

ASX ANNOUNCEMENT 31 JANUARY 2025 DECEMBER 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 31 December 2024, along with its Appendix 4C cash flow report.

HIGHLIGHTS

- **Treasury expansion** – strategic addition of Solana to the group's treasury holdings provides diversification and enables the Company to engage in staking activities to generate yield on a targeted selection of digital assets.
- **Growth in revenues** – revenues over the quarter increased by 15% driven primarily from performance fees received and revenues from staking activities relating to the Company's digital assets.
- **Capital raising** – applications were received for a private placement to raise \$10.3 million (before costs) along with the announcement of a rights issue to raise up to an additional \$5.09 million from existing shareholders. The majority of the placement funds were used to purchase Solana and have immediately been staked, earning new revenues for the Company.
- **DigitalX Bitcoin ETF (BTXX)** – significant growth during the quarter with the fund exceeding \$50m in FUM following its launch in July 2024. The Company completed transferring its holdings in the Bitcoin Fund (DXBF) into BTXX during the period.
- **Key appointments** – the Board appointed Mr Antanas Guoga (Tony G), an experienced international digital asset and blockchain enabler, as a strategic advisor to drive the Company's expansion and growth in digital asset staking and investment. The Company also appointed a Non-Executive Director, a Head of Sales and a Chief Risk Officer to support growth in the business.

- **DigitalX shortlisted by the RBA/DFCRC to submit a detailed proposal to investigate the development of an AUD stablecoin.**
- **Fund performance** – strong performance in digital assets with the DigitalX Bitcoin ETF increasing 67.4% over the quarter and the DigitalX Fund increasing 44.7%. This takes their year-to-date performance to 79.8% and 79.2% respectively.
- **Mt Gox settlement** – court ordered mediation resulted in the successful settlement of a Federal Court dispute, with the Company now expecting to receive 41.99 Bitcoin, 52.48 Bitcoin Cash and approximately 18 million Japanese Yen during CY2025 from the Mt Gox Administrators.

Commenting on the Quarter, DigitalX Interim Chief Executive Officer Greg Dooley said:

"This was a very significant quarter for the Company where we delivered on the short-term priorities outlined in the previous quarter and conducted a capital raising to support an important strategic investment in the business to ensure DigitalX remains at the forefront of digital asset investing in Australia."

The value of DigitalX's assets under management appreciated strongly during the period and with recent key appointments to drive further growth, the Company is well positioned to deliver long term value for shareholders as the digital asset class continues to mature."

FINANCIAL REVIEW

DigitalX had cash, listed digital assets and unlisted investments (liquid and illiquid) of AU\$66.4m in value as at 31 December 2024.

Category	Value (\$AUD)
Australian Dollars - Cash at Bank	\$12,383,772
Bitcoin Treasury ¹	\$12,273,595
Solana Treasury ¹	\$4,553,429
Ethereum Treasury ¹	\$701,297
Digital X Bitcoin Fund - (ETF Fund Units)	\$29,490,856
Digital X Fund Units	\$5,735,161
RWAX Fund units	\$1,002,452
Other liquid investments ²	\$16,339
Bricklet property investments	\$268,420
Total	\$66,425,321

¹Total Bitcoin in Treasury at 31 December 2024 was 81.23, Solana 14,876.64 and ETH 130.12

²Total 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 \$27.4m. The increase for the quarter was primarily attributable to fund performance compared to last quarter, with a \$12.5m increase in the value of Fund units and the increase in the value of treasury digital assets by \$6.6m. The remaining increase is due to funds raised by way of private placement of \$9.6m received at 31 December 2024.

Net Cash outflows through operations of \$1.17m was \$165k less than the September 2024 quarter predominately relating to reduced administration and employment expenses. Cash Inflows from

Operations were \$82k lower and Cash Outflows from Operations were \$295k lower than the previous quarter.

Gross cash receipts from Sell My Shares and DigitalX Asset Management totalled \$700k, down \$144k from the prior quarter due to a reduction in fund management fees charged for the DigitalX Bitcoin Fund and a record month in July 2024 for Sell My Shares.

Total revenue for the quarter increased to \$963k, up 15% on prior quarter revenue. The variance between revenue recognised for the quarter and gross cash receipts is due to the difference between when revenue is recognised and when cash is received.

The company has focused on reducing its operating costs while growing its revenues and will continue towards a cash flow positive state.

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

In accordance with ASX Listing Rule 4.7C.3, \$125k was paid to related parties or their associates during the quarter (prior quarter \$88k), including Executive Director remuneration, Non-Executive Director remuneration and legal fees paid to Steinepreis Paganin (of which DigitalX Chair Mr Hicks is a Partner).

Solana investment

At the beginning of December, the Company expanded its Treasury holdings with a strategic investment of A\$5 million in Solana, which was funded with an equivalent A\$ sell-down of DigitalX's Bitcoin holding. Towards the end of the quarter a further \$200k worth of Solana was purchased using cash at bank. This significant investment enables the Company to not only diversify its digital asset holdings but also pivot toward staking as a primary method of generating yield on select digital assets.

At the end of the quarter, 14,877 SOL and 130.12 ETH valued at \$5.3 million had been staked in Solana and Ethereum validators, with the Solana stake of approximately \$4.6 million generating an expected yield between 7%-9% per annum and the Ethereum stake of approximately \$0.7 million generating an expected yield of 4.4% per annum.

Following quarter end, the Company made a further investment of A\$9.319 million in Solana which has also been staked with validator, BitGo and converted its Ethereum holdings into Solana. The company now has over 45,401 Solana (approx. \$16.6m) staked earning a yield of between 7%-9% pa.

This strategic move by DigitalX supports the growth and resilience of decentralised ecosystems with staking in proof-of-stake networks offering one of the most reliable ways to earn a yield on digital assets, while actively contributing to the health and security of these networks.

BUSINESS REVIEW

DigitalX Asset Management

Katrina Griffiths joined the Company during the quarter as Head of Sales, bringing over 19 years' experience in the financial services industry across various roles in sales, marketing and compliance. Katrina has worked with institutional and high net worth clients and has managed her own family office fund.

DigitalX Bitcoin ETF (ASX: BTXX)

During the quarter, the Company achieved a significant milestone with the DigitalX Bitcoin ETF ("BTXX") surpassing A\$50 million in FUM following its ASX listing on 9 July 2024. The Company also completed transferring its holdings in the DigitalX Bitcoin Fund ("DXBF") into BTXX. As a result, the DXBF FUM is now included in the BTXX FUM.

After fees, the DigitalX Bitcoin ETF increased 67.4% for the quarter and is up 79.8% since its launch, significantly outperforming the traditional asset classes of bonds, equities and commodities during the same period. BTXX was also reported by the Australian Financial Review as the top performing Australian listed crypto ETF for the period 15 October to 31 December, 2024¹.

BTXX provides a simple, liquid and regulated structure for investors to gain exposure to the emerging digital asset sector without the requirement to hold a digital wallet.

DigitalX Fund (DXF)

The actively managed DigitalX Fund continued to perform well over the quarter, rising 44.7% after management and performance fees. The DXF is well positioned to capitalise on the price appreciation of a broader base of digital assets supported by a renewed effort to shape digital asset regulation and policies from the incoming pro-crypto US Congress and change to the SEC Chair. Approximately \$229k was generated in fund performance fees over the quarter.

1. <https://www.afr.com/wealth/personal-finance/seven-tips-for-serious-investors-who-are-crypto-curious-20250107-p5l2hg>

OTHER ACTIVITIES

Key Appointment

DigitalX maintains a strong strategic focus on not only growing the digital assets and FUM of the business, but also on opportunities to generate yield on some of the Treasury holdings where possible. During the quarter, the Company made a key appointment to support these initiatives.

As part of the capital raising announced on 18 December, Mr Antanas Guoga (Tony G), was appointed as a strategic advisor to drive the Company's expansion and growth in digital asset staking and validation services to grow revenues and asset values. Mr Guoga is the Chair of Canadian listed Solana Strategies Inc. and is an experienced international digital asset and blockchain enabler. Mr Guoga has been integral in the Company's decision to invest in Solana as well as the move to stake this asset to generate yield.

The Company continues to progress the search for a permanent CEO and will update the market in due course.

Sell My Shares

Sell My Shares performed well over the quarter, generating \$614k in revenue. This was a decrease of 6.8% from the previous quarter, largely attributable to a slight fall in the average trade size, reduction of services offered and further tightening of share sale procedures.

RBA/DFCRC Project Acacia

During the quarter, the Company submitted an expression of interest in participating in the Reserve Bank of Australia (RBA)/Digital Finance Cooperative Research Centre (DFCRC) Project Acacia, which is considering the issuance of a reserves-backed digital currency, also referred to as an AUD stablecoin, for general purpose use as a settlement asset.

Prior to quarter end, the Company received an invitation to submit a more detailed 'Use Case' proposal for Project Acacia, which is due to be submitted 21 February 2025.

The Company will continue to collaborate with the RBA/DFCRC on this project and update the market on any further developments.

PRODUCT DEVELOPMENT

The VWAP service provided as part of the Drawbridge product was enhanced with the addition of a “paywall” allowing the company to earn income from what previously was a free service.

CORPORATE

Capital Raising

On 18 December, the Company announced it had received applications for a private placement to raise \$10.3 million (before costs) through the issue of 219,148,936 shares at \$0.047 per share (the “Placement”) and that it would also undertake a rights issue to raise up to an additional \$5.09 million from existing shareholders on the same terms as the Placement.

The Placement was strongly supported by a number of existing and new sophisticated investors, including Mr Guoga, who invested \$4.7 million, with his investment subject to a 12-month voluntary escrow period. Directors of the Company committed to invest \$611,000 under the Placement, subject to shareholder approval at a meeting to be convened on 31 January 2025.

The Placement was conducted within the Company’s existing capacities under LR 7.1 and LR 7.1A.

On 19 December, the Company announced a pro rata non-renounceable rights Issue to Eligible Shareholders on the basis of 1 new share for every 8 shares held, at an issue price of \$0.047 per new share (the “Rights Issue”) to raise approximately \$5.09 million (before costs). The Rights Issue opened on 31 December 2024 and closed at 5pm on 24 January 2025.

Mt Gox Settlement

On 16 December, the Company announced that it had settled the previously announced Federal Court of Australia disputes with former director and CEO, Alex Karis, through court ordered mediation.

Under the settlement agreement, the Company expects to receive 41.99 Bitcoin, 52.48 Bitcoin Cash and 18,152,805 Japanese Yen from the Mt Gox Administrators. At this stage, the Company expects to receive distributions from the Administrators during calendar year 2025, most likely during a period of 4 to 8 months from the date of the ASX announcement in December 2024.

Director Appointment

The Company experienced significant growth during the December quarter and is preparing to seize on opportunities that continue to emerge as regulation and industry guardrails become more defined. As a result, the Board expanded with the appointment of Davide Bosio as a non-Executive Director.

Mr Bosio is an experienced company director who has built a successful career in financial services over the past 23 years in Australia. Mr Bosio has strong existing connections with DigitalX having worked as lead manager to the backdoor listing of the Company in 2014.

Mr Bosio possesses the requisite skills and experience to contribute to the next important phase of growth for the Company.

- Ends-

Authorised by the Board of DigitalX Limited.

For further information, please contact:

Investor Enquiries

DigitalX Limited
Greg Dooley
Interim Chief Executive Officer

E: investors@digitalx.com

Media Enquiries

Media & Capital Partners
Justin Kelly
Partner

T: +61 408 215 858

E: justin.kelly@mcpartners.com.au

About DigitalX Limited (ASX:DCC)

DigitalX Ltd (ASX:DCC) is a leading Australian digital investment manager and the only ASX-listed crypto fund manager. We are the longest standing publicly listed digital asset company in Australia.

Our track record of digital asset management covers more than 6 years and we've delivered strong results in that time: The DigitalX Bitcoin Fund was rated by Morningstar as the #1 Performing Fund in Australia across all categories for 2023 returns, while the DigitalX Fund ranked #3 on the same list (source: AFR).

DigitalX implements institutional grade custody and insurance working exclusively with reputable, independent partners. Our primary clients are domestic individual wholesale investors and family offices.

We manage Australia's first ASX-listed spot Bitcoin ETF (ASX:BTXX) and an actively managed crypto fund, the DigitalX Fund. Additionally, our Treasury strategy includes earning yields through staking of digital assets, leveraging blockchain technologies to create additional value for our investors.

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

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-December-2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	661	1,402
1.2 Payments for		
(a) research and development	(83)	(83)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(179)	(400)
(d) leased assets	(94)	(142)
(e) staff costs	(697)	(1478)
(f) administration and corporate costs	(790)	(1,828)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	47
1.5 Interest and other costs of finance paid	(6)	(13)
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	(1,165)	(2,495)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	(768)
(e) intellectual property	-	-
(f) other non-current assets	(200)	(304)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	1,539	3,076
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposit)	-	-
2.6	Net cash from / (used in) investing activities	1,339	2,004

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,610	9,610
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	-	-
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:		
	(a) Applications/Redemptions/Distributions from Funds ¹	(1,409)	(2,758)
	(b) Repayment of Lease Liabilities	(16)	(32)
3.10	Net cash from / (used in) financing activities	8,185	6,820

Note 1: Includes \$84k in year to date of distributions from the DigitalX Bitcoin Fund.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,024	6,054
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,165)	(2,495)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,339	2,004
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,185	6,820
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period²	12,383	12,383

Note 2: The Group holds Bitcoin, listed digital assets and units in managed funds 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	12,381	4,022
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) ³	2	2
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,383	4,024

Note 3: Funds held within an investment cash holding account, readily convertible to cash.

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 ⁴	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note 4: Amounts paid to related parties includes Executive Director salaries & superannuation, 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.</i> <i>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)	(1,165)
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,383
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	12,383
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.63
	<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>	
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	
	<i>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.</i>	

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: 31 January 2025

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.