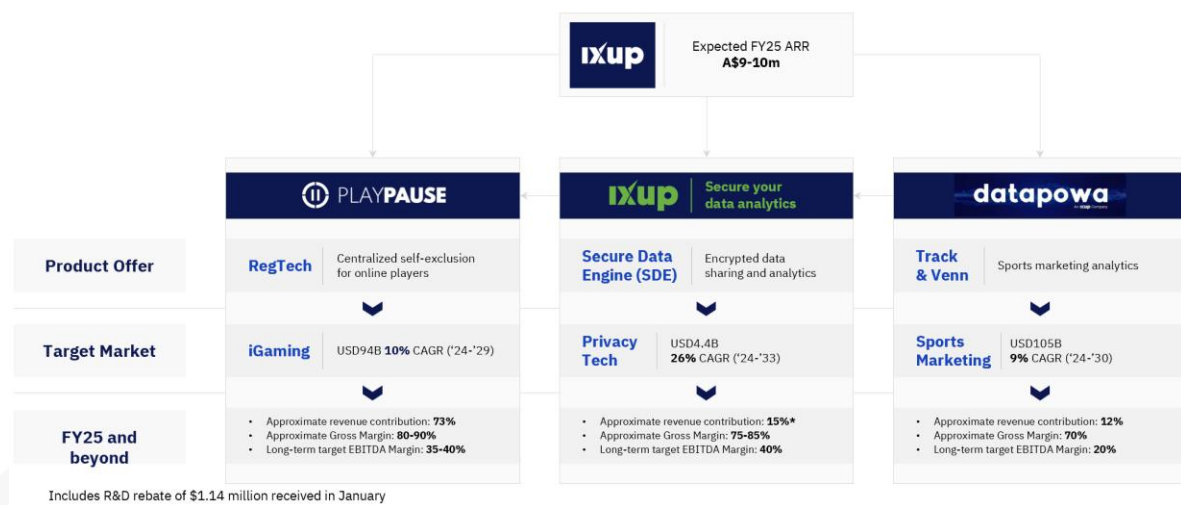


30 January 2025

Appendix 4C & Quarterly Activities Report

IXUP to accelerate growth in 2025 with strong sales momentum and path to cash breakeven following strategic transformation

IXUP Limited (ASX: IXU), a world leader in high-tech problem gambling self-exclusion solutions, has submitted its Q2 FY25 Appendix 4C Report and quarterly business update for the period ended 31 December, 2024.



H1 Highlights:

IXUP secured its largest-ever contract win with iGaming Ontario (iGO) in H1 FY25, alongside its existing BetStop™ contract with ACMA. The company now operates the world's only advanced centralized self-exclusion system (BetStop™) and is building the second (in Ontario, Canada). These contracts underpin a solid revenue base for IXUP in coming years, with cash receipts expected to increase over the course of calendar year 2025 in line with contract terms, assuming execution in line with the currently expected contracted delivery schedules.

Q2 FY25 Key Results:

- Quarterly cash receipts: \$1.95 million
- Cost reductions: \$2.7 million of annualised cost savings implemented in FY25.
- Operating cash outflow: \$0.8 million (after adjusting for non-recurring one-off cash outflows¹)
- Potential for the business to generate positive quarterly operating cashflow by 4QCY25 from existing contracts (post recent cost reductions), assuming execution in line with the currently expected contracted delivery schedules.
- Cash and cash equivalent position: \$2.7 million – which is considered sufficient funding to target positive quarterly operating cashflow by the final quarter of this calendar year.
- Multiple advanced sales opportunities progressing globally, the success of which would materially increase the financial performance of the business.

The company completed further internal restructuring to align costs with current revenue generating contracts, streamlined operations, and improved corporate culture. Product development has been

¹ Please refer to "Financial Highlights" section which begins on page 2 for specific breakdown of one-off, non-recurring items.

refocused on market-driven (contracted or expected to be contracted) solutions which will enhance commercial outcomes for the business going forwards.

RegTech Division

- Ontario, Canada.
 - Whilst specific timelines remain contractually confidential, the planning phase of the iGaming Ontario (iGO) program has successfully completed and solution build is underway, with the contact currently 'on track' in terms of delivery status.
- BetStop™ – The National Self Exclusion Register;
 - Over 36,000 users enrolled
 - Over 22 billion checks performed since launch only 17 months ago.
 - 100% system uptime
 - Average response times of <5 milliseconds per check
 - 197 operator integrations completed
- RegTech Pipeline Update
 - IXUP operates the Australia-wide Centralised Self Exclusion (“CSE”) solution for online gambling and is responding to a significant domestic land-based CSE contract with a decision on the winning proponent expected in 1H CY2025.
 - The IXUP business is also expanding internationally commencing with implementation of the iGO contract in Ontario, Canada.
 - IXUP’s multiple advanced pipeline remains active, although noting government procurement timelines may vary from expectations.
 - IXUP continued further deal origination activity across several iGaming jurisdictions, backed by its proven technology and unique reference sites, with additional contract opportunities expected over the course of 2025.

Secure Data Engine

IXUP’s Secure Data Engine (SDE) technology integrated with Microsoft Azure was selected to power the Shared Environmental Analytics Facility (SEAF) project in Western Australia. This program remains in pilot stage with further information on forward program plan, timeframe and annual goals expected from the Western Australian Biodiversity Science Institute (WABSI) by the conclusion of the first quarter of calendar 2025.

datapowa Division

datapowa is a finalist in a major RFP process for TRACK with a global sports management agency, with final decision due this quarter, following a detailed proof-of-concept exercise. The company secured three new TRACK projects: a partnership valuation for a Saudi Pro League team's sponsor, a naming rights valuation for a US university football stadium, and an in-venue asset analysis for an NFL stadium. Additionally, advanced sales discussions are underway with multiple counterparts for large opportunities across both TRACK and VENN products.

Financial Highlights

- **Revenue & Cash**
 - FY25 contracted revenue exceeds A\$9m, including government R&D rebate (now received).
 - Quarterly cash receipts: \$1.95m
 - R&D rebate (\$1.14m) received subsequent to quarter end, in January 2025.
 - Operating cash outflow of \$0.8m (prior to one-off non-recurring restructuring costs and cash outflows – see below for further detail)
- **One-off, non-recurring restructuring costs and cash outflows impact Q2FY25 cashflows**

The following items represent one-off non-recurring restructuring costs and cash outflows during Q2 FY25 which relate to a realignment of the Company’s cost base with its current revenue generating contracts and a normalisation of working capital levels across the business.

 - Staff redundancies: \$686k paid (expected annual saving of \$1.9 million)
 - Software provider terminations: \$210k paid (expected annual saving of \$840k)

- o Working capital adjustment: \$575k reduction in payables to better align working capital position to current revenue base.

Item	Amount
Operational cash outflow as per item 1.9 of Appendix 4C	\$2.3 million
- Add back of one off non-recurring items	
Staff Redundancies	(\$0.7 million)
Software provider terminations	(\$0.2 million)
Working capital normalisation	(\$0.6 million)
Operational cashflow less impact of one off non-recurring items	\$0.8 million

- **Outlook**

- o Cost base now optimized relative to revenue.
- o Focus shifted to new contract acquisition.
- o Expected significant reduction in operating cash outflows over the course of the following quarters driven primarily by an increase in iGO contract cash receipts, which build progressively over the course of CY25.
- o IXUP therefore expects continued operating cash burn into Q3 FY25 and then a significant reduction in Q4 FY25 (when iGO contract cash receipts increase materially) with potential for positive quarterly operating cashflow by 4Q CY25 assuming execution in line with contracted delivery schedule.
- o IXUP's current cash position is expected to be sufficient to fund this transition to positive cashflow, subject to the expected timing of cash inflows and payments in line with current expected contract delivery.
- o IXUP notes that it has multiple advanced sales opportunities progressing globally, the success of which would materially increase the financial performance of the business.

M&A Potential

- o IXUP continues to assess potential M&A opportunities within the global RegTech market, with no potential M&A opportunities progressing to a stage requiring disclosure.
- o IXUP notes that it will apply its strict acquisition criteria to any negotiations to ensure short term shareholder value accretion is paramount.

Overview of Operations During the Quarter

IXUP in execution phase for gambling self-exclusion contract in Ontario, Canada

The initial set up and design phases of the program to implement a Centralized Exclusion Register (CSE) for iGaming Ontario are complete and project execution is now in full operation. All deliverables remain on track versus that contracted plan and timelines. IXUP notes that specific project timelines remain confidential.

Overview of the iGO contract

IXUP and IC360 formed a Delaware-based Joint Venture to execute a contract with iGO worth CAD\$9.5M over 5 years (extendable by 3 years). IXUP will handle all technology aspects of the CSE solution while partnering with IC360 which may provide operational support in Ontario. Revenue and profits will be shared based on each company's contributions of technology and resources.

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Regtech division surpasses 36,000 users since launch in August 2023; remains positioned for additional growth

BetStop™ – The National Self-Exclusion Register, has successfully processed 22.2 billion checks in 17 months across 36,000+ registered users with 100% uptime and sub-5 millisecond response times. The ACMA-commissioned platform, implemented and operated with IP owned by IXUP, enables Australians to exclude themselves from all licensed online betting services for periods ranging from 3 months up to a lifetime, providing significant gambling harm prevention.

IXUP's Secure Data Engine (SDE) technology, integrated with Microsoft Azure for the Shared Environmental Analytics Facility (SEAF) project in Western Australia, advances through Pilot Phase

IXUP signed a multi-year agreement in September 2024 with the Western Australian Biodiversity Science Institute (WABSI) to provide their Secure Data Engine and Five Safes Governance Framework for the Shared Environmental Analytics Facility (SEAF) project. SEAF, developed by WABSI and the Western Australian Marine Science Institute (WAMSI) with support from the Australian Research Data Commons, enables secure collaborative analysis of environmental data from multiple stakeholders within Microsoft Azure to streamline environmental assessments. The pilot phase began in late 2024 and WABSI plans to provide forward planning for the initiate in Q1 CY25.

Corporate Update**RegTech Pipeline Update**

IXUP operates Australia's only commercial CSE solution and is developing Canada's first in Ontario. These contracts represent the only technologically advanced CSE solutions globally. IXUP's proven track record has attracted interest from multiple iGaming jurisdictions and the Company is pursuing several late-stage opportunities across several jurisdictions (although timing remains subject to government procurement processes).

IXUP is currently also bidding on a significant domestic project to expand into land-based gambling self-exclusion, with a decision expected in the first half of calendar 2025. IXUP sees potential to develop an integrated online and on-premise ("omni-channel") solution for more comprehensive gambler protection which will simultaneously provide a much larger total addressable market for IXUP globally.

Ongoing assessment of M&A opportunities

The global iGaming market is experiencing rapid growth and widespread adoption, prompting increased regulatory focus on player protection. IXUP is exploring strategic M&A opportunities in the RegTech space to strengthen its market position and enhance shareholder value. While evaluating potential acquisitions, none currently require disclosure. The company is also assessing possible divestitures of non-strategic assets and will provide updates as developments warrant.

Completion of \$3.2 million share placement

IXUP raised \$3.2 million through a share placement in December, issuing 320 million shares at \$0.01 each to professional investors, including The John & Myriam Wylie Foundation and Regal Funds Management. Investors received 1 free option for every 2 shares, exercisable at \$0.02 within 18 months. The placement was undertaken under existing capacity under ASX Listing Rule 7.1. Director Ian Penrose will separately invest \$100K, pending shareholder approval.

Q4 FY24 Financial Update

Net cash outflows from operations when adjusted for non-recurring one-off cash outflows¹ was \$0.8 million, representing the \$2.3 million outflow recorded in the quarterly report prior to normalisations in the amount of \$1.5m for one-off non-recurring items related to investments in cost base reductions and a re-balancing of working capital across the business to more appropriate levels. The quarterly cash

burn was also impacted by the timing of cash receipts for the iGO (Ontario) contract, where solution build is ongoing although contracted cash receipts are yet to commence. As a result of the items above and the commencement of billings from the delivery of the iGO CSE solution, which build progressively over the course of CY25, IXUP sees potential for positive operating cashflow in 4QCY25, which may be further augmented by the successful award of new contracts from the current advanced pipeline of opportunities.

Cash Receipts

- Cash receipts of \$1.95 million during the quarter were broadly in line with the prior quarter, reflecting the generally stable nature of the BetStop contract and IXUP's other business divisions.
- The R&D rebate (c \$1.14 million) was received subsequent to the end the quarter (in January 2025) and has been used to offset accrued tax liabilities.

Investment in Cost Base Reductions and Working Capital Normalisation

As previously noted, IXUP has now reduced its cost base to an optimal level, relative to the current revenue base and the multiple new significant contract opportunities available to it, with contract wins and revenue growth now the priority across all divisions of the business. These cost reduction initiatives, in addition to a progressive increase in cash receipts from the iGO (Ontario) contract are expected to result in progressive improvements in operating cash-flow over the course of CY25 with potential for positive operating cashflow in 4QCY25.

Cash and cash equivalents at the end of the quarter amounted to \$2.7 million, which is expected to fund the business through to positive cashflow later in CY25, subject to normal business risks and timing of cash inflows and payments in line with currently expected contract delivery.

Net cash outflows from investing activities were nil for the quarter.

Net cash inflows from financing activities were \$4.7 million for the quarter.

Directors, being related parties of the Company, were paid remuneration in the amount of \$65,161 during the December quarter. No other related party payments were made.

-ENDS-

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

For enquiries regarding this release please contact:

IXUP

Mr Al Watson
Chief Executive Officer
contact@ixup.com

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.

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

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

IXUP Ltd

ABN

85 612 182 368

Quarter ended ("current quarter")

Dec-24

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	1,948,081	4,011,860
1.2 Payments for		
(a) research and development	(150,590)	(222,140)
(b) product manufacturing and operating costs	(42,978)	(108,016)
(c) advertising and marketing	-	-
(d) leased assets	(24,988)	(79,011)
(e) staff costs	(2,175,122)	(3,882,248)
(f) administration and corporate costs	(1,897,305)	(3,107,833)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,506	11,459
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(2,341,396)	(3,375,929)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(334)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	-	(334)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,048,500	5,048,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(302,910)	(307,106)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,872)	(5,678)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,742,718	4,735,716

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	55,305	1,097,952
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,341,396)	(3,375,929)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(334)

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,742,718	4,735,716
4.5	Effect of movement in exchange rates on cash held	(3,626)	(4,414)
4.6	Cash and cash equivalents at end of period	2,453,002	2,453,002

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	2,453,002	55,305
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	283,214	283,214
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above). As at 31 December 2024 IXUP's cash, term deposits and security deposits at the end of the quarter totalled \$283,214.	2,736,216	338,519

6.	Payments to related parties of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	(65,161)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
<p><i>"Notes</i> 6.1 Directors, being related parties of the Company, were paid remuneration in the amount of \$65,161 during the December quarter. No other related party payments were made."</p>		

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7.	Financing facilities	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1	Loan facilities	16,089	16,089
7.2	Credit standby arrangements	-	-
7.3	Other	283,214	-
7.4	Total financing facilities	299,303	16,089
7.5	Unused financing facilities available at quarter end		283,214
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>St George Term Deposit \$50,000, interest rate 4.80% p.a., maturity date 09/10/2025. This Term Deposit secures credit card facilities.</p> <p>A security deposit of \$42,941 related to office space leased in North Sydney is being held by Sydney Harbour Federation Trust.</p> <p>A security deposit of \$190,273 related to office space leased on North Sydney is being held by St George to secure the bank guarantee.</p> <p>Loan Facility is with NatWest in the UK, 100% is secured by the UK government under the Bounce Back Loan Scheme and is repayable 2026. No repayments or interest are charged in the first year, after which interest is charged at 1.5% p.a.. Repayments began in June 2021.</p>		

8.	Estimated cash available for future operating activities	\$A
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,341,396)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,453,002
8.3	Unused finance facilities available at quarter end (item 7.5)	283,214
8.4	Total available funding (item 8.2 + item 8.3)	2,736,212
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.17
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

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8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The Company significantly reduced costs during the quarter, to better align the ongoing cost base with current and expected revenue generating contracts. These cost reduction initiatives and business normalisation expenses required several one-off non-recurring cash payments (outflows) during the quarter;

- Staff redundancies: \$686k paid (expected annual saving of \$1.9 million)
- Software provider terminations: \$210k paid (expected annual saving of \$840k)
- Working capital adjustment: \$575k reduction in payables to better align working capital position to current revenue base.

When adjusting for these one-off non-recurring payments, the Company's operating cash outflow was \$0.8 million, which would provide an adjusted response to item 8.5 (Estimated quarters of funding available) of >3 quarters.

The cost savings implemented, when combined with the expected commencement in contracted revenue from the iGO (Ontario) contract, will see cash receipts build progressively over CY25 (in line with contract terms), leading operating cash burn to reduce substantially over the course of CY25 with potential for positive quarterly operating cashflow in Q4CY25, subject to the expected timing of cash inflows and payments in line with current expected contract delivery.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

The Company is targeting positive quarterly operating cashflow by 4QCY25, subject to the expected timing of cash inflows and payments in line with current expected contract delivery. Current expectations are that the Company has sufficient funding to reach cash breakeven so is not contemplating raising further capital.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. the current cash position of the Company is expected to be sufficient for the business to transition to cash positive, subject to the expected timing of cash inflows and payments in line with current expected contract delivery.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

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

Date:30 January 2025

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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