

ASX ANNOUNCEMENT

25 August 2016

Buy-Back of Shares

DigitalX Limited (ASX:DCC and ‘the Company’) advises that, following the resignation of Mr Zhenya Tsvetnenko as a Director in July 2016, the Company has now entered into an agreement with Mr Tsvetnenko that will see he and his entities cease to have any holding in the Company.

The Company has agreed to buy-back 17,633,839 shares held by entities associated with Mr Tsvetnenko, with these shares to be cancelled upon completion of the transaction (**Buy-Back**). The Buy-Back agreement is conditional upon all regulatory and shareholder approvals being received, and Mr Tsvetnenko entering into agreements to dispose of the remainder of all his approximate 25 million shares in which he has an interest.

Mr Tsvetnenko has advised the Company that he has entered into arrangements with two long term supporters of the Company to acquire his remaining shares, satisfying one of the conditions of the Buy-Back arrangement. The pricing of these transactions is a commercial matter for Mr Tsvetnenko. Joel Ridley, Managing Director of Merchant Capital Markets, and one of the purchasers identified by Mr Tsvetnenko commented: “We see the Fintech sector as a massive opportunity and have identified Blockchain technology as being a particularly transformative piece of infrastructure. DigitalX is in a unique position to capitalise on the disruption in the payments sector and we can see significant upside in the Company. We fully support DigitalX's share Buy Back and the increase in value it brings to its shareholders.”

Under the Buy-Back, the Company will pay \$0.03 per share, which marks a significant discount to the current trading price and the price at which the Company was trading prior to the announcement of Mr Tsvetnenko’s resignation.

Importantly for the Company, the Company will not pay any consideration for the Buy-Back unless it completes a Capital Raising, meaning that the Buy-Back will not have any impact on the Company’s current capital reserves.

The Chief Executive Officer of DigitalX, Alex Karis, commented: “In unfortunate circumstances, this is a positive outcome for shareholders because it essentially lifts the value of the Company on a per share basis and protects the financial position of the Company moving forward. Management remains focused on expanding AirPocket and achieving our near-term commercial milestones previously announced to the market.”

Mr. Tsvetnenko, who has confirmed he has entered into arrangements to sell the balance of his interest, added: “I am selling my shareholding in DigitalX as it is in the best interest of the shareholders of the company in the circumstances. I’ve strong confidence in DigitalX, its technology and business strategy and I look forward to watching the business grow.”

The Company is now in the process of undertaking the necessary steps to convene a meeting of its shareholders to consider the Buy-Back. The notice of meeting will include an independent expert’s report in accordance with ASX Listing Rule 10.1.

-ENDS-

For further information, please contact:

DigitalX Limited

Alex Karis
Chief Executive Officer
T: +1 (617) 544 3150

Media Enquiries:

Melissa Mack
E: melissa.mack@mcpartners.com.au
T: +61 430 119 951

About DigitalX Limited

DigitalX is a Blockchain-based software solutions group disrupting the payments industry. Its products allow consumers to make secure and cost-effective money transfers worldwide. Partners can use DigitalX’s technology to offer new financial products. DigitalX is based in Boston and has offices in New Jersey and Australia.