

11 March 2024

Entitlement issue and debt reduction provides IXUP with strong platform for delivery and growth

HIGHLIGHTS

- IXUP is undertaking a non-renounceable entitlement offer on a one (1) for four (4) basis to raise up to approximately A\$4 million, partially underwritten for \$2.9 million by Cygnet Capital.
- Convertible Noteholders also agree to settle A\$2.75 million of convertible notes through the issue of approximately 183.33 million shares.
- Funds raised to remove debt and fund IXUP to progress on identified organic growth initiatives.
- Post the entitlement issue, IXUP is targeting delivery of significant commercial contracts for its core secure data collaboration technology and is pursuing a new partnering strategy for its North American RegTech business that is expected to speed up market entry.
- Ongoing appropriate cashflow management being implemented across the business with a strong focus on achieving positive cashflow from all three business divisions.
- CEO / Senior Executive search efforts entering final stages with focus on enhanced sales and marketing skillsets.
- IXUP will remain opportunistic regarding monetization of all key assets and accretive strategic opportunities.

IXUP Limited (ASX: IXU) (**Company** or **IXUP**), an ASX-listed secure data collaboration technology company, announces that it is undertaking a pro rata non-renounceable entitlement offer to existing shareholders to raise approximately A\$4 million on the basis of one (1) new share for every four (4) shares held at an issue price of \$0.015 per new share (**Entitlement Offer**). The Entitlement Offer is partially underwritten by Cygnet Capital Pty Limited (**Cygnet**) for A\$2.9 million.

Proceeds from the Entitlement Offer will be applied towards working capital, debt reduction and to underpin delivery of upside across all three business divisions which each have tangible near term potential growth opportunities.

The Company has also agreed to settle A\$2.75 million (over 90% of all outstanding) of convertible notes through the issue of 183,333,330 million shares. The settlement of A\$2.175 million of convertible notes for the issue of 144,999,997 shares is unconditional and the settlement of the remaining A\$0.575 million of convertible notes for the issue of 38,333,333 shares is subject to shareholder approval for the issue of these shares.

Each New Share issued under the Entitlement Offer and to convertible noteholders will rank equally with existing shares on issue. IXUP will, upon issue of the new shares, seek quotation of the new shares on the Australian Securities Exchange (**ASX**).

Commenting on the Entitlement Offer and arrangements in relation to the convertible notes, Mr Julian Babarczy, Chairman of IXUP, said:

“IXUP has undertaken a substantial transition in recent years, from what was an early-stage technology company with promising and unique technology but limited revenue and substantial monthly cash burn, into a company now generating annual recurring revenue underpinned by key contracts with three diversified business divisions that are increasingly deploying the Company’s core technology.

This entitlement issue and convertible note settlement represent the next stage of the capital base transition, delivering a clean balance sheet and a substantial cash runway that are expected to underpin the delivery of important value adding milestones.

I thank all our loyal shareholders for their ongoing support and I look forward to working with our dedicated employee base to deliver this next important phase of IXUP’s transition to a self-sustaining and successful company”.

Update on other key business initiatives

Cashflow management to remain a key focus

Appropriate cashflow management remains a focus across the entire IXUP business, with additional efficiencies being implemented so as to retain a strong focus on achieving positive cashflow from all three business divisions.

The completion of the Entitlement Issue provides significant cash runway to execute on key growth opportunities and the Company will retain a strict cost focus as the overall business transitions to cash positive in future periods.

North American RegTech partnering strategy

IXUP believes it possess a number of globally leading RegTech solutions, including advanced better self-exclusion and impermissible better products which are underpinned by the unique IXUP core secure data collaboration platform. Efforts to enter the US market have previously been undertaken directly by IXUP, with a recent decision to pursue a partnering strategy which is expected to speed market entry.

Executive leadership update

IXUP can also report that its efforts to augment the executive leadership team, including the search for a Group CEO, is entering its final stages and is expected to be completed by mid-year. The Company has previously had a dominant operational focus on technology and product development and with commercialization efforts now taking priority, is focussed on enhancing the sales and marketing skillsets within the group.

Specific Go-To-Market strategy execution is now underway with specialist sales resources already deployed within the business to enhance existing and future sales opportunities.

Executive management is also taking an increasingly targeted approach to specific immediate revenue opportunities.

Potential monetization of key assets and strategic opportunities

IXUP will continue to remain opportunistic regarding monetization of all key assets, with potential identified for the rationalisation of business divisions once further sales growth is achieved.

Likewise, IXUP remains open to potential strategic corporate activity that will aid in increasing sales growth rates of specific business divisions, although will always remain vigilant and only pursue opportunities that are immediately accretive.

Entitlement Offer & Convertible Notes

Convertible Notes

The Company has agreed to settle A\$2.75 million of its outstanding convertible notes through the issue of:

- 144,999,997 shares to settle A\$2.175 million of convertible notes. The settlement of these convertible notes is unconditional and utilises the Company's existing Listing Rule 7.1 placement capacity. The shares are expected to be issued on or around the same time as the issue of shares under the Entitlement Offer; and
- 38,333,333 shares to settle A\$0.575 million of convertible notes. The settlement of these convertible notes is subject to shareholder approval which is expected to be sought following the close of the Entitlement Offer.

Convertible noteholders who have agreed to the settlement of their convertible notes for the issue of shares will only receive their shares after the Record Date (defined below) for the Entitlement Offer and, accordingly, will not be able to participate in the Entitlement Offer in respect of any new shares received for their convertible notes.

Entitlement Offer

Pursuant to the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for one (1) New Share for every four (4) existing Shares held as at 7:00pm (AEDT) on Thursday, 14 March 2024 (**Record Date**).

The Entitlement Offer will open from Tuesday, 19 March 2024 to Thursday, 28 March 2024 to eligible shareholders who are registered as a holder of Shares as at 7.00pm (AEDT) on the Record Date and have a registered address in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**).

The right to subscribe for the new shares under the Entitlement Offer will be non-renounceable (meaning the entitlements to New Shares will not be tradable on ASX and are not otherwise able to be sold or transferred) and is partially underwritten by Cygnet for A\$2.9 million. There will not be a minimum subscription amount under the Entitlement Offer.

Any new shares offered under the Entitlement Offer that are not applied for will form shortfall shares (**Shortfall Shares**). The offer to issue Shortfall Shares is a separate offer under the offer document for the Entitlement Offer (**Offer Document**). Eligible Shareholders may apply for Shortfall Shares. The Shortfall Shares will be allocated at the Directors' discretion within three months from the Entitlement Offer closing date (detailed in the below indicative timetable).

The lead manager and partial underwriter to the Entitlement Offer, Cygnet, will receive a cash fee equal to 6% (exclusive of GST) of all funds raised under the Capital Raising and will be issued 50,000,000 unlisted options (exercise price \$0.03 and expiring 3 years from the date of issue) subject to shareholder approval (**Lead Manager Options**). Cygnet is partially underwriting the Entitlement Offer for A\$2.9 million.

The Company will seek shareholder approval for the issue of the Lead Manager Options and the issue of shares to certain convertible noteholders following the closing of the Entitlement Offer.

The terms and conditions of the Entitlement Offer (including the terms of the partial underwriting) are detailed in the Offer Document released on ASX today. Shareholders should consider the Offer Document before deciding whether to apply for new shares under the Entitlement Offer.

INDICATIVE TIMETABLE

An indicative timetable of key dates in relation to the Entitlement Offer is detailed below.

Event	Date
Announcement of Entitlement Offer	11 March 2024
Release of Offer Document to ASX	11 March 2024
Ex Date	13 March 2024
Record Date for the Entitlement Offer (at 7.00pm AEDT)	14 March 2024
Dispatch of Offer Document	19 March 2024
Entitlement Offer Opening Date	19 March 2024
Last day to extend the Entitlement Offer Closing Date	25 March 2024
Entitlement Offer Closing Date (at 5.00pm AEDT)	28 March 2024
Shares quoted on a deferred settlement basis	2 April 2024
Last day to announce results of Entitlement Offer and issue new shares under Entitlement Offer	8 April 2024
ASX quotation of new shares commences	9 April 2024

Note: The timetable above is indicative only and may be subject to change. IXUP reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, IXUP reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of securities. All dates and times are references to Perth, Australia time.

An Appendix 3B for the proposed issue of new securities in respect to the Entitlement Offer, shares in respect of the convertible notes and the Lead Manager Options follows this announcement.

-ENDS-

This announcement has been approved for release by the Board of IXUP.

For enquiries regarding this release please contact:

IXUP

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Chairman
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To learn more, please visit: www.ixup.com. IXUP's registered address is Level 11, 201 Miller Street, North Sydney, NSW 2060.

About IXUP

IXUP Limited (ASX: IXU) (pronounced 'eyes up') is a pioneering technology company with a world class suite of software products that facilitate the secure sharing and analysis of sensitive information using advanced security technology. The Company's Secure Data Collaboration Suite of products represent the missing 'key' to organisations 'unlocking' their information assets previously unable to be shared or commercialised due to concerns around privacy, cyber security, and compliance considerations. These data collaboration products are being commercialised at a crucial junction when the need to share and drive revenue from sensitive data and dormant data assets is becoming more important, yet more difficult, to achieve.

IXUP is also the developer and operator of BetStop - National Self Exclusion Register™, under exclusive contract with the Commonwealth Government of Australia via the Australian Communications and Media Authority (ACMA). BetStop - the National Self Exclusion Register allows Australians to easily self-exclude from all licensed interactive wagering services for a minimum of 3 months and up to a lifetime.