(13,569,534)
		Cents	**Cents**
Basic earnings per share	37	(2.70)	(1.59)
Diluted earnings per share	37	(2.70)	(1.59)

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 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	8	1,642,869	4,816,710
Trade and other receivables	9	978,164	612,139
Other financial assets		-	341,200
Prepayments		65,248	254,371
Total current assets		2,686,281	6,024,420
Non-current assets			
Property, plant and equipment	10	56,868	36,761
Right-of-use assets	11	155,024	233,151
Intangibles	12	3,541,870	18,388,152
Investments	13	359,020	-
Deposits	14	153,920	52,666
Total non-current assets		4,266,701	18,710,730
Total assets		6,952,982	24,735,150
Liabilities			
Current liabilities			
Trade and other payables	15	1,625,296	1,015,739
Lease liabilities	16	68,593	74,566
Provisions	17	600,390	338,472
Deferred revenue	18	40,251	80,229
Total current liabilities		2,334,531	1,509,006
Non-current liabilities			
Other financial liabilities	19	146,347	2,375,000
Borrowings	20	2,618,087	37,295
Lease liabilities	21	90,697	159,291
Provisions	22	204,498	118,043
Total non-current liabilities		3,059,630	2,689,629
Total liabilities		5,394,161	4,198,635
Net assets		1,558,821	20,536,515
Equity			
Issued capital	23	52,355,200	47,821,869
Reserves	24	18,219,805	16,115,343
Accumulated losses	25	(69,016,184)	(43,400,697)
Total equity		1,558,821	20,536,515

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 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	-	93,074	-	93,074
Total comprehensive loss for the year	-	93,074	(13,662,608)	(13,569,534)
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	-	3,091,755	-	3,091,755
Balance at 30 June 2022	47,821,869	16,115,343	(43,400,697)	20,536,515

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	47,821,869	16,115,343	(43,400,697)	20,536,515
Loss after income tax expense for the year	-	-	(26,987,113)	(26,987,113)
Other comprehensive income for the year, net of tax	-	(136,855)	-	(136,855)
Total comprehensive loss for the year	-	(136,855)	(26,987,113)	(27,123,968)
Issue of shares	5,099,837	-	-	5,099,837
Share issue costs - Cash	(359,524)	-	-	(359,524)
Share issue costs - equity	(355,000)	355,000	-	-
Transactions with shareholders in their capacity as shareholders:				
Share-based payments (note 39)	-	2,985,527	-	2,985,527
Options related to Convertible note		272,416	-	272,416
Options Expired	-	(1,371,626)	1,371,626	-
Contingent consideration for DataPOWA acquisition	148,018	-	-	148,018
Balance at 30 June 2023	52,355,200	18,219,805	(69,016,184)	1,558,821

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 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities			
Receipts from customers		681,339	594,244
Interest and other finance costs paid		(32,600)	(1,096)
Payments to suppliers and employees		(11,144,412)	(11,290,667)
Interest received		18,051	1,482
Government grants and tax incentives (R&D Incentive, JobKeepers Rebate, Cash Boost, EMD Grant)		1,045,507	290,305
Net cash used in operating activities	35	(9,432,115)	(10,405,732)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(43,407)	(28,215)
Payments for intangibles	12	(1,364,955)	(3,250,000)
Payments for investments in term deposits		(18,900)	(142,941)
Payments for Investments in Convertible Notes		-	(341,200)
Other - GST on DataPOWA acquisition		-	318,855
Other - DataPOWA cash on acquisition		-	8,353
Net cash used in investing activities		(1,427,262)	(3,435,148)
Cash flows from financing activities			
Proceeds from issue of shares		5,099,837	10,000,000
Payment for share and issue transaction costs		(360,986)	(964,408)
Proceeds from issue of options		-	4,908,545
Proceeds of issue of Convertible Note		3,000,000	-
Repayment of borrowings		(6,022)	(9,524)
Repayment of lease liabilities		(84,350)	(52,511)
Net cash from financing activities		7,648,479	13,882,102
Net increase in cash and cash equivalents		(3,210,898)	41,222
Cash and cash equivalents at the beginning of the financial year		4,816,710	4,824,960
Effects of exchange rate changes on cash and cash equivalents		37,057	(49,472)
Cash and cash equivalents at the end of the financial year	9	1,642,869	4,816,710

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 $26,987,113 (2022: $13,662,608) and experienced net cash outflows from operating activities of $9,432,115 (2022: $10,405,732). As at 30 June 2023, the Group had cash and cash equivalents of $1,642,869 (2022: $4,816,710).

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.

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 2023. 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.

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 - 2023	Australia $	UK $	U.S $	Total $
Revenue				
Sales to external customers	634,026	278,905	343,229	1,256,161
Interest Income	35,870	-	-	35,870
Total revenue	669,897	278,905	343,229	1,292,032

Note 5. Revenue

	Consolidated 2023 $	Consolidated 2022 $
Software revenue	1,256,161	977,172

Note 6. Expenses

	Consolidated 2023 $	Consolidated 2022 $
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	(605,623)	(436,869)
Depreciation		
Depreciation	97,034	136,817
Amortisation	973,273	937,213
Total depreciation and amortisation	1,070,307	1,074,030
Administrative Costs		
Professional adviser and legal costs	2,697,506	1,759,644
Consulting costs paid to entities related to the directors	171,550	60,000
Recruitment costs	39,830	76,449
Advertising and promotion	85,318	100,415
Travel and accommodation	422,404	160,138
Software licenses	829,794	752,069
Other	1,553,250	1,761,322
	5,799,652	4,670,037
Employee benefits expense		
Wages and salaries	4,836,169	5,233,849
Superannuation costs	315,737	409,266
Other employee benefits	409,465	418,889
	5,561,371	6,062,004
Occupancy costs		
Rent (short term lease payments)	19,302	20,424
Other occupancy costs	-	24,719
	19,302	45,143
Finance costs		
Interest costs	1,857	8,603
Interest and finance charges related to Convertible note	30,947	-
Interest and finance charges paid/payable on lease liabilities	9,784	4,386
Finance costs expensed	42,588	12,989
Share-based payments expense		
Share-based payments expense	2,985,526	2,591,332

Note 7. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(26,987,113)	(13,662,608)
Tax at the statutory tax rate of 25% (2022: 25%)	(6,746,778)	(3,415,652)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	746,382	647,833
Non deductible Impairment of Goodwill	3,297,274	-
Non assessable other income	-	340,093
Non assessable Research & Development refund	216,948	-
	(2,486,175)	(2,427,726)
Current year temporary differences not recognised	2,486,175	2,427,726
Income tax expense	-	-

	Consolidated 2023 $	Consolidated 2022 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	37,622,430	30,365,148
Potential tax benefit at statutory tax rates	9,405,608	7,591,287

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 2023 $	Consolidated 2022 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	102,366	31,890
Entertainment	(402)	-
Depreciation	1,722	4,134
Payroll accrual	(5,880)	14,825
Deferred tax assets used to offset deferred tax liabilities	78,022	(21,540)
Tax losses carried forward	9,405,608	7,591,287
Deferred tax assets not brought into account	(9,581,435)	(7,260,596)
Total deferred tax assets recognised	-	-

Note 7. Income tax expense (continued)

	Consolidated 2023 $	Consolidated 2022 $
Deferred tax liability		
Accrued expenses	(312,086)	(86,161)
Deferred tax assets used to offset deferred tax liabilities	312,086	86,161
	-	-

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 8. Current assets - cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Cash at bank	1,542,869	4,716,710
Term deposits	100,000	100,000
	1,642,869	4,816,710

Term deposits has an interest rate of 2.30% p.a.

Note 9. Current assets - Trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Trade receivables	994,066	414,723
Other receivables	-	145,849
GST	94,175	51,567
Provision for doubtful debts	(110,077)	-
	978,164	612,139

Allowance for expected credit losses
The consolidated entity has recognised a doubtful debts expense of $110,077 (2022: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Computer equipment - at cost.	149,966	112,011
Less: Accumulated depreciation	(96,158)	(78,694)
	53,808	33,317
Office equipment - at cost	16,035.	13,780
Less: Accumulated depreciation	(12,975)	(10,336)
	3,060	3,444
	56,868	36,761

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

Consolidated	Computer equipment $	Office equipment $	Total $
Balance at 1 July 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
Additions	39,038	2,154	41,191
Disposals	(2,398)	(93)	(2,491)
Exchange differences	554	-	554
Depreciation expense	(16,703)	(2,444)	(19,147)
Balance at 30 June 2023	53,808	3,060	56,868

Note 11. Non-current assets - right-of-use assets

	Consolidated 2023 $	Consolidated 2022 $
Right-of-use asset	230,928	350,479
Less: Accumulated depreciation	(75,904)	(117,328)
	155,024	233,151

The consolidated entity leases an office with 3 parking spaces, with lease terms of 2.3 years. Both commenced 1 June 2022. Depreciation for the year for the right-of-use asset was $78,127.

Note 11. 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 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
Additions	-	-
Depreciation expense	(78,127)	(78,127)
Balance at 30 June 2023	155,024	155,024

Note 12. Non-current assets - intangibles

	Consolidated 2023 $	2022 $
Goodwill - at cost	1,325,000	15,269,731
Development - at cost	1,731,909	1,731,909
Less: Accumulated amortisation	(1,731,909)	(1,731,909)
	-	-
Website - at cost	1,194,680	1,120,389
Less: Accumulated amortisation	(763,268)	(342,341)
	431,412	778,048
Intellectual Property	3,014,316	2,974,360
Less: Accumulated amortisation	(1,228,859)	(633,987)
	1,785,457	2,340,373
	3,541,870	18,388,152

Note 12. 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 2021	-	-		2,935,245	2,935,245
Additions through business combinations (Note 32)	15,269,731	-	1,120,389	-	16,390,120
Amortisation expense	-	-	(342,341)	(594,872)	(937,213)
Balance at 30 June 2022	15,269,731	-	778,048	2,340,373	18,388,152
Additions	1,325,000	-	74,291	39,956.	1,439,247
Amortisation expense	-	-	(420,927)	(594,872)	(1,015,799)
Impairment expense	(15,269,731)	-	-	-	(15,269,731)
Balance at 30 June 2023	1,325,000	-	431,412	1,785,457	3,541,870

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. The identification and fair value 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. Based on the current market conditions, including interest rates increasing materially and general view on loss making tech businesses the board has taken the conservative view to write off the good will in DataPOWA. The business continues to operate and is building and converting a pipeline of new business on it's way to breakeven.

During the financial year the company purchased the contract to operate and develop BetStop – The National Self Exclusion register for $1,325,000.

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 2023. 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.

Developed Software
During the year ended 30 June 2023, the gross carrying value of Developed Software equated to $1,731,909 (2022;$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 (2022; $1,731,909), giving net written down value of $nil (2022: $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. During the financial period the Company purchased the trademark, URL and other intellectual property of Playpause for $25,000 USD

Accumulated depreciation of this Intellectual Property totalled $594,872, giving net written down value of $1,745,501 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 2023.

Note 13. Non-current assets - Investments

	Consolidated 2023 $	Consolidated 2022 $
Investments in other entities	359,020	-

This amount represents the conversion of the convertible note in Zeroh into equity.

Note 14. Non-current assets - Deposits

	Consolidated 2023 $	Consolidated 2022 $
Security Deposit	153,920	52,666

This amount represents two security deposits for the office space rented and US payroll supplier. On termination or cancellation of both contracts the deposits will be refunded.

Note 15. Current liabilities - trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Trade payables	795,024	478,119
Accrued expenses	669,589	151,114
PAYG withholding payable	137,734	233,754
Superannuation payable	81,793	113,687
Wages payable	14,198	21,962
Other payables	44,646	17,103
	1,625,296	1,015,739

Refer to note 26 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 2023 $	Consolidated 2022 $
Lease liability	68,593	74,566

Refer to note 26 for further information on financial instruments

This balance relates to the application of accounting standard AASB 16 in effect from 1 July 2019. Refer to note 11 for details.

The consolidated entity leases an office with 3 parking spaces, with lease terms of 3.3 years. Both commenced 1 June 2022.

Note 17. Current liabilities – provisions

	Consolidated 2023 $	Consolidated 2022 $
Annual leave	425,342	338,472
Long Service Leave	175,048	-
	600,390	338,472

Note 18. Current liabilities – Deferred revenue

	Consolidated 2023 $	Consolidated 2022 $
Deferred revenue	40,251	80,229

Note 19. Non-Current liabilities – Other financial liabilities

	Consolidated 2023 $	Consolidated 2022 $
Contingent Consideration	146,347	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 31.

Note 20. Non-Current liabilities – Borrowings

	Consolidated 2023 $	Consolidated 2022 $
Bank Loans	30,515	37,295
Convertible Note	2,587,572	-
	2,618,087	37,295

Refer to note 26 for further information on financial instruments.

Note 21. Non-Current liabilities – lease liabilities

	Consolidated 2023 $	Consolidated 2022 $
Lease liability	90,697	159,291

Refer to note 26 for further information on financial instruments.

Note 22. Non-current liabilities - provisions

	Consolidated 2023 $	Consolidated 2022 $
Long service leave	204,498	118,043

Note 23. Equity - issued capital

	Consolidated 2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	1,035,492,675	902,076,031	52,355,200	47,821,869

Movements in ordinary share capital

Details	Date	Shares	$
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	-
Share issue costs		-	(967,213)
Balance	30 June 2022	902,076,031	47,821,869
Issue of shares	30 September 2022	45,558,882	1,822,355
Issue of shares	20 October 2022	51,000,000	2,040,000
Issue of shares	29 November 2022	24,437,055	977,482
Issue of shares	8 December 2022	6,500,000	260,000
Issue of shares	9 March 2023	5,920,707	148,048
Share issue costs		-	(714,524)
Balance	30 June 2023	1,035,492,675	52,355,200

Note 23. Equity - issued capital (Continued)

Options

Details	Date	Options
Balance	30 June 2021	226,954,125
Issue of unlisted options to Cygnet Capital	30 June 2021	25,000,000
Options exercised during the year		(70,779,282)
Options exercised during the year		
Balance	30 June 2022	181,174,843
Cancelled due to forfeiture during the year	15 November 2022	(105,289,844)
Issue of plan options to contractors and directors	16 December 2022	131,000,000
Issue of plan options to consultants	2 June 2023	25,000,000
Issue of plan options to consultants	13 June 2023	3,000,000
Balance	30 June 2023	234,884,999

Performance Rights

Details	Date	Performance Rights
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)
Balance	30 June 2022	90,405,649
Cancelled due to forfeiture during the year		(11,398,350)
Issue of performance rights to employees	3 February 2023	21,750,000
Balance	30 June 2023	100,757,299

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.

Note 23. Equity - issued capital (Continued)

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

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

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

Note 24. Equity - reserves

	Consolidated	
	2023 $	2022 $
Foreign currency reserve	(43,781)	93,074
Equity-settled reserves	8,271,944	6,208,256
Options reserve	9,991,642	9,814,013
	18,219,805	16,115,343

Equity-settled reserve

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.

Note 24. Equity – reserves (Continued)

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 2021	-	1,839,662	9,811,325	11,650,987
Foreign currency translation	93,074	-	-	93,074
Contingent consideration for DataPOWA acquisiton	-	3,091,755	-	3,091,755
Share based payments as consideration for goods/services	-	-	2,591,332	2,591,332
Transfer relating to options exercised	-	-	(1,311,805)	(1,311,805)
Balance at 30 June 2022	93,074	4,931,417	11,090,852	16,115,343
Foreign currency translation	(136,855)	-	-	(136,855)
Share based payments	-	2,985,527	(1,099,210)	1,886,317
Share issue costs - Equity	-	355,000	-	355,000
Balance at 30 June 2023	(43,781)	8,271,944	9,991,642	18,219,805

	Consolidated 2023 $	Consolidated 2022 $
Accumulated losses at the beginning of the financial year	(43,400,697)	(31,049,894)
Loss after income tax expense for the year	(26,987,113)	(13,662,608)
Transfer relating to options and rights expired and/or cancelled	1,371,626	1,311,805
Accumulated losses at the end of the financial year	(69,016,184)	(43,400,697)

Note 25. Equity - dividends

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

Note 26. 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	
	2023	**2022**
	$	**$**
Financial assets		
Cash and cash equivalents	1,642,869	4,816,710
Other receivables and other assets	1,088,241	145,803
	2,731,110	4,962,513
Financial liabilities		
Trade and other payables	1,625,296	668,298
Lease Liabilities	159,291	233,857
	1,784,587	902,155

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 26. 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 - 2023	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	-	795,024	-	-	-	795,024
Other payables	-	830,272	-	-	-	830,272
Interest-bearing - variable						
Lease liability	10.00%	68,593	-	-	-	68,593
Total non-derivatives		1,693,890	-	-	-	1,693,890

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

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 26. 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 $1,558,821 (2022: $20,536,515) and issued capital of $52,355,200 (2022: $47,821,869).

Note 27. 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 (Retired 2 February 2023)
Ian Penrose	Non-Executive Director
Matthew Johnson	CFO
Warren Stevens	COO

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

	Consolidated	
	2023	2022
	$	$
Short-term employee benefits	1,146,536	673,557
Post-employment benefits	53,062	46,881
Share-based payments	1,082,723	338,422
	2,282,321	1,058,860

Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick WA Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2023	2022
	$	$
Audit services - Hall Chadwick WA Audit Pty Ltd		
Audit or review of the financial statements	34,000	36,000

Note 29. 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 27 and the remuneration report included in the directors' report.

Note 29. 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	
	2023	**2022**
	$	**$**
Payment for goods and services:		
Payment to Destria Pty Ltd for consulting services and Director fees	90,023	91,274
Payment to Jigsaw Consulting Pty Ltd for consulting services	111,667	55,000

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

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 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2023	**2022**
	$	**$**
Loss after income tax	(3,451,744)	(30,422,850)
Total comprehensive loss	(3,451,744)	(30,422,850)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent	
	2023	2022
	$	$
Total current assets	2,069,680	4,734,195
Total assets	15,688,640	18,648,229
Total current liabilities	1,338,525	311,618
Total liabilities	6,804,315	2,845,909
Equity		
Issued capital	43,898,847	46,213,460
Equity-settled reserves	1,875,000	2,354,290
Options reserve	9,814,014	9,814,014
Accumulated losses	(14,855,351)	(37,845,249)
Total equity	40,732,510	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 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

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 31. Business combinations

On 30 June 2023, the Company acquired the contract to operate and develop BetStop – The National Self Exclusion register for $1.325m. The acquisition is complementary to the company's RegTech strategy.

Upfront consideration
On completion of the Acquisition, the company made a cash payment to the administrator of $1.325 million.

Note 31. Business combinations (continued)

The acquired business contributed revenues of $634,026 to the consolidated entity for the period from 10 June 2023 to 30 June 2023. The values identified in relation to the acquisition of the contract are provisional as at 30 June 2023.

Details of the acquisition are as follows:

	Fair value $
Employee Leave	(117,687)
Acquisition-date fair value of the total consideration transferred	(117,687)
Representing:	
Cash paid or payable to Administrator	1,325,000
	1,325,000
Net cash used	1,325,000

Note 32. 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 2023.

Note 33. 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	2023 %	2022 %
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 34. Events after the reporting period

On the 2 of August 2023, the Company announced a capital raise to support increased commercialization and growth opportunities. The capital raise comprised:

- The Placement, being a placement of 33,333,334 new fully paid ordinary shares in IXUP, together with one (1) free attaching new option for every two (2) new shares issued, to raise A$2.0 million; and
- The Entitlement Offer, being a one (1) for thirty (30) pro rate non-renounceable entitlement offer of 34,516,423 New Shares, together with one (1) free attaching new options for every two (2) new shares issued, on the same terms as the placement options, to raise approximately A$2.1 million.

The raise is expected to raise $4.1m before costs with the Placement shares being issued on the 11th of August and the entitlement offer to close on the 29th of August 2023, with the new shares and options trading on the 5th of September 2023.

Note 35. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023 $	2022 $
Loss after income tax expense for the year	(26,987,113)	(13,662,608)
Adjustments for:		
Depreciation and amortisation	1,070,307	1,074,030
Share-based payments	2,985,526	2,591,332
Goodwill amortisation	13,597,624	-
Change in operating assets and liabilities:		
(Increase)/decrease in other receivables and other assets	(1,076,222)	(1,159,574)
Increase in trade and other payables	569,579	609,911
(Decrease)/Increase in provisions	408,184	141,177
Net cash used in operating activities	(9,432,115)	(10,405,732)

Note 36. 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 2023, 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 Unlisted Options to Advisors as part of their fees for professional services.

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:
(ii) 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.
(iii) 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 37. Earnings per share

	Consolidated	
	2023 $	2022 $
Loss after income tax attributable to the shareholders of IXUP Limited	(26,987,113)	(13,662,608)
	Cents	Cents
Basic earnings per share	(2.70)	(1.59)
Diluted earnings per share	(2.70)	(1.59)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	998,462,422	857,593,159
Weighted average number of ordinary shares used in calculating diluted earnings per share	998,462,422	857,593,159

Non-Dilutive Securities
As at reporting date, 234,884,999 Unlisted Options (which represent 95,201,469 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per shar