

Appendix 4C

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

Name of entity

DigitalIX Limited

ABN

59 009 575 035

Quarter ended ("current quarter")

31-March-2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	670	1,655
1.2 Payments for		
(a) research and development	(82)	(82)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(220)	(595)
(d) leased assets	(107)	(317)
(e) staff costs	(577)	(1,962)
(f) administration and corporate costs	(633)	(2,522)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(949)	(3,823)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(103)	(271)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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	1,260	3,564
2.3	Cash flows from loans to other entities	-	40
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposit)	-	38
2.6	Net cash from / (used in) investing activities	1,157	3,371

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,155	7,155
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	(432)	(432)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Applications/Redemptions from Funds)	(950)	(1,611)
3.10	Net cash from / (used in) financing activities	5,773	5,112

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,059	3,380
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(949)	(3,823)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,157	3,371

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,773	5,112
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,040	8,040

Note 1: The Group holds Bitcoin, listed digital assets and other unlisted investments not included above, which are considered highly liquid and are readily convertible to cash when required.

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'000	Previous quarter \$A'000
5.1	Bank balances	8,040	2,059
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,040	2,059

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	51
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note 2: Amounts paid to related parties includes Non-Executive Director salaries & superannuation, and related party legal & consulting fees.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

N/A

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(949)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,040
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,040
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.47
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.		
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: N/A		
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: N/A		
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: N/A		
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.		

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 April 2024

Authorised by: the Board of DigitalX Limited
(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.

ASX ANNOUNCEMENT 30 APRIL 2024 MARCH 2024 QUARTERLY REPORT

DigitalX Limited (ASX:DCC, OTCQB:DGGXF) ("**DigitalX**" or "**the Company**") is pleased to provide an update on its activities for the quarter ended 28 March 2024, along with its Appendix 4C cash flow report.

HIGHLIGHTS

- **Balance sheet appreciation** - The value of the Company's digital asset treasury holdings (including fund units) increased by \$15.5m or 68.2% over the three-month period, from \$22.6m at the end of December 2023 to \$38.1m at the close of the March 2024 quarter.
- **Capital raising** - During the Quarter the Company raised a total of AU \$1.89m through a Share Purchase Plan for eligible DCC shareholders and \$5.3m through a Private Placement aimed at new and existing institutional and sophisticated investors. Proceeds will be used for working capital and investment in digital assets.
- **Spot Bitcoin ETF** - On 12 January 2024, the application for DigitalX's Bitcoin ETF was lodged with the ASX by the fund's Responsible Entity, K2 Asset Management.
- **Fund Revenue** - The DigitalX Fund earned a Performance Fee of \$272k over the quarter, which contributed to total fund revenue of \$424k for the quarter. This was an increase in total fund revenue of 331.8% relative to the previous quarter ended December 2023.
- **Fund performance** - The DigitalX Bitcoin Fund and the DigitalX Fund increased 70.2% and 56.9% respectively over the quarter. The DigitalX Bitcoin Fund also reported its best month on record in February, returning 47.9% for the month.
- The DigitalX Bitcoin Fund maintained its overall position as SQM Research's number one best performing fund for one year returns.
- **Revenue execution** - Sell My Shares continued its upward revenue trend - quarterly brokerage revenue was \$690k, 20.7% above the previous quarter.

Commenting on the Quarter, DigitalX Chief Executive Officer Lisa Wade said:

“The positive momentum in the digital assets market continued with our March quarterly performance being the fourth best on record at DigitalX at 56.9%, and most pleasingly the best since March 2021. DigitalX is delighted that the DigitalX Bitcoin Fund maintained its overall position as SQM Research's number one best performing fund for one year returns. It is good to see some consistency in the Fund performance ranking, as well as the continued positive shift in institutional interest into our space. The uptake of the US-based spot Bitcoin ETFs has been nothing short of phenomenal with US\$58.5 billion in AUM now being held at the conclusion of March, and BlackRock's IBIT ETF being the most successful ETF launch in BlackRock's history.

Our fund products continue to stand out for their successful investment process and 'safe pair of hands' approach. To achieve this the team has embarked on a multi-year journey integrating our investment processes and proprietary investment approach with our development team, which has been progressing well.¹

Our partnership strategy has also gained some momentum in the background throughout the quarter, as we have developed some foundational aspects to our budding relationship with K2 Asset Management and 3iQ, through the progression of our Bitcoin ETF application.

Equally pleasing is the positive momentum we are seeing in the Sell My Shares business where our strategic initiatives from 2022 are bearing fruit with another 20.7% uplift.”

INVESTOR WEBINAR

Please join DigitalX Chief Executive Officer Lisa Wade for the March 2024 Quarterly Webinar on 13 May, 10:30am AEST.

To register for the webinar and for more information on the March 2024 Quarterly Report, please click [here](#).

Investors can submit questions prior to the webinar via the registration link or by emailing info@digitalx.com.

FINANCIAL REVIEW

DigitalX had cash, listed digital assets and unlisted investments (liquid and illiquid) of AU\$46.6m in value as at 31 March 2024.

Name	Value (\$AUD)
Australian Dollars	\$8,040,231
Bitcoin ¹	\$12,264,878
Fund units ²	\$25,120,895
Other liquid investments ³	\$703,021
Bricklet property investments	\$497,720
Total	AUD\$46,626,745

^{1,3} Total Bitcoin in Treasury at 31 March 2024 was 114.8999 and ETH 128.9671.

² Includes total units in the DigitalX Bitcoin Fund and DigitalX Fund based on their respective NAV's at 28 March 2024.

³ Total excludes amounts for tokens pending listing and/or for which an active market is not observable.

Cash and assets for the quarter increased by approximately \$21.4m. The increase for the quarter was primarily attributable to fund performance, with a \$10.06m increase in the value of Fund units compared to the December 2023 quarter, and the increase in the value of treasury digital assets quarter-on-quarter by \$5.38m. During the March 2024 quarter

the Company raised \$1.89m (before costs) through a Share Purchase Plan conducted in January 2024, and raised a further \$5.3m (before costs) through Private Placement in March 2024. Cash outflows through operations of \$949k was \$530k less than the Dec 2023 quarter.

Gross cash receipts from Sell My Shares and DigitalX Asset Management totalled \$779k, up \$207k from the prior quarter due to uplift in brokerage and fund management fees. Total revenue for the quarter increased to \$1.114m, up 67% on prior quarter revenue.

Further detail is contained in the accompanying Appendix 4C report for quarter ended 31 March 2024.

Similar to prior quarters, in combination with the focus on sustainably growing revenue, the Company continues to work towards a cash flow positive state.

In accordance with ASX Listing Rule 4.7C.3, \$51k was paid to related parties or their associates during the quarter (prior quarter \$55k), including Non-Executive Director remuneration and legal fees paid to Steinepreis Paganin (of which DigitalX Chair Mr Hicks is a Partner).

BUSINESS REVIEW

DIGITALX ASSET MANAGEMENT

Name	Value (\$USD) as at 31 March 2024
Bitcoin	\$70,472
Ethereum	\$3,621

Source: CoinGecko, as at 31 March 2024. <https://www.coingecko.com/>

With the recently approved US-based spot Bitcoin ETFs posting assets under management of up to ~US\$58.5 billion in less than 3 months, the price of Bitcoin managed to achieve all time highs over the quarter, surpassing US \$73,000, and concluding the month of March at US \$70,472. Both the Company's flagship Funds in the DigitalX Bitcoin

Fund ("DXBF") and the DigitalX Fund ("DXF") increased 70.2% and 56.9% respectively over the quarter. By comparison, the S&P Cryptocurrency Top 10 Equal Weight Index (AUD) rose 44.3%, AUD gold rose 12.8% and the All Ordinaries Index rose 4.2% over the 3 month period ended 28 March 2024.

On 12 January 2024, the application for DigitalX's Bitcoin ETF was lodged with the ASX by the fund's Responsible Entity, K2 Asset Management. The application follows the Company's November announcement that stated that DigitalX would be launching a spot Bitcoin ETF on the ASX in partnership with K2 Asset Management (an ASX-listed diversified financial services firm with \$4 billion in assets under management) and 3iQ (Canadian digital asset manager with 10+ years investment experience). Together with K2 Asset Management, the Company is in dialogue with the ASX over details of the application. Further information will be provided in due course.

The DigitalX Fund earned a Performance Fee of \$271,883 over the quarter, which contributed to total funds revenue for the quarter of \$424k. As a result there was a 331.8% increase relative to the previous quarter ended December 2023 and an increase of 531.8% from the previous corresponding quarter ended March 2023.

The Company was pleased to have the DigitalX Bitcoin Fund retain its rating from prestigious research house SQM Research over the quarter. The Fund continued to maintain its overall position as SQM's number one best performing fund for one year returns.

DigitalX Asset Reference Token Fund

Since launching the DxART Fund in June of 2023, the Company has been focusing on securing cornerstone investors, identifying distribution channels and improving the operational efficiency of the investment selection process.

Discussions with various investment groups and financial institutions have been positive with multiple opportunities evolving. However, as at the end of the quarter there was no

new inflows into the DxART Fund. Discussions are ongoing as the Company seeks to appropriately position this Australian-first funds management product that has been established to offer investors exposure to multiple pools of digital tokens backed by different classes of traditional assets.

SELL MY SHARES

Revenue Generation

Sell My Shares continues to perform strongly, generating \$690k in revenue over the quarter. This is the highest quarterly revenue figure on record and 20.7% higher than the previous quarter.

PRODUCT DEVELOPMENT

Investment Process Automation - DigitalX Playlist

The product team continued work on encoding the portfolio composition component of the investment process, which is called the DigitalX “Playlist”. The team is exploring and prototyping decentralised alternatives to traditional methods of portfolio construction, sourcing and analysis of asset data. The development is being conducted internally and with partners, including the DFCRC. This approach presents opportunities for comparative assessment, synergies, and differentiation across DigitalX product offerings. Feedback will be obtained from potential institutional and retail users in the coming quarter. It may also provide additional revenue opportunities that are complementary to traditional Funds Under Management models.

Digital Distribution Channels

The product team continues assisting with identifying and prototyping distribution options for the Company’s DxART Fund. This is to support scaling customer access for the target customer segments and asset classes selected by the Funds business. During the quarter this included surveys of a leading Australian Digital Asset Exchange’s customers, plus due

diligence on an offshore distribution platform, which may present more favourable commercial opportunities than purely Australian-based channels.

ETF launch support

The team continues to support the DigitalX Bitcoin ETF launch with project processes and tooling. The team provided key inputs to the ETF product marketing plan, identifying B2B channels, and commenced testing ideas and assumptions for this segment via an outbound call campaign. In addition, the product team is participating in a process review of the SMS business with a view to enhancing SMS's tooling, including potential enablement of buy-side functionality for the ETF.

CORPORATE

Treasury

There were no additional changes to the DigitalX treasury holdings over the quarter. The value of the Company's digital asset treasury holdings (including fund units) increased by \$15.4m or 68.2% over the three-month period, from \$22.6m at the end of December 2023 to \$38.1m at the close of the March 2024 quarter. The increase in value can be attributed to the appreciation in the price of Bitcoin and broader digital assets due to increased demand from retail and institutional investors following the US Securities and Exchange Commission's approval of US-based spot Bitcoin ETFs in early January 2024. No sales of Bitcoin occurred during the quarter.

Private Placement

In mid-March 2024, the Company launched a Private Placement to raise \$3,000,000 (before costs) having generated significant interest, and having received strong support, from new and existing institutional and sophisticated investors the Company raised a total of \$5,300,000 under the Placement. The Company issued 79,104,479 new DCC Ordinary Shares at a price of \$0.067 per share, with 89,104,479 attached options exercisable at \$0.10 which expire 30 September 2024. The Issue Price represented a discount of 19.2% to the closing Share Price of \$0.083 on 13 March 2024.

Share Purchase Plan

In mid-December 2023, the Company launched a Share Purchase Plan to raise up to \$2.5 million. The Plan entitled Eligible Shareholders, irrespective of the size of their shareholding in DigitalX, to purchase up to \$30,000 worth of Shares at an issue price of \$0.046 per Share. As at the closing date of 25 January 2024, the Company was pleased to announce that it raised a total of \$1,885,108.10, with 40,980,513 new DCC Ordinary Shares issued to eligible applicants. Each of the Company's Directors elected to subscribe for their full entitlement under the SPP.

Environment, Social and Governance (ESG)

The ESG Dashboard (provided by ESG technology partner, Socialsuite) provides a snapshot of DigitalX's progress to 31 March 2024. The Company recognises the impact of its activities and is committed to implementing ESG awareness across its activities. The business has a number of assessments to be carried out by SocialSuite over the coming quarter.

Mt Gox

During the quarter the Company was notified that the Judge would reach a decision by the end of May.

Background - DigitalX is pursuing legal action to secure the rights to Bitcoin that has been recovered by the liquidators of historical crypto exchange, Mt Gox. Mt Gox began payments to investors in January and that is expected to roll out over coming months. In its September 2023 Quarterly Report, the Company noted that the determination of the Company's Bitcoin summary judgement is still reserved, with no time frame provided by the Court and no subsequent mediation date set. As at the date of this report, there is still no decision on the summary judgement from the Australian Federal Court.

OUTLOOK

Despite continued market volatility we still believe that the outlook for the digital asset space is positive and the Company should continue to benefit from this. Most pleasingly the narrative globally around real world asset tokenisation is gaining positive momentum with fund managers of the calibre of BlackRock now establishing tokenised-based fund offerings. We are well placed to capitalise on this shift in financial assets as we continue the background work to achieve success in the Company's own tokenised Fund offering the DxART (DigitalX Asset Reference Token Fund).

Post the capital raise the Company is deploying proceeds from the recent raises into our own Fund products, offering exposure to digital assets, which we believe will add value to shareholders as well as demonstrate the Board's support for the Company's own product suite.

In the coming quarter the Company will continue to execute on its Web2 to Web3 strategy of utilising and developing potential Web3 Channels in order to expand our current product offering globally. We see this as a key strategic move for the Company's revenue model that will allow us to maximise the product offering we currently have on a global scale. The Company's ongoing partnership with 3iQ will be fundamental to this.

The Company continues to focus on execution, and on simplifying the business and its message to shareholders.

- Ends-

Authorised by the Board of DigitalX Limited.

For further information, please contact:

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About DigitalX Limited (ASX:DCC)

DigitalX is a technology and investment company focused on growing the blockchain economy through its digital asset funds management business, digital fintech and regtech products, and blockchain ventures.

DigitalX's product team designs and develops blockchain technology applications for business and enterprise organisations.

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 which is supporting listed companies to better manage their compliance and corporate governance policies. With Drawbridge, companies can manage employee and director share trading approvals in order to safeguard their reputations.

www.digitalx.com | www.digitalx.fund | www.opendrawbridge.io | www.sellmyshares.com.au