

ASX release

## IXUP Second Quarter Update and Appendix 4C

**30 January 2018:** Data collaboration company IXUP Limited (ASX: IXU) ('IXUP' or 'the Company') lodges its Appendix 4C Report and provides a review of the Company's progress for the quarter ended 31 December 2017.

### HIGHLIGHTS

- Heavily over-subscribed November IPO raising \$12.5 million (before costs)
- Appointment of David Bonham as Chief Financial Officer
- Key Management Appointments
- Successful delivery on Finity milestone
- Advisory Board Appointment
- Company progressing on commercialisation

### OPERATIONAL UPDATE

#### Capital Raising

During the quarter, IXUP lodged its initial public offering (IPO) Prospectus dated 3 October 2017 with ASX and ASIC for the issue of 62,500,000 Shares at an issue price of \$0.20 cents to raise \$12.5 million (\$11.4m net of fees).

The offer closed heavily over-subscribed and received strong support from high net-worth, retail and institutional investors. The Company was admitted to the Official Quotation of ASX on 15 November 2017.

The purpose of the capital raise was to:

- facilitate the admission of IXUP on to the Official List, providing the Company with access to equity capital markets for future funding needs,
- meet the costs of the IPO,
- provide working capital,
- enhance the public profile of the Company, and
- provide capital to further develop the IXUP Platform and drive commercialisation through the development of relationships with existing and new partners and on boarding new customers for the IXUP Platform.

The company wishes to thank its shareholders both old and new for their investment in, and continued support of, the business.

In the short time since the listing, the Company has been focused on building out its team, developing its product, defining its brand and expanding its capability to begin the commercialisation of the product.

### **CFO Appointment**

On 27 November 2017, IXUP announced the appointment of David Bonham as Chief Financial Officer (CFO). David will join IXUP after ten years at BUPA Dental Corporation where he is Managing Director, Australia and New Zealand having joined as Chief Financial Officer in 2007. Before that, he served as Chief Financial Officer and then General Manager at the Lynch Group Australia and Group Finance Manager at Tyco Safety Products. David will join IXUP by early March 2018.

**IXUP Executive Chairman Tim Ebbeck said:** *“David’s strong governance background, combined with extensive experience in M&A, business development and growth, will enable him to play a crucial part in IXUP’s progress as a public company.”*

### **Key Management Appointments**

IXUP has been very focused on building its team to enable it to execute on its commercialisation plans. During the quarter, the Company announced three senior appointments and has subsequently appointed a fourth.

Former Versent business development manager, Tim Scott, was appointed Head of Strategic Engagements. Tim brings deep data industry experience from previous roles at Oracle, IBM and SAP and is responsible for developing IXUP’s partner relationships, including Microsoft.

Anthony James was appointed as Chief Marketing Officer, joining from Trinity Consulting Services. Anthony is responsible for building out the IXUP brand and partner and customer acquisition strategies.

Formerly of Turning Point Solutions, Rob Vass, was appointed Business Development Manager and is in charge of driving the adoption of the IXUP platform with partners. Rob also takes the lead in IXUP’s relationship with Finity, Australia’s largest actuarial and analytical consulting firm.

**IXUP Executive Chairman Tim Ebbeck said:** *“I’m delighted to welcome Tim, Rob and Anthony to our team. We are now in execution phase and the ability to attract great talent to IXUP is vital to our commercial success.”*

In addition, IXUP is pleased to advise that it has recently appointed Rob Mills as Head of Sales, starting in early February 2018. Rob is presently Global Vice President, Connect Solutions, for Objective Corporation (ASX:OCL) and brings deep experience in sales of class-leading collaboration, information governance, information security, and data sharing solutions. Prior to Objective, Rob held senior roles with Mitrais, Open Frameworks, Information Builders, and Novell.

**IXUP Executive Chairman Tim Ebbeck said:** *“Rob is a seasoned sales executive with relevant and deep industry experience. He has a genuine understanding of technology and knows what it takes to build a business, develop relationships, and to turn technology into customer business outcomes. I am confident that Rob’s leadership, experience and energy will drive future revenue for IXUP.”*

### **Successful delivery on Finity milestone**

On 13 December 2017, IXUP announced it had achieved key contractual milestones in the deployment of its latest release IXUP platform to independent actuarial and analytical consulting firm Finity, thereby enabling transition to production. Finity will pay IXUP a fixed annual charge for access to the IXUP platform which it intends to use to enhance its leading data collaboration capability and service.

**IXUP Executive Chairman Tim Ebbeck said:** *“We have worked in close collaboration with the Finity team and this milestone reinforces the commitment we have to supporting our partners achieve their business objectives.”*

**Finity Director Aaron Cutter said:** *“IXUP allows us to drive value creation from data like never before and the IXUP platform allows us and future data collaborators to integrate data in a secure, scalable manner as we broaden our reach.”*

### **Advisory Board Appointment**

On 23 January 2018, IXUP was pleased to announce the appointment of Nerida Caesar to its Advisory Board. Nerida has 30 years of extensive business and commercial management experience. Most recently, Nerida was Group Managing Director and Chief Executive Officer, Australia and New Zealand, of Equifax, formerly Veda Group Limited (Veda). She joined Veda in 2011 and steered its successful growth, 2013 ASX listing and subsequent acquisition by Equifax in 2016.

Prior to Veda, Nerida held senior management positions at both Telstra and IBM Australia.

She is a Non-Executive Director of Westpac Banking Corporation and Genome.One, a wholly owned subsidiary of the Garvan Institute of Medical Research. She is also a member of the Federal Government’s FinTech Advisory Group.

### **Financials and Outlook**

As at 31 December 2017, IXUP reported a total cash and term deposits balance of \$10.3m (\$2.8m in cash and at-call accounts, \$7.5m in term deposits), following the Company’s successful \$12.5 million capital raising as per of its Initial Public Offer.

The Company's cash outflows from operating activities relating to the quarter was \$1.0m. In addition it had cash outflows which had accrued from the prior year of \$0.7m which was principally funded from existing cash holdings (\$0.5m).

The Company expects that net cash outflows will increase to \$1.3m (\$1.1m operating cash, \$0.2m capital expenditure) in quarter 3 as the company continues to build its commercialisation capability.

**IXUP Executive Chairman Tim Ebbeck said:** *"The management team is pleased with the progress since IXUP listed on the ASX on 15 November 2017. We are focused on execution and delivery as we seek to successfully commercialise the business and roll out the IXUP platform.*

*Data is now the most valuable commodity on the planet and IXUP has the potential to become the global standard in data collaboration. We believe the Company is well positioned for growth."*

IXUP intends to report its half year results for the six months ended 31 December 2017 towards the end of February 2018.

-ENDS-

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**About IXUP**

Founded in 2011, IXUP (pronounced 'Eyes Up') developed an innovative software environment providing security of data in trusted data collaborations. The IXUP environment helps organisations collaborate using multiple sources of data and therefore derive deeper insights to inform business strategy and gain competitive advantage. The environment is unique with its patented approach to security and matching which overcome security and technology challenges inherent in data sharing models. IXUP is headquartered in Sydney, Australia.

For more information visit [www.ixup.com](http://www.ixup.com)

## Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

<b>Name of entity:</b> IXUP Ltd	
<b>ABN:</b> 85 612 182 368	<b>Quarter ended ("current quarter"):</b> December 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets	(44,880)	(89,760)
(e) staff costs	(559,674)	(1,258,109)
(f) administration and corporate costs	(402,831)	(561,301)
1.3 Dividends received (see note 3)		
1.4 Interest received	1,697	5,000
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other - payments for property leases, staff expenses and legal fees relating to prior financial years	(695,997)	(695,997)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,701,685)</b>	<b>(2,600,166)</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7,440)	(11,663)
(b) businesses (see item 10)		
(c) term deposits	(7,300,000)	(7,500,000)
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) term deposits		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(7,307,440)</b>	<b>(7,511,663)</b>
<b>3 Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	12,500,150	12,665,150
3.2 Proceeds from issue of convertible notes	0	250,000
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,163,785)	(1,409,762)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.1 Net cash from / (used in) financing activities</b>	<b>11,336,365</b>	<b>11,505,388</b>
<b>4 Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	463,075	1,396,756
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,701,685)	(2,600,166)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(7,307,440)	(7,511,663)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11,336,365	11,505,388
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>2,790,316</b>	<b>2,790,316</b>
<b>5 Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
5 at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A</b>	<b>\$A</b>
5.1 Bank balances	790,316	463,075
5.2 Call deposits	2,000,000	0
5.3 Bank overdrafts	0	0
5.4 Other (provide details)		

	<b>IXUP has \$7.5m in Term Deposits maturing between 3 – 12 months. Total cash on hand, on call deposit and in term deposits at end of current quarter totals \$10.3m</b>		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,790,316</b>	<b>463,075</b>

<b>6</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	(44,880)
6.2	Aggregate amount of cash flow to these parties included in item 1.8	(399,997)
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 - Item 1.2 relates to property lease payments for current financial year - Item 1.8 relates to property lease payments and emuneration payments related to prior financial years	

<b>7</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	0

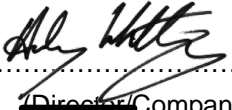
<b>8</b>	<b>Financing facilities available</b>	<b>Total facility amount at quarter end \$A</b>	<b>Amount drawn at quarter end \$A</b>
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other - Bank Overdraft secured by Term Deposit	250,000	0
8.4	Item 8.3 - Bank Overdraft with St George Bank, secured against an equivalent Term Deposit also held with St George Bank. This facility has not be drawn down upon. Interest rate 5.3%		

<b>9</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A</b>
9.1	Research and development	0
9.2	Product manufacturing and operating costs	0
9.3	Advertising and marketing	0
9.4	Leased assets	(60,000)
9.5	Staff costs	(630,000)
9.6	Administration and corporate costs	(410,000)
9.7	Other - Capital expenditure on Parramatta office fitout	(200,000)
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(1,300,000)</b>

<b>10</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

#### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:   
(Director/Company secretary)

Date: 30 January 2018

Print name: Andrew Whitten

#### Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.