

UNDERWRITTEN RIGHTS ISSUE OFFER BOOKLET

IXUP Limited
ACN 612 182 368

A one (1) for one (1) non-renounceable pro rata entitlement offer of Shares in IXUP Limited at A\$0.01 per Offer Share to raise up to A\$2,228,401 (before costs and subject to rounding).

You should read this Booklet in full

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in the Company or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the Entitlement Offer after reading this Booklet, please contact the Company Secretary on 02 8072 1400 (callers within Australia) or +61 2 8072 1400 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

This Booklet may not be distributed outside of Australia or New Zealand except in such other countries and to the extent contemplated under this Booklet.

Not for release or distribution in the United States (except by the Company to Approved US Shareholders).

IMPORTANT INFORMATION

This Booklet has been prepared by IXUP Limited ACN 612 182 368 (**Company**).

This Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC. This Booklet is dated 30 June 2020 and a copy was lodged with the **ASX** on that date.

This Booklet and the accompanying Entitlement and Acceptance Form relate to a 1 for 1 (1 new Offer Share for every 1 existing Share) fully underwritten non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to the ASX on 24 June 2020 (**Entitlement Offer**).

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied. This Booklet is not a prospectus or a product disclosure statement and does not contain all of the information that would be required to be disclosed in a prospectus or product disclosure statement.

NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

NO ENTITLEMENTS TRADING

The Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

NOT FINANCIAL PRODUCT ADVICE

The information contained in this Booklet is not financial product advice; does not purport to contain all the information that you may require in evaluating a possible acquisition of Offer Shares in the Company; and has been prepared without taking into account the investment objectives, financial situation or needs of you or any particular investor.

You should conduct your own independent review, investigation and analysis of the Company and the Offer Shares which are the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

RISKS

Please refer to Section D of this Booklet, which includes a non-exhaustive summary of the risk factors associated with an investment in the Company.

FOREIGN JURISDICTIONS

This Booklet is being sent to all Shareholders on the share register as at 7.00 pm (AEST) on Monday, 29 June 2020 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia and New Zealand. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed. The distribution of this document outside of Australia or New Zealand may be restricted by law.

UNITED STATES

This Booklet must not be taken into, distributed or released in the United States or distributed to any U.S. Person or to any person acting for the account or benefit of a U.S. Person. Persons who come into possession of this Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The information in this Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States or to any U.S. Person. Offer Shares may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares in this Entitlement Offer may only be offered and sold outside the United States, to persons that are not U.S. Persons or acting for the account or benefit of U.S. Persons.

NEW ZEALAND

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

OTHER JURISDICTIONS

The Offer Shares may not be offered or sold in any jurisdiction except to persons to whom such offer or sale is permitted under applicable law.

NOMINEES

Nominees and custodians may not distribute this Booklet or any other materials related to the Entitlement Offer, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside of Australia or New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

GOVERNING LAW

This Booklet, the Entitlement Offer and the contracts formed on receipt of your Application are governed by the law applicable in New South Wales. Each Shareholder who applies for Offer Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

FUTURE PERFORMANCE

This Booklet may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "objective", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to the "Risk Factors" in Section D of this Booklet.

PAST PERFORMANCE

Past performance information given in this Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

FINANCIAL DATA

All dollar values are in Australian dollars (A\$) except where otherwise indicated.

DISCLAIMER OF REPRESENTATIVES

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet.

Cygnat Capital Pty Limited (**Underwriter**), and any of its affiliates, related bodies corporate (as defined in the Corporations Act), nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (**Underwriter Parties**), have not authorised, permitted or caused the issue of lodgement, submission, dispatch or provisions of this Booklet (or any other materials released by the Company) and none of them makes or purports to make any statement in this Booklet and there is no statement in this Booklet which is based on any statement made by them. The Underwriter Parties expressly disclaim all liability in respect of, make no representations regarding, and take no responsibility for, any statements in or omissions from this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Booklet.

TAXATION

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. This Booklet does not contain or constitute tax advice and does not take account of the individual circumstances of particular Eligible Shareholders. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

PRIVACY

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Registry, the Company's related bodies corporate, agents, contractors and third-party



service providers, including mailing houses and professional advisers, and to the ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Registry.

TRADING OFFER SHARES

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade Offer Shares in error or which they do not hold or are not entitled to.

DEFINED TERMS

Capitalised terms used in this Booklet have the meaning given to those terms in the glossary in Section F of this Booklet.

LETTER FROM THE CHAIRMAN

30 June 2020

Dear Shareholder,

On behalf of the Directors, I am pleased to offer you the opportunity to participate in a 1 for 1 (1 new Offer Share for every 1 existing Share) fully underwritten non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to the ASX on 24 June 2020 to raise up to approximately A\$2,228,401 (before costs and expenses) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Cygnet Capital Pty Limited ACN 103 488 606 (**Underwriter**). The terms of the underwriting agreement are summarised in the announcement released to the ASX on 24 June 2020 and included in Section E of this Booklet.

The gross proceeds of approximately A\$2,228,401 (before costs and expenses) from the Entitlement Offer will be used by the Company for general working capital. A copy of the 24 June 2020 announcement is at Section C of this Booklet.

Offer details

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 Offer Share for every 1 existing Share held on the Record Date of 7.00 pm (AEST), Monday, 29 June 2020 at the Issue Price of A\$0.01 per Offer Share. The Entitlement Offer is fully underwritten.

The Entitlement Offer includes a Shortfall Facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for Additional Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). Applications for Shares in excess of an Eligible Shareholder's Entitlement will be capped up to a maximum of \$25,000. There is no guarantee that Applicants under this Shortfall Facility will receive all or any of the Additional Shares that they applied for under the Shortfall Facility. Applications for Additional Shares may be subject to scale-back depending on the final number of Additional Shares, if any, comprising the shortfall of the Entitlement Offer and the quantum applied for by each Eligible Shareholder. The Board of the Company reserves its right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion.

Participation in the Entitlement Offer is optional and open to Eligible Shareholders, being holders of fully paid ordinary shares in the Company at 7.00 pm (AEST) on Monday, 29 June 2020 (**Record Date**) whose address on the share register is in Australia or New Zealand. As the Entitlement Offer is non-renounceable, your right to participate in the Entitlement Offer is not transferable. You may not trade your Entitlement on ASX or transfer it to another person.

Eligible Shareholders who do not take up their Entitlement will not receive any value for their Entitlement and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

The terms and conditions of the Entitlement Offer and your personalised Entitlement and Acceptance Form are provided in this Booklet. I urge you to read these materials in their entirety and seek your own financial, taxation and other professional advice in relation to the Entitlement Offer, before you decide whether to participate.

The Entitlement Offer opens on Tuesday, 30 June 2020 and is expected to close at 5.00 pm (AEST) on Thursday, 9 July 2020.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Company Secretary on 02 8072 1400 (callers within Australia) or +61 2 8072 1400 (callers outside Australia) or consult your financial or other professional adviser.



On behalf of the Directors, I invite you to consider participating in the Entitlement Offer and look forward to your ongoing support of the Company.

Yours sincerely

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Mr Grant Paterson
Chairman IXUP Limited

A KEY DATES FOR THE ENTITLEMENT OFFER*

Event	Date
Announcement of Entitlement Offer	Wednesday, 24 June 2020
Ex-date for Entitlement Offer	Friday, 26 June 2020
Record Date	7.00 pm (AEST), Monday, 29 June 2020
Dispatch of Booklet and Entitlement and Acceptance Form	Tuesday, 30 June 2020
Entitlement Offer opens (Opening Date)	Tuesday, 30 June 2020
Entitlement Offer closes (Closing Date)	5.00 pm (AEST), Thursday, 9 July 2020
Shares quoted on a deferred settlement basis	Friday, 10 July 2020
Announcement of results of the Entitlement Offer	Tuesday, 14 July 2020
Issue and allotment of Offer Shares under the Entitlement Offer	Wednesday, 15 July 2020
Dispatch of holding statements	Wednesday, 15 July 2020
Commencement of trading of new Offer Shares	Thursday, 16 July 2020
Shortfall Settlement Date	Thursday, 30 July 2020

****The above timetable is indicative only and subject to change. The quotation of Offer Shares is subject to ASX approval. Subject to approval of the Underwriter, the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Offer Shares. All dates and times in the timetable above are in Sydney, Australia time.***

B HOW TO APPLY

1 PLEASE READ THE WHOLE OF THIS BOOKLET

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a disclosure document or prospectus, provided certain conditions are satisfied.

As a result, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlement. In particular, in considering whether or not to accept their Entitlements, Shareholders should refer to the attached materials, plus the Company's other periodic and continuous disclosure announcements available at www.asx.com.au.

2 CONSIDER THE ENTITLEMENT OFFER IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

Please consult with your stockbroker, accountant or other independent financial adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to the risk factors in Section D of this Booklet which describe some of the key risks in relation to an investment in the Company.

3 WHO IS ELIGIBLE TO PARTICIPATE?

The Entitlement Offer is being extended to Eligible Shareholders who are Shareholders that meet all of the following criteria:

- (a) they were registered as a holder of Shares on the Record Date;
- (b) they have a registered address in Australia or New Zealand;
- (c) they are not in the United States or a U.S. Person or acting for the account or benefit of such persons; and
- (d) they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any Shareholder with a registered address outside of Australia or New Zealand. By returning a completed Entitlement and Acceptance Form, making a payment in accordance with the instructions in the Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the above criteria.

Eligible Shareholders who hold Shares in the capacity of trustee, nominee or custodian (or in any other capacity) for a person that would not satisfy the criteria of an Eligible Shareholder cannot take up Entitlements on behalf of that person.

Shareholders should note that the Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nominees may not distribute this Booklet, the Entitlement and Acceptance Form, or any other material relating to the Entitlement Offer to anyone in the United States, anyone acting for the account or benefit of a person in the United States, or in any other jurisdiction in which

it would be unlawful. Any failure to adhere to these restrictions may result in violation of applicable securities laws.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

4 INELIGIBLE SHAREHOLDERS

Having regard to the number of such Shareholders, their holdings and the compliance costs required to extend the Entitlement Offer to those Shareholders, the Company has determined that it is unreasonable to extend the Entitlement Offer to Shareholders of the Company who as of the Record Date are not an Eligible Shareholder (**Ineligible Shareholder**).

The shareholdings of Ineligible Shareholders will be diluted as a result of the Entitlement Offer.

5 YOUR OPTIONS

Eligible Shareholders may take the following actions:

- (a) take up all of their Entitlement;
- (b) take up a proportion of their Entitlement;
- (c) allow all or part of their Entitlement to lapse; or
- (d) take up all of their Entitlement and apply for Additional Shares under the Shortfall Facility.

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on the ASX or otherwise dispose of your Entitlement to any other party.

Shareholders who do not take up their Entitlements in full will not receive any payment or value from the Company for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced.

Fractions arising in the calculation of Entitlements have been rounded down to the next whole number of Offer Shares.

6 COMPLETE THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM OR PAY BY BPAY®

If you decide to participate in the Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form (which includes BPAY®).

If you take no action you will not be allocated any Offer Shares.

7 ACCEPTANCE OF THE ENTITLEMENT OFFER AND PAYMENT

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form must be accompanied by a cheque in Australian currency for the amount of your Application monies, payable to “IXUP Limited” and crossed “Not Negotiable”.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of Offer Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Offer Shares as your cleared Application monies will pay for (and to have specified that number of Offer Shares on your Entitlement and Acceptance Form).

If your payment is being made by BPAY®:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form;
- (b) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application monies; and
- (c) it is your responsibility to ensure that your payment is received by the Registry by no later than the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to payments, and you should therefore take this into consideration when making payment.

Any payment received for more than your final allocation of Offer Shares (greater than \$2.00) will be refunded after the Offer Shares are issued. No interest will be paid to Applicants on any payment received or refunded.

8 SHORTFALL FACILITY

Eligible Shareholders, other than Directors and related parties of the Company, may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of Offer Shares proposed to be issued under the Entitlement Offer. Applications for Shares in excess of an Eligible Shareholder’s entitlement under the Shortfall Facility will be capped up to a maximum of \$25,000. Additional Shares will be issued at the same Issue Price as the Offer Shares (A\$0.01). However, there is no guarantee that Eligible Shareholders who apply for Additional Shares under this Shortfall Facility will receive all or any of the Additional Shares. Applications for Additional Shares may be subject to scale-back depending on the final number of Additional Shares, if any, comprising the shortfall of the Entitlement Offer and the quantum applied for by each Eligible Shareholder.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion. Subject to any changes at the Directors’ discretion, the allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) to any Eligible Shareholders who have taken up all of their Entitlement and have applied for Additional Shares through the Shortfall Facility by the Closing Date. Applications for Shares in excess of an Eligible Shareholder’s entitlement will be capped up to a maximum of \$25,000. Applications for Additional Shares may be subject to scale-back depending on the final number of Additional Shares, if any,

comprising the shortfall of the Entitlement Offer and the quantum applied for by each Eligible Shareholder;

- (b) if any shortfall remains, to the Underwriter.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application monies will be refunded without interest.

The Entitlement Offer is fully underwritten by the Underwriter. The Underwriter may procure any person to sub-underwrite this Entitlement Offer.

Refund amounts in excess of \$2.00, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). Alternatively, you will be paid by direct deposit where the Registry holds bank account details in respect of your shareholding.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.01 per Offer Share). Applications for shares in excess of an Eligible Shareholder's entitlement will be capped up to a maximum of \$25,000. Applications for Additional Shares may be subject to scale-back depending on the final number of Additional Shares, if any, comprising the shortfall of the Entitlement Offer and the quantum applied for by each Eligible Shareholder.

If your payment is being made by BPAY®:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part), your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer. Applications for shares in excess of an Eligible Shareholder's entitlement will be capped up to a maximum of \$25,000. Applications for Additional Shares may be subject to scale-back depending on the final number of Additional Shares, if any, comprising the shortfall of the Entitlement Offer and the quantum applied for by each Eligible Shareholder.

In addition, no Shares under the Entitlement Offer will be issued to any Eligible Shareholder, sub-underwriter or the Underwriter if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

9 MAIL OR DELIVER

It is important to note that the Entitlement Offer is scheduled to close at 5.00 pm (AEST) on Thursday, 9 July 2020. To participate in the Entitlement Offer, your payment must be received no later than this date. Your completed Entitlement and Acceptance Form, together with Application monies, should be delivered as follows:

Mailing address:
IXUP Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

If your payment is being made by BPAY®, you do not need to mail or deliver the personalised Entitlement and Acceptance Form.

10 IF YOU WISH TO DO NOTHING AND ALLOW YOUR ENTITLEMENTS TO LAPSE

If you do not wish to take up your Entitlement, you can simply do nothing.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above by the Closing Date (or alternatively have not made a payment through BPAY® before that time), then your Entitlement will lapse.

11 ENTITLEMENT AND ACCEPTANCE FORM

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application monies constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application for Offer Shares. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final and binding.

By making a payment by BPAY®, or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application monies, you will also be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

- (a) you acknowledge that you have read and understood this Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Booklet and the Company's Constitution;
- (c) you authorise the Company to register you as the holder(s) of Offer Shares allotted (and any Additional Shares, where applicable) to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application monies via BPAY®, you may not withdraw your Application or funds provided, except as allowed by law;
- (g) you agree to apply for and be issued up to the number of Offer Shares specified in the personalised Entitlement and Acceptance Form (including any Additional Shares where applicable), or for which you have submitted payment of any Application monies via BPAY®, at the Issue Price per Offer Share;

- (h) you authorise the Company, the Registry and their respective officers or agents to do anything on your behalf necessary for Offer Shares (and any Additional Shares, where applicable) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Shares (and any Additional Shares, where applicable) are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk Factors" in Section D of this Booklet and that investments in the Company are subject to risk;
- (m) you acknowledge that none of the Company, its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant that the law of any place does not prohibit you from being given this Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Shares (or where applicable, Additional Shares) and that you are otherwise eligible to participate in the Entitlement Offer;
- (q) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Entitlement Offer;
- (r) you acknowledge that the Offer Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (s) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and

- (t) you agree that if in the future you decide to sell or otherwise transfer the Offer Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

12 BROKERAGE AND STAMP DUTY

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for Offer Shares under the Entitlement Offer or for Additional Shares under the Shortfall Facility.

13 WHEN WILL I RECEIVE MY OFFER SHARES?

It is currently expected that the Offer Shares will be issued, and that confirmation of the issue of the Offer Shares will be dispatched, on or around Wednesday, 15 July 2020.

It is the responsibility of each Eligible Shareholder applying for Offer Shares to confirm their holding before trading in those Offer Shares (and any Additional Shares, where applicable) on a deferred settlement basis. Any person who sells Offer Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Offer Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

14 ENQUIRIES

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Company Secretary on 02 8072 1400 (callers within Australia) or +61 2 8072 1400 (callers outside Australia) or consult your financial or other professional adviser.

C FINAL ANNOUNCEMENT LODGED WITH ASX 24 JUNE 2020

24 June 2020

\$2.2 M Capital Raising and Director resignation

The Board of IXUP Limited (ASX:IXU) (IXUP or Company), the leading technology company that secures data analytics and collaboration by using next-generation homomorphic encryption, is pleased to announce a \$2.2 million capital raising.

The Company will undertake a 1-for-1 non-renounceable, pro rata rights issue to raise \$2,228,401 (before costs and subject to rounding) via the issue of 222,840,158 fully paid ordinary shares (**Shares**) (subject to rounding) at an issue price of \$0.01 per Share (**Entitlement Offer**).

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

Entitlement Offer

The Entitlement Offer will be a non-renounceable, pro rata entitlement offer to shareholders of the Company on the share register as at 7.00 pm (AEST) on 29 June 2020 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

All Shares issued under the Entitlement Offer will rank equally with existing Shares of the Company as of the date of this announcement.

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 facility (**Shortfall Facility**).

Applications for Shares in excess of an Eligible Shareholder's entitlement under the Shortfall Facility will be capped up to a maximum of \$25,000 per Eligible Shareholder. Therefore, applications under the Shortfall Facility 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.

There is no guarantee that applicants under the Shortfall Facility will receive all or any of the additional Shares applied for under the Shortfall Facility, and sole discretion with respect to allocation remains with the Board.

The Entitlement Offer is non-renounceable and the rights will not be able to be traded on the ASX and will not be transferable.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or around 30 June 2020.

A copy of the Offer Booklet will be announced on the ASX and available on the Company's website.

In addition, if the Entitlement Offer shortfall is less than 50,000,000 shares, being \$500,000 at \$0.01 per share, Cygnet have a top-up right, to ensure that the total number of shares to be

allocated by Cygnet, including the shortfall, is not less than 50,000,000 shares. Subscription for shares under the top-up right is subject to shareholder approval.

Indicative Timetable

The indicative timetable for the Entitlement Offer is below.

Event	Date*
Announcement of Entitlement Offer	Wednesday, 24 June 2020
Ex-date for Entitlement Offer	Friday, 26 June 2020
Record Date	7.00pm (AEST), Monday, 29 June 2020
Entitlement Offer opens	Tuesday, 30 June 2020
Dispatch of Booklet and Entitlement and Acceptance Form	
Entitlement Offer closes (Closing Date)	5.00pm (AEST), Thursday, 9 July 2020
Shares quoted on a deferred settlement basis	Friday, 10 July 2020
Announcement of results of the Entitlement Offer	Monday, 13 July 2020
Issue and allotment of Offer Shares under the Entitlement Offer	Tuesday, 14 July 2020
Dispatch of holding statements	Wednesday, 15 July 2020
Commencement of trading of new Offer Shares	Wednesday, 15 July 2020

**The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to approval of the Underwriter, the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

Underwriting Agreement

The material terms of the underwriting agreement between the Company and the Underwriter are as follows:

- Fees – 6% underwriting fee and 20 million unlisted options exercisable at \$0.02, on or before 31 July 2024; and
- Other material terms are attached in the schedule to this announcement.

Director resignation

The Company has received a resignation of Mr Scott Wilkie as a Non-Executive Director, who is taking up a full time position with an IXUP Business Partner and will leave the Board on 31 July 2020.

The Board wishes to thank Scott for his contribution to the Company's development and commercialisation journey and wishes him every success in his new position.

This announcement has been authorised by the IXUP Board.

-ENDS-

Enquiries:

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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. IXUP's registered address is Level 3, 5-7 Ross Street, Parramatta NSW 2150.

Schedule – Underwriting Agreement – Summary of Material Terms

On 23 June 2020, 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 \$133,704 plus GST) of \$2,228,401;
- b) twenty million (20,000,000) unlisted options to acquire Shares under certain terms and conditions, which are exercisable at \$0.02, on or before the 31st of July 2024; 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 13 July 2020 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 \$0.01;
 - 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) 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 the Underwriting 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.

D RISK FACTORS

This Section identifies the areas the Directors regard as the main risks associated with an investment in the Company.

Eligible Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Shareholders should read the whole of this Booklet and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Offer Shares.

The following is a non-exhaustive summary of the key risks associated with an investment in the Company:

1 GENERAL RISKS

- (a) **Nature of investment:** Any potential investor should be aware that subscribing for Offer Shares (and any Additional Shares, where applicable) involves risks. The Offer Shares (and any Additional Shares, where applicable) to be issued pursuant to this Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those Offer Shares (and any Additional Shares, where applicable). An Applicant may not be able to recoup their initial investment. Specifically, the risks include:
 - (i) the price at which the Applicant is able to sell the Offer Shares (and any Additional Shares, where applicable) is less than the price paid due to changes in market conditions;
 - (ii) the Applicant is unable to sell the Offer Shares (and any Additional Shares, where applicable); and
 - (iii) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.
- (b) **COVID-19 pandemic:** The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

The COVID-19 pandemic has to date created significant economic and social challenges in Australia and around the world. There is continued uncertainty in relation to the ongoing impacts of the pandemic which, to date, have included a general contraction in output, increased levels of unemployment and restrictions on movement.

In response, the Company has concentrated on preserving cash and long-term shareholder value while maintaining focus on service to existing and prospective customers. Specific measures include a reduction in staff hours and fixed remuneration, successful application under the Commonwealth Government's "JobKeeper Payment" scheme and a reduction in costs relating to essential services and infrastructure.

The Company will continue to closely monitor developments related to COVID-19 and is cognisant of its duty to responsibly manage and, where possible, mitigate the risks posed by the global pandemic.

- (c) **Management actions:** The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of reducing, avoiding and mitigating the impact of risks on the performance of the Company and its securities.
- (d) **Insurance arrangements:** The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.
- (e) **Operational risks and costs:** The Company will be exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however certain residual risk will remain with the Company.
- (f) **Currency fluctuations:** Currency fluctuations may affect the Company's capital costs that the Company incurs in its operations.
- (g) **Business risks:** There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.
- (h) **Future capital needs:** Further funding may be required to advance the business objectives of the Company or for working capital purposes. There is a risk that despite efforts from the Company and its management, expansion efforts will fail, which will adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and consequently, the value of its Shares.
- (i) **Regulatory risk and government policy:** Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia and overseas, as applicable, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. There is a risk that the Company may not comply with all applicable laws or have adequate compliance procedures in place to manage or prevent breaches of applicable laws.
- (j) **Share market conditions:** The price of the Company's Shares will be influenced by international and domestic factors, including the impacts of the COVID-19 pandemic, which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities

investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

- (k) **Reputational Risk:** Maintaining the strength of the Company's reputation is important to obtaining and retaining a client base; preserving healthy relationships with partners and other service providers; and successfully implementing the Company's business strategy. There is a risk that unforeseen issues or events may adversely affect the Company's reputation. This may impact the future growth and potential profitability of the Company.

2 RISKS SPECIFIC TO THE COMPANY

- (a) **Patent rights:** The Company holds a granted innovation patent in Australia, a granted patent in the United States, a granted patent in Singapore and one patent allowed in the United States with the expectation it will be granted in the near future. As at the date of this Booklet, it has four patent pending applications in respect of the IXUP Platform in Australia, Singapore and under the Patent Co-operation Treaty, however their grant is uncertain and involves complex and continually evolving factual and legal questions. These include:

- (i) If issued, they may not be of commercial benefit to the Company, or may not afford the Company adequate protection from competing products; and
- (ii) The Company cannot be certain that its patent applications for such inventions were the first to be filed, therefore may not have priority over other applications and inventions.

Even if the Company succeeds in obtaining patent protection for its products, its patents could be partially or wholly invalidated following challenges by third parties.

- (b) **Protection of intellectual property rights:** The Company relies on certain intellectual property to conduct its business. The Company may be required to spend significant resources to monitor and protect its intellectual property. There is a risk that the actions taken by the Company to register and protect its intellectual property may not be adequate, complete or enforceable, and may not prevent the misappropriation of the Company's intellectual property and proprietary information. If the Company's intellectual property has been compromised, it may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights, which could result in significant expense to the Company and divert the efforts of its personnel. In addition, unauthorised use of the Company's technology and brand in counterfeit products or services could not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities. If the Company fails to protect its trade secrets, competitors may gain access to its technology which could harm the business.
- (c) **Infringement of third party intellectual property rights:** If a third party accuses the Company of infringing its intellectual property rights or commences litigation with similar claims, the Company may incur significant costs in defending such action, whether or not the Company ultimately prevails and may include diversion of personnel's time. In the event of a successful claim, the Company may be required to pay damages, obtain one or more licenses from the prevailing third party (which could encounter delays in the Company's product introductions and loss of substantial resources) or be under an injunctive or other relief that could prevent

the Company from further developing discoveries or commercialising its products. Third parties enforcing their intellectual property rights may also prevent the Company from using its intellectual property, which may adversely impact the business and operations of the Company and damage its reputation.

- (d) **Brand establishment and maintenance:** The actions of external industry participants may affect the Company's brand if customers do not have a positive experience using the platform, devices or operating systems that provide access to the IXUP Platform. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.
- (e) **Partners:** The amount of revenue the Company receives can be affected by the conduct of partners who are a main feature of the Company's go to market strategy. Actions by a partner such as, poor customer care, can have an effect on the Company's sales and the customer retention.
- (f) **Programming errors:** The IXUP Platform may contain now or in the future, errors, bugs or vulnerabilities, which could harm the Company's reputation and operating results via loss of customers, loss of platform partners, fall in revenues or liability for damages.
- (g) **Technology Risk:** The development and advancement of technology is complex, and progression may be subject to unexpected difficulties and external factors. Further, operating systems, components, hardware and software of the Company will require updating and maintenance, which may also affect the ability of the Company to effectively maintain, develop and upgrade its technology in-house, which may in turn have a detrimental effect on the Company's operating and financial performance. The Company's operational processes or disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that the Company suffers as a result of a system failure. This in turn could reduce the Company's ability to generate income and have a material adverse effect on its financial position and performance.
- (h) **Factors outside the control of the Company including (but not limited to) operating systems, design and operation of the platform:** The Company is dependent on the ability of the IXUP Platform to operate on various third parties' platforms, devices and operating systems however it cannot control the maintenance, upkeep and continued supply of effective service from such external suppliers. Any changes in such platforms, operating systems or devices that adversely affect the functionality of the IXUP Platform or give preferential treatment to competitive products could adversely affect usage of the IXUP Platform.
- (i) **Access to Internet:** In some instances when the Company deploys the IXUP Platform, it requires access to Internet. If access to Internet is disrupted, the cost of access to the Company's products, and usage of the Company's products may be negatively impacted.
- (j) **IXUP Platform performance risk:** Poor user experience of the IXUP Platform, insufficient numbers of customer service personnel, failure to provide adequate training and resources for partners or a disruption to these systems utilised by Company may affect customer take-up, retention and level of usage of the IXUP Platform, bring about adverse publicity, litigation, and regulatory enquiries. Further, there is a risk that potential faults in the IXUP Platform could result in legal exposure from clients, damage to the Company's reputation or cause a breach of

certain regulatory requirements. If any of these occur, it may adversely impact the Company's revenues.

- (k) **Operating system changes:** Providers of operating systems regularly update their systems which could cause some of the Company's product to not operate as efficiently as before and may require changing the Company's code on its system which may take some time to remedy.
- (l) **Use of open source software:** The Company's use of open source software in its proprietary software and products could have a negative effect on its business if the open source software licenses construed in a manner that imposes unanticipated conditions or restrictions on the Company's ability to provide or distribute its products.
- (m) **Competition and new technologies:** The Company has many competitors operating in a fast-paced and fast-changing environment. The Company has no influence or control over these competitors, whose activities or actions (such as development of new technologies or aggressive pricing) may negatively affect the operating and financial performance of the Company's projects and business by reducing the Company's market opportunity and requiring the Company to adjust its own pricing and service offerings to continue to generate business.
- (n) **Changes in technology:** Failure to expand the Company's products and grow its business in response to changing technologies may impact the success of the Company. Further, the cost of responding to changing technologies may require additional research and development activity for products that may be expensive, time consuming and difficult to design and implement. The outcome of such development is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business.
- (o) **Hosting provider, data loss, theft or corruption:** The Company stores data with third party service providers and Cloud Computing service providers who may suffer outages, for example due to catastrophic destruction following a natural disaster which may also disrupt service to the IXUP Platform. Hacking or exploitation of some unidentified vulnerability in the provider's network could lead to loss, theft or corruption of data which, in turn, could negatively impact upon the Company's revenues and profitability. The Company is subject to privacy laws in Australia. These laws generally regulate the handling of personal information and data collection. Such laws impact the way the Company can collect, use, analyse, transfer and share personal and other information. Any actual or perceived failure by the Company to comply with relevant laws and regulations may result in the imposition of fines or other penalties, client losses and limitations on the development of technology.
- (p) **Security breaches:** If the Company's security measures are breached, or if its products are subject to cyber-attacks that restrict customer access to its products, its products may be perceived as less secure than the products of competitors and customers may stop using the IXUP Platform.
- (q) **Contractual disputes:** The Company's contractual agreements with third parties that have an interaction with the Company's target market entail risks including but not limited to insolvency, fraud and management failure by the counterparty which may have negative financial and brand damage for the Company if risk materialised.

- (r) **Credit risk:** The Company may be exposed to credit risks relating to delay or non-payment by third parties. A failure by the Company to adequately assess and manage credit risk may result in credit losses potentially resulting in material adverse effect on the Company's business, operating and financial performance, including decreased operating cash flows.
- (s) **Equity Underwriting:** The Company has entered into an underwriting agreement under which the Underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement summarised in the announcement contained in Section C. Prior to settlement of the Entitlement Offer, there are certain events which, if they were to occur, may affect the Underwriter's obligation to underwrite the Entitlement Offer. If certain conditions are not satisfied or certain events occur under the underwriting agreement, the Underwriter may terminate the agreement which may require the Company to search for alternative financing. If the underwriting agreement is terminated for any reason, then the Company may not receive the full amount of the proceeds expected under the equity raising, its financial position might change, and it might need to take other steps to raise capital or to fund the acquisition.
- (t) **Dilution of existing Shareholdings in the Company:** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. The exact amount of dilution will depend on the level of shareholder participation. Given the structure of the Entitlement Offer (1 new Offer Share for every 1 existing Share) this will mean that the dilution to existing Shareholders who do not take up their Entitlements in full will be substantial. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 222,840,158 Shares to approximately 445,680,316 Shares (subject to rounding). For Shareholders who do not take up their full Entitlement, the Shareholder will have their percentage interest in the Company reduced by up to approximately 50% as compared to their percentage interest in the Company as at the Record Date. However, since Applications for Additional Shares are capped up to a maximum of \$25,000 for each Eligible Shareholder who takes up 100% of their Entitlement, the Company does not expect a material effect on the Company's control as a direct result of Eligible Shareholders subscribing for Additional Shares.

Following completion of the Entitlement Offer, if there are significant shortfalls in the applications under the Entitlement Offer, the Underwriter may acquire a substantial number of Additional Shares under the Entitlement Offer and dilute other Eligible Shareholders who did not take up all or any of their Entitlement, as follows:

- (i) if the shortfall is 25% of the Entitlement Offer, the Underwriter may acquire up to 12.5% of the Shares;
- (ii) if the shortfall is 50% of the Entitlement Offer, the Underwriter may acquire up to 25% of the Shares;
- (iii) if the shortfall is 75% of the Entitlement Offer, the Underwriter may acquire up to: 37.5% of the Shares; or
- (iv) if the shortfall is 100% of the Entitlement Offer, the Underwriter may acquire up to 50% of the Shares.

E ADDITIONAL INFORMATION

1 QUOTATION AND TRADING

The Company has applied to the ASX for the official quotation of the Offer Shares in accordance with the ASX Listing Rules. Subject to approval being granted by the ASX, it is expected that normal trading of Offer Shares will commence on or about 16 July 2020.

2 UNDERWRITING INFORMATION

On 23 June 2020, 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.

Underwriting Fee

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 \$133,704 plus GST) of \$2,228,401;
- (b) twenty million (20,000,000) unlisted options to acquire Shares under certain terms and conditions, which are exercisable at \$0.02, on or before the 31st of July 2024; 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.

Material Terms and Termination Events

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 13 July 2020 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 finish trading on the ASX on any five (5) consecutive trading days with a daily VWAP that is less than \$0.01;
- (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) 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 the Underwriting Agreement, on any three (3) consecutive trading days.

The above is not an exhaustive list of the termination events in the Underwriting Agreement.

Top-Up Right

In addition, if the shortfall under the Entitlement Offer is less than 50,000,000 Shares, being \$500,000 at \$0.01 per Share, the Underwriter has a top-up right to ensure that the total number of Shares to be allocated to it, including the Offer Shares representing the shortfall, is not less than 50,000,000 Shares (**Top-Up Right**). If required, the issue of any Shares pursuant to the Top-Up Right which are in addition to the Offer Shares which form the shortfall, will be subject to Shareholder approval.

3 RANKING OF OFFER SHARES

Offer Shares (including any Additional Shares) issued under the Entitlement Offer will rank equally with existing Shares on issue.

4 WITHDRAWAL

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws. If the Company exercises this right, it will refund Application monies in relation to Offer Shares not already issued in accordance with the Corporations Act without the payment of interest.

5 USE OF FUNDS

Pursuant to the Entitlement Offer and the underwriting, the Company will raise approximately A\$2,228,401 (before costs and expenses). The Company intends to apply the funds to general working capital purposes.

6 EFFECT ON CAPITAL STRUCTURE

As at the date of this Booklet, the capital structure of the Company is outlined below:

Class of security	Number of securities
Fully Paid Ordinary Shares	222,840,158
Unlisted Options (Expiry 14/11/2022, Exercise Price \$0.25)	56,426,470
Unlisted Plan Options (Expiry 14/11/2022, Exercise Price \$0.25)	3,240,000
Unlisted Plan Options (Expiry 20/12/2023, Exercise Price \$0.25)	3,751,666
Unlisted Plan Options (Expiry 10/04/2024, Exercise Price \$0.25)	1,633,333
Unlisted Options (Expiry 14/11/2022, Exercise Price \$0.25)	1,000,000
Unlisted Options (Expiry 30/11/2023, Exercise Price \$0.10)	10,000,000
Unlisted Performance Rights (Expiry 14/11/2022)	14,750,000

Pursuant to the Entitlement Offer and the underwriting, following the allotment of all Offer Shares (including any Additional Shares) and on the basis that no options over Shares are exercised, the Company's issued share capital will increase from 222,840,158 Shares to approximately 445,680,316 Shares (subject to rounding).

7 POTENTIAL EFFECT ON CONTROL

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. The risks associated with dilution and/or control are also set out in Section D of this Booklet.

The potential effect on control from the Entitlement Offer is summarised below:

- (a) if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;
- (c) the proportional interests of Shareholders of the Company who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer;
- (d) Eligible Shareholders that apply for Additional Shares under the Shortfall Facility may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who failed to accept their Entitlements in full and those who failed to apply for Additional Shares under the Shortfall Facility.

Applications for Additional Shares under the Shortfall Facility will be capped up to a maximum of \$25,000; and

- (e) following completion of the Entitlement Offer, if there are significant shortfalls in the applications under the Entitlement Offer, the Underwriter may acquire a significant number of Shares under the Entitlement Offer and dilute other Eligible Shareholders who did not take up all or any of their Entitlement, as follows:
- (i) if the shortfall is 25% of the Entitlement Offer, the Underwriter may acquire up to 12.5% of the Shares;
 - (ii) if the shortfall is 50% of the Entitlement Offer, the Underwriter may acquire up to 25% of the Shares;
 - (iii) if the shortfall is 75% of the Entitlement Offer, the Underwriter may acquire up to 37.5% of the Shares; or
 - (iv) if the shortfall is 100% of the Entitlement Offer, the Underwriter may acquire up to 50% of the Shares.

8 SUBSTANTIAL SHAREHOLDERS

As at 24 June 2020, it is the Company's understanding based on notices provided under section 671B of the Corporations Act, that there are two substantial shareholders on the Company's register. Following completion of the Entitlement Offer, their projected voting power (assuming they each take up their full Entitlement and based on the maximum number of Shares under the Entitlement Offer being issued), is as follows:

Substantial Shareholder	Shareholding*	Voting power*	Entitlement	Resultant shareholding based on 100% Entitlement	Resultant voting power based on 100% Entitlement
Joscelyne Investments Pty Ltd	31,193,302 Shares	14.01%	31,193,302 Shares	62,386,604 Shares	14.01%
Regal Funds Management Pty Ltd	27,598,739 Shares	12.44%	27,598,739 Shares	55,197,478 Shares	12.44%

* Based on most recent Form 604.

9 DIRECTOR SHAREHOLDINGS

The shareholdings of the Directors are set out in the table below. The table below also shows the Directors' holdings should they subscribe for their full entitlement.

Director Shareholder	Shareholding*	Voting power based on current issued capital*	Entitlement	Resultant shareholding	Resultant voting power based on 100% Entitlement
Dean Joscelyne	31,193,302 Shares	14.00%	31,193,302 Shares	62,386,604 Shares	14.01%
Grant Paterson	7,082,040 Shares	3.18%	7,082,040 Shares	14,164,080 Shares	3.18%

*Based on most recent Appendix 3Y.

10 NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in Offer Shares (nor to Additional Shares, where applicable). You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

11 TAXATION

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of applying for Offer Shares (including any Additional Shares) under this Booklet.

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders are strongly recommended to obtain their own professional advice (including taxation advice) before deciding whether to accept the Entitlement Offer or apply for Additional Shares under the Shortfall Facility.

Neither the Company, nor any of its officers, employees or advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences, of the Entitlement Offer or the acquisition or disposal of securities in connection with the Entitlement Offer.

F GLOSSARY

In this Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise).

Additional Shares	Offer Shares which comprises the shortfall, which may be applied for by Eligible Shareholders in excess of their Entitlement.
AEST	Australian Eastern Standard Time.
Announcement	The ASX announcement relating to the Entitlement Offer, as announced by the Company to ASX on 24 June 2020 and included in Section C of this Booklet.
Applicant	An Eligible Shareholder who submits an Entitlement and Acceptance Form.
Application	An application for Offer Shares lodged in accordance with the instructions in this Booklet and the Entitlement and Acceptance Form.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
ASX Listing Rules	The listing rules of the ASX or another securities exchange on which Shares are traded.
Booklet	This entitlement offer booklet.
Closing Date	5.00 pm (AEST) on 9 July 2020, or such other date as the Company determines.
Company or IXU	IXUP Limited ACN 612 182 368.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A Shareholder who is a registered holder of Shares on the Record Date with a registered address in Australia or New Zealand.
Entitlement and Acceptance Form	Your personalised application form enclosed with this Booklet.
Entitlement	The number of Offer Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer (ignoring the Shortfall Facility).
Entitlement Offer	A 1 for 1 (1 new Offer Share for every 1 existing Share) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price set out in this Booklet and the Entitlement and Acceptance Form as announced by the Company to ASX on 24 June 2020.
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder.
Issue Date	15 July 2020, or such other date as the Company determines.
Issue Price	A\$0.01, being the price per Offer Share.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Shares	The new Shares offered under the Offer.
Opening Date	30 June 2020.
Record Date	7.00 pm (AEST) on 29 June 2020.
Register	The register of Shareholders.
Registry	Link Market Services Limited ACN 083 214 537.
Section	A section in this Booklet.



Securities Act	The United States <i>Securities Act of 1933</i> , as amended.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of a Share.
Shortfall Facility	The mechanism by the Company may place the shares that comprise the shortfall as described in clause 8 of Section B.
Underwriter	Cygnnet Capital Pty Limited ACN 103 488 606 AFSL 241095.
US Securities Act	The US Securities Act of 1933.