

31 October 2019

\$3.2M Capital Raising to Underpin Commercialisation of IXUP's Encrypted Data Collaboration Platform in the US and Australia

IXUP Limited (ASX: IXU) ("IXUP" or the "Company"), is pleased to announce a \$3.2M capital raising to fund commercial roll out of the Company's encrypted data collaboration platform, sales and marketing in the US and Australia and general working capital.

The Company will undertake a 2-for-5 non-renounceable pro-rata rights issue to raise approximately \$3.2M (before costs) ("**Entitlement Offer**"). The Entitlement Offer will comprise the issue of 63,377,500 new shares at an issue price of \$0.05 per share, representing a 25.4% discount to the closing price on the 28th October 2019.

The Entitlement Offer is fully underwritten by Cygnet Capital Pty Ltd ("**Underwriter**").

Entitlement Offer

The Entitlement Offer will be undertaken by way of a non-renounceable pro-rata entitlement offer to eligible shareholders, on the basis of two (2) new shares for every five (5) shares held by eligible shareholders on the Record Date, being 7 November 2019, at a price of \$0.05 per share to raise \$3,168,875 (before costs).

In addition, eligible shareholders who take up their full entitlement under the Entitlement Offer will have the opportunity to apply for additional shares in excess of their entitlement through a shortfall oversubscription facility. Applications for shares in excess of an eligible shareholders entitlement under this shortfall oversubscription facility will be capped at an additional 100% of their entitlement, up to a maximum of \$25,000. Therefore, applications for additional shares in excess of an eligible shareholders entitlement may be subject to scale-back depending on the final number of shares, if any, comprising the shortfall of the Entitlement Offer and the quantum applied for by each eligible shareholder.

The information booklet under section 708AA of the Corporations Act, including full details of the Entitlement Offer, will be mailed to Eligible Shareholders in accordance with the ASX approved timetable.

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Entitlement Offer	Before 9 am (AEDT), Thursday 31 st October 2019
Ex-date for Entitlement Offer	Wednesday 6 th November 2019
Record Date	7.00 pm (AEDT), Thursday 7 th November 2019
Dispatch of Booklet and Entitlement and Acceptance Form	Friday 8 th November 2019
Entitlement Offer opens (Opening Date)	Friday 8 th November 2019
Entitlement Offer closes (Closing Date)	5.00 pm (AEDT), Tuesday 19 th November 2019
Shares quoted on a deferred settlement basis	Wednesday 20 st November 2019
Announcement of shortfall (if any) under the Entitlement Offer and Notification of undersubscriptions	Friday 22 nd November 2019
Issue and allotment of shares under the Entitlement Offer and Dispatch of holding statements	Tuesday 26 th November 2019
Commencement of trading of new shares	Friday 29 th November
Shortfall Settlement Date. Issue and allotment of Additional Shares under the shortfall oversubscription facility	Friday 6 th December 2019

NB. Dates and times in this release are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

Underwriting Agreement

The material terms of the underwriting agreement between the Company and Cygnet Capital Pty Ltd are as follows:

- Fees – 6% underwriting fee and 10 million unlisted options exercisable at \$0.10, on or before 30th November 2023, to be issued subject to shareholder approval; and
- Other material terms see attached schedule.

-ENDS-

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About IXUP

IXUP Limited (pronounced 'eyes up') is a listed technology company (ASX: IXU) that secures data analytics and delivers insights within a governance framework. The platform encrypts and connects data from multiple sources, solving the problems of data loss and misuse by enabling data owners to remain in complete control of their data. IXUP was listed in 2017. For more information visit www.ixup.com

A large, abstract graphic composed of several overlapping, semi-transparent green triangles and polygons. The shapes are arranged in a way that they appear to be part of a larger, stylized 'X' or a series of overlapping planes. The colors range from a light, pale green to a slightly darker, more saturated green. The graphic is positioned on the left side of the page, extending from the bottom towards the top.

Schedule –Underwriting Agreement-Summary of Material Terms

On 30 October 2019, the Company entered into an underwriting agreement (“**Underwriting Agreement**”) with the Underwriter under which the Underwriter has agreed to manage and underwrite the Entitlement Offer on the terms, and subject to the conditions, set out in the Underwriting Agreement.

The Underwriter will be remunerated by the Company for providing underwriting and offer management services and may also be reimbursed for certain expenses, as follows:

- (a) an underwriting fee of 6% (being a total of \$190,133 plus GST) of \$3,168,875;
- (b) ten million (10,000,000) options to acquire Shares under certain terms and conditions, which are exercisable at \$0.10, on or before the 30th of November 2023; and
- (c) reasonable costs and expenses of and incidental to the Entitlement Offer and the issue of Shares up to a maximum amount of \$5,000.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (a) the Company has (subject to certain usual limitations) agreed to indemnify the Underwriter, its officers, employees, and agents (Indemnified Parties) against any prosecutions, losses, penalties, actions, suits, claims, expenses, costs, liabilities, charges and proceedings arising directly or indirectly out of or in respect to the Entitlement Offer, non-compliance or breach of any legal requirement or the Listing Rules in relation to the Entitlement Offer, any statement, misstatement, misrepresentation, non-disclosure, inaccuracy or omission in the Entitlement Offer documentation, any advertising, publicity, announcements, statements and reports in relation to the Entitlement Offer or a breach by the Company of any provision including representation or warranty of the Underwriting Agreement;
- (b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;
- (c) the Underwriter may enter into sub-underwriting agreements;
- (d) the Underwriter may (in certain circumstances) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events on or prior to the date of allotment of the Offer Shares including (but not limited to) where:
 - (i) a statement in the Booklet is misleading or deceptive or likely to mislead or deceive, or if any statement in the Booklet becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Booklet is or becomes misleading or deceptive or likely to mislead or deceive;
 - (ii) approval for Official Quotation has not been granted by 22 November 2019 or, having been granted, is subsequently withdrawn, withheld or qualified;

- (iii) there is an outbreak of hostilities or a terrorist act in certain countries;
- (iv) certain events occur which may have a materially adverse effect on the Company;
- (v) the shares of the Company finish trading on the ASX on any five (5) consecutive trading days with a daily VWAP that is less than \$0.05;
- (vi) the Company is prevented from allotting the Offer Shares within the time required by the Underwriting Agreement, under the Listing Rules, any statute, regulation or order of a court of competent jurisdiction or any governmental or semi-governmental agency or authority; and
- (vii) the All Ordinaries Index (ASX.XAO) or the S&P/ASX Small Resources Index (ASX.XSO) as published by ASX is at any time after the date of the Underwriting Agreement 5% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement, on any three (3) consecutive trading days.

The above is not an exhaustive summary of the Underwriting Agreement but a summary of its material terms.