

ASX ANNOUNCEMENT 21 MAY 2021 DIGITALX TO MAKE FURTHER STRATEGIC INVESTMENT INTO BITCOIN AND DIGITAL ASSET MARKET

Highlights

- DigitalX Board resolves to double the Company's original investment of A\$750,000 into the DigitalX Digital Asset Fund.
- Original seed investment of A\$750,000 now worth over ~A\$2.5 million at current market prices¹.
- Short-term drawdown represents a strategic opportunity to utilise funds from recent capital raise to accelerate the growth of the Digital Asset Fund.
- Strong capital position combined with very low cash market returns sees DigitalX seeking higher returns on investment.

DigitalX Limited (the **Company**), is pleased to update the market that the Company has resolved to make a further strategic investment into the DigitalX Digital Asset Fund up to A\$750,000.

DigitalX Digital Asset Funds

DigitalX is the investment manager of digital asset investment products that provide qualified investors with a secure and accessible way to invest in Bitcoin and the digital asset sector.

The DigitalX Digital Asset Fund was the Company's first established fund and is a traditional investment vehicle that invests in a diversified portfolio of leading digital assets. The DigitalX Digital Asset Fund enables investors to easily invest in these emerging technologies without the administrative challenges of acquiring and holding these digital assets.

Since inception, the Digital Asset Fund has delivered exceptional performance with the last reported NAV at A\$3.72, from an initial launch of A\$1.00. Despite a significant drawdown in the price of Bitcoin, which has seen a near US\$1 trillion reduction in the total market capitalisation of the asset class during May, the DigitalX Digital Asset Fund is, as at the date of this announcement, positioned to outperform the broader market for the month of April 2021.

Rationale and Process for Investment

The DigitalX Digital Asset Fund has driven strong asset price appreciation for DigitalX since inception, as well as for all investors in the Fund. The Board has continued to monitor the performance of the Digital Asset Fund and the markets generally and has resolved that the recent pull back in prices of digital assets generally represents an opportunity for the Company to double its investment into the Digital Asset Fund.

¹ (estimated NAV 20 May 2020)

In line with our long-term positive view on the digital asset marketplace, DigitalX will complete the allocation of these new funds into the DigitalX Digital Asset Fund over the next 40 days, taking into consideration both the May and June 2021 application dates for investment into the Fund.

Cautionary Statement – Digital Asset Investments

- *Investments into digital assets are high risk in nature as digital assets have shown over their history to be highly speculative.*
- *Digital asset related businesses have a number of risk factors, including but not limited to:*
 - *The development of new regulatory frameworks involving digital assets around the world;*
 - *digital assets have recently been the subject of regulatory comment in jurisdictions around the world, and regulators continue to issue guidance on the relevance of their existing securities and financial services laws with regard to digital assets. In Australia, investors can refer to ASIC Information Sheet 225 on digital assets from May 2019; and*
 - *digital assets, like other monetary products, are subject to anti-money laundering and counter-terrorism funding legislation.*

-ENDS-

Authorised by the Board of Directors of DigitalX Limited.

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About DigitalX

DigitalX Limited (ASX: DCC) is a technology and investment company focused on blockchain consulting, digital asset funds management, and RegTech. DigitalX's consulting division designs and develops blockchain technology applications for business and enterprise organizations. Through its asset management division, DigitalX provides low-cost traditional asset management products for qualified investors looking to gain exposure to the growing alternative asset class of digital assets, including Bitcoin. DigitalX is currently commercialising Drawbridge, the Company's first RegTech solution that supports listed companies in better managing their compliance and corporate governance policies. With Drawbridge, companies can manage employee and director share trading approvals in order to safeguard their reputations.

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