



1. Company details

Name of entity:	DigitalX Limited
ABN:	59 009 575 035
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	43.5% to	3,255,469
Loss from ordinary activities after tax attributable to the owners of DigitalX Limited	down	36.8% to	(4,792,901)
Loss for the year attributable to the owners of DigitalX Limited	down	36.8% to	(4,792,901)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$4,792,901 (30 June 2023: \$7,584,749).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>4.03</u>	<u>2.92</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.



8. Details of associates and joint venture entities

- DigitalX Bitcoin Fund Unit Trust
 - DigitalX Fund Unit Trust
 - DigitalX Real World Asset Tokenisation (previously known as 'DigitalX Asset Reference Token Fund') Unit Trust
-

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

The foreign controlled subsidiaries of the consolidated entity comply with the requirements of International Financial Reporting Standards.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited.

11. Signed

Authorised by a resolution of the Board

Toby Hicks
Chair

Date: 30 August 2024



DigitalX Limited

ABN 59 009 575 035

Preliminary Appendix 4E - 30 June 2024



Directors	Toby Hicks Greg Dooley Peter Rubinstein
Company secretary	Mark Licciardo
ABN	59 009 575 035
Registered office and principle place of business	Suite 2, Level 4, 66 Kings Park Road West Perth WA 6005
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2, 5 Spring Street Perth WA 6000
Stock exchange listing	DigitalX Limited shares are listed on the Australian Securities Exchange (ASX code: DCC)
Website	http://www.digitalx.com/



Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Share sales via the Sell My Shares division;
- Funds under management; and
- Blockchain product development.

Operating and financial review

Operating results

For the year ended 30 June 2024, the consolidated loss attributable to members of the consolidated entity before providing for income tax amounted to AUD\$4,792,901 (2023: loss of AUD\$7,584,749). Total loss after income tax expense was AUD\$4,792,901 (2023: loss of \$7,584,749). The consolidated entity has substantial carried forward tax losses, which the company have elected not to recognise as a deferred tax asset. Recognising these losses at 30 June 2024 would result in a profit after tax. Total comprehensive income for the year was AUD\$6,184,026, a significant improvement from the previous year's comprehensive loss of AUD\$3,415,538. This improvement is primarily attributable to an increase in the fair value of digital assets.

The consolidated entity increased its revenue by \$987,282 or 44% from operations in 2024 to AUD\$3,255,469 (2023: AUD\$2,268,187), with the Sell My Share Business increasing its revenue by \$517,720 or 26% and the funds business \$493,682 or 188%. Diluted earnings per share also improved to -0.61 cents (2023: -1.02). The consolidated entity's net assets increased substantially to AUD\$37,028,273 (2023: AUD\$23,937,582), an increase of 55% and net tangible assets per share increased by 38% to 4.03 cents per share (2023: 2.92 cents per share).

Looking forward, DigitalX is well-positioned to capitalise on its strengthened financial position and continuing its efforts of driving revenue growth and shareholder returns and optimising its operating costs.



Preliminary statement of profit or loss and other comprehensive income
Preliminary statement of financial position
Preliminary statement of changes in equity
Preliminary statement of cash flows
Notes to the preliminary financial statements

General information

The financial statements cover DigitalX Limited as a consolidated entity consisting of DigitalX Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is DigitalX Limited's functional and presentation currency.

DigitalX Limited incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, Level 4, 66 Kings Park Road
West Perth WA 6005

DigitalX Limited
Preliminary statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



	Note	2024 \$	2023 \$
Revenue from operations	4	3,255,469	2,268,187
Other income		354,364	25,580
Expenses			
Professional and consultancy fees	5	(1,489,738)	(936,083)
Corporate expenses		(217,222)	(235,111)
Advertising, media and investor relations		(877,306)	(784,200)
Employee benefits expense		(3,582,755)	(3,916,059)
Share-based payments	20	(181,539)	(273,092)
Depreciation and amortisation		(193,286)	(250,269)
Realised and unrealised foreign exchange losses		(5,261)	(14,382)
Fair value movement of financial assets		(240,000)	(2,049,031)
Finance costs		(36,442)	(33,197)
Other expenses	6	(1,892,231)	(1,519,042)
Decrease in net assets attributable to unit holders	13	313,046	131,950
Loss before income tax expense		(4,792,901)	(7,584,749)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of DigitalX Limited	16	(4,792,901)	(7,584,749)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value increase in digital asset holdings, net of tax		10,949,172	4,204,564
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of operations		27,755	(35,353)
Other comprehensive income for the year, net of tax		10,976,927	4,169,211
Total comprehensive income for the year attributable to the owners of DigitalX Limited		<u>6,184,026</u>	<u>(3,415,538)</u>
		Cents	Cents
Basic earnings per share	19	(0.61)	(1.02)
Diluted earnings per share	19	(0.61)	(1.02)

The above preliminary statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	6,054,713	3,380,080
Trade and other receivables	8	515,922	381,737
Digital assets	10	48,874,582	27,173,520
Other current assets		255,393	247,133
Investments	9	497,720	497,720
Total current assets		<u>56,198,330</u>	<u>31,680,190</u>
Non-current assets			
Investments	9	-	240,000
Property, plant and equipment		29,315	52,291
Right-of-use assets		287,513	362,517
Intangibles	11	2,098,677	2,188,364
Total non-current assets		<u>2,415,505</u>	<u>2,843,172</u>
Total assets		<u>58,613,835</u>	<u>34,523,362</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,063,223	1,110,550
Lease liabilities		65,878	57,029
Net assets attributable to unit holders	13	14,482,863	9,108,506
Total current liabilities		<u>15,611,964</u>	<u>10,276,085</u>
Non-current liabilities			
Lease liabilities		243,174	309,052
Deferred tax		5,730,424	643
Total non-current liabilities		<u>5,973,598</u>	<u>309,695</u>
Total liabilities		<u>21,585,562</u>	<u>10,585,780</u>
Net assets		<u>37,028,273</u>	<u>23,937,582</u>
Equity			
Contributed equity	14	65,675,698	59,120,476
Reserves	15	19,661,336	9,475,031
Accumulated losses	16	(48,308,761)	(44,657,925)
Total equity		<u>37,028,273</u>	<u>23,937,582</u>

The above preliminary statement of financial position should be read in conjunction with the accompanying notes

DigitalX Limited
Preliminary statement of changes in equity
For the year ended 30 June 2024



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	59,028,586	5,128,053	(37,073,176)	27,083,463
Loss after income tax expense for the year	-	-	(7,584,749)	(7,584,749)
Other comprehensive income for the year, net of tax	-	4,169,211	-	4,169,211
Total comprehensive income for the year	-	4,169,211	(7,584,749)	(3,415,538)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	91,890	-	-	91,890
Share-based payments (note 20)	-	177,767	-	177,767
Balance at 30 June 2023	<u>59,120,476</u>	<u>9,475,031</u>	<u>(44,657,925)</u>	<u>23,937,582</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	59,120,476	9,475,031	(44,657,925)	23,937,582
Loss after income tax expense for the year	-	-	(4,792,901)	(4,792,901)
Other comprehensive income for the year, net of tax	-	10,976,927	-	10,976,927
Total comprehensive income for the year	-	10,976,927	(4,792,901)	6,184,026
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	6,517,622	-	-	6,517,622
Share-based payments (note 20)	37,600	351,443	-	389,043
Convertible note reserve transferred to accumulated losses (note 15)	-	(91,051)	91,051	-
Share-based payment reserve transferred to accumulated losses on expiry of warrants and options (note 15)	-	(1,051,014)	1,051,014	-
Balance at 30 June 2024	<u>65,675,698</u>	<u>19,661,336</u>	<u>(48,308,761)</u>	<u>37,028,273</u>

The above preliminary statement of changes in equity should be read in conjunction with the accompanying notes

DigitalX Limited
Preliminary statement of cash flows
For the year ended 30 June 2024



	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,340,231	2,158,938
Payments to suppliers and employees (inclusive of GST)		<u>(7,612,526)</u>	<u>(7,498,091)</u>
		(5,272,295)	(5,339,153)
R&D tax incentive received		211,280	-
Interest received		15,775	226
Other income		50,658	14,588
Sale of Human Protocol Tokens		-	1,110,901
Receipts from/(payments for) security deposits		38,174	(47,430)
Interest and other costs of finance paid		(7,103)	(11,643)
Interest paid on lease liability		<u>(29,339)</u>	<u>(13,881)</u>
Net cash used in operating activities		<u>(4,992,850)</u>	<u>(4,286,392)</u>
Cash flows from investing activities			
Payments for Bricklets deposit	9	-	(497,720)
Acquisition of property, plant and equipment		-	(44,554)
Payments for purchase of digital assets	10	(4,894,186)	(1,848,166)
Proceeds from sale of digital assets	10	8,501,325	4,507,118
Other		<u>37,569</u>	<u>(10,000)</u>
Net cash from investing activities		<u>3,644,708</u>	<u>2,106,678</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	7,185,104	-
Share issue transaction costs	14	(459,977)	-
Payments for redemptions of units in funds		(3,376,973)	(934,092)
Proceeds from applications for units in funds		730,000	391,423
Principal elements of lease payments		<u>(57,032)</u>	<u>(176,421)</u>
Net cash from/(used in) financing activities		<u>4,021,122</u>	<u>(719,090)</u>
Net increase/(decrease) in cash and cash equivalents		2,672,980	(2,898,804)
Cash and cash equivalents at the beginning of the financial year		3,380,080	6,278,410
Foreign exchange movement in cash		1,653	474
Cash and cash equivalents at the end of the financial year	7	<u><u>6,054,713</u></u>	<u><u>3,380,080</u></u>

The above preliminary statement of cash flows should be read in conjunction with the accompanying notes



Note 1. Basis of preparation

Consolidated entity

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DigitalX Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. DigitalX Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Material accounting policies

Basis of preparation

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E and does not include all the notes typically included in an annual report.

Compliance with IFRS

The Preliminary Final Report of the consolidated entity also complies with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') where applicable for satisfying the requirements of ASX Listing Rule 4.3A and does not include all the disclosures typically included in an annual report.

Note 2. Critical accounting judgements, estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in developing and applying accounting policies

The following are the critical judgements, apart from those involving estimations (see notes below), that the directors have made in the process of applying the consolidated entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

- Revenue recognition (note 4)
- Digital assets, including fair value of digital assets (note 10)
- Fair value of investments (note 9)
- Consolidation of DigitalX Funds

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Valuation of share-based payments (note 20)
- Impairment testing of goodwill and investments (note 9)

Going concern

At the date of this report the consolidated entity has a strong working capital position and its cash flow forecast indicates that it expects to be able to meet its minimum commitments and working capital requirements for the twelve-month period from the date of signing the financial report.

Presentation and functional currency

Presentation currency

The consolidated financial report is presented in Australian Dollars.

Functional currency

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$AUD'), which is the functional currency of the company and the presentation currency for the consolidated financial statements. Due to the nature of these activities for all entities in the consolidated entity the functional currency has been determined to be \$AUD.



Note 2. Critical accounting judgements, estimates and assumptions (continued)

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Current and non-current classification

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The consolidated entity classifies all other assets as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The consolidated entity classifies all other liabilities as non-current.

Historical cost convention

The consolidated financial report has been prepared under the historical cost convention, except for digital assets that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Cost is based on the fair value of the consideration given in exchange for assets.

Note 3. Operating segments

Identification of reportable operating segments

AASB 8 requires operating segments to be identified based on internal reports about components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

Based on the information used for internal reporting purposes by the Chief Operating Decision Maker (CODM), being the Board, which makes strategic decisions, at 30 June 2024 the consolidated entity operated three segments, Product Development, Asset Management and Other. There have been no changes to operating segments from the corresponding period ended 30 June 2023.

Segment description

Product Development ('PD')

The consolidated entity develops its own products such as, RegTech (Drawbridge), and FinTech (Sell My Shares), as well as providing consulting, technical due diligence, solution design and development to businesses by utilising distributed ledger solutions and best of breed blockchain technologies.

Asset Management ('AM')

The AM division was setup in 2018 to give high net worth and institutional investors access to a portfolio of digital assets. DigitalX operates three funds focused on digital assets, the DigitalX Fund, DigitalX BTC Fund, DigitalX Real World Assets Tokenisation Fund ('RWAX') and has incurred upfront costs for the DigitalX spot Bitcoin ETF ('ASX:BTXX') (refer note 22 for subsequent event on launch).

Other

Amounts disclosed in the segment primarily relates to consolidated entity-wide functions including governance, finance, legal, risk management, company secretarial and management of the corporate entity.



Note 3. Operating segments (continued)

Segment performance and position

	Product development \$	Asset management \$	Other \$	Total \$
Consolidated - 2024				
Revenue				
Segment revenue	2,499,271	756,198	-	3,255,469
Total revenue	<u>2,499,271</u>	<u>756,198</u>	<u>-</u>	<u>3,255,469</u>
Segment result				
Interest expense	124,269	(1,462,428)	(3,538,060)	(4,876,219)
Depreciation and amortisation				(36,442)
Decrease in net assets attributable to unit holders				(193,286)
Loss before income tax expense				<u>313,046</u>
Income tax expense				(4,792,901)
Loss after income tax expense				<u>-</u> <u>(4,792,901)</u>
Assets				
Segment assets	2,895,481	303,653	55,414,701	58,613,835
Total assets				<u>58,613,835</u>
Liabilities				
Segment liabilities	105,894	46,764	21,432,904	21,585,562
Total liabilities				<u>21,585,562</u>
Consolidated - 2023				
Revenue				
Segment revenue	1,981,551	262,516	24,120	2,268,187
Intersegment revenue	-	-	-	-
Total revenue	<u>1,981,551</u>	<u>262,516</u>	<u>24,120</u>	<u>2,268,187</u>
Segment result				
Interest expense	(691,823)	(1,544,699)	(5,196,711)	(7,433,233)
Depreciation and amortisation				(33,197)
Decrease in net assets attributable to unit holders				(250,269)
Loss before income tax expense				<u>131,950</u>
Income tax expense				(7,584,749)
Loss after income tax expense				<u>-</u> <u>(7,584,749)</u>
Assets				
Segment assets	3,307,917	261,208	30,954,237	34,523,362
Total assets				<u>34,523,362</u>
Liabilities				
Segment liabilities	71,559	22,097	10,492,124	10,585,780
Total liabilities				<u>10,585,780</u>

Revenue earned from external customers by geography and major customer information is not able to be disclosed as the information is not available to the consolidated entity.

For the purpose of segment reporting, the Funds Under Management segment does not include the operating results, segment assets or segment liabilities of the DigitalX Fund, DigitalX BTC Fund, Real World Assets Tokenisation Fund and Digital Bitcoin ETF as the CODM reviews the Funds on a fair value basis of the consolidated entity's interest in the fund.



Note 4. Revenue from operations

	Consolidated	
	2024	2023
	\$	\$
Asset management fee revenue	756,198	262,516
Licensing revenue	-	24,120
Brokerage fee revenue	2,499,271	1,981,551
	<u>3,255,469</u>	<u>2,268,187</u>
Revenue from operations	<u>3,255,469</u>	<u>2,268,187</u>

Accounting policy for revenue recognition

The consolidated entity recognises revenue as follows:

Asset management fee revenue

Revenue from contracts with clients is recognised when there is a right to invoice the client at an amount that reflects the consideration to which the consolidated entity expects to be entitled in exchange for those services. This method corresponds directly with the delivery of performance obligations by the consolidated entity to its clients.

Management fees are based on a percentage of the portfolio value of the fund and calculated in accordance with the Investment Management Agreement or Constitution.

Performance fee arrangements give rise to variable consideration. An estimate of the variable consideration is recorded when it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The consolidated entity's entitlement to a performance fee for any given performance period is dependent on outperforming certain hurdles.

Licensing revenue

Revenue from licensing is recognised over time as the services provided under licensing contract are provided over time and the customer simultaneously receives and consumes the benefit of the service.

Brokerage fee revenue

Revenue from brokerage is recognised at point time once the sale has been completed.

Note 5. Professional and consultancy fees

	Consolidated	
	2024	2023
	\$	\$
Legal fees	66,874	233,414
Consulting fees	422,659	259,435
Funds management expenses	688,561	269,224
Tax consulting fees	193,194	72,069
Audit fees	118,450	101,941
	<u>1,489,738</u>	<u>936,083</u>



Note 6. Other expenses

	Consolidated	
	2024	2023
	\$	\$
Regulatory, licensing and compliance	1,057,191	897,437
Occupancy	264,685	283,584
Other expenses	552,355	338,021
Bad debt expense	18,000	-
	<u>1,892,231</u>	<u>1,519,042</u>

Note 7. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	3,046,539	2,890,080
Term deposit	3,008,174	-
Cash deposits at call	-	490,000
	<u>6,054,713</u>	<u>3,380,080</u>

Cash deposits at call include cash balances on exchanges. The balance originates following a liquidation of digital assets.

Term deposit comprises cash held in a term deposit for a term of less than 90 days.

The term deposit of \$3,008,174 entered into on 28 June 2024, earning 3.18% interest per annum, has a term of 30 days and matures on 28 July 2024. This term deposit has subsequently been rolled forward for a further 30 day term.

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	300,012	235,656
Less: Allowance for expected credit losses	-	-
	<u>300,012</u>	<u>235,656</u>
Other receivables	-	37,509
Deposits	74,382	108,572
	<u>74,382</u>	<u>146,081</u>
BAS receivable	141,528	-
	<u>515,922</u>	<u>381,737</u>



Note 9. Investments

	Consolidated 2024 \$	2023 \$
<i>Current assets</i>		
Investment in Bricklet	497,720	497,720
<i>Non-current assets</i>		
Investment in Bullion Asset Management Pte Ltd (BAM)	-	240,000
	<u>497,720</u>	<u>737,720</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	737,720	2,290,994
Additions through Bricklet deposit	-	497,720
Fair value decrements through profit or loss	(240,000)	(2,050,994)
Closing fair value	<u>497,720</u>	<u>737,720</u>

Investment in Bullion Asset Management Pte Ltd (BAM)

Given the decision of Bullion Asset Management Pte Ltd to wind up its operations on 17 July 2024, the Board have made the decision to apply a fair value adjustment to the valuation of the investment.

Investment in Bricklet

During the prior year, the consolidated entity entered into a strategic partnership with Bricklet, a Sydney-based property tech company. The partnership aims to combine technology, expertise, and resources to facilitate home ownership for everyday Australians. Bricklet's blockchain-supported Homeowner Equity Share program enables buyers without a standard 20% home deposit but with sufficient income to purchase residential property. A commitment of up to \$500,000 in balance sheet funds was made by DigitalX for Bricklet's property deals as seed capital for the RWAx Fund launch. Three Bricklet property deals were funded during the 2023 financial year, as reflected above.

Investment in DigitalX Funds

The consolidated entity has provided seed capital to the DigitalX Fund (a unit trust), DigitalX BTC Fund (a unit trust) and DigitalX Real World Asset Tokenisation Fund ('RWAx') (a unit trust), for the purpose of investing in and generating returns on digital assets. As noted in note 3, the Board reviews the performance of the funds at fair value based on the reported fund net asset value (NAV) each period. However, as the company also provides fund management services for the funds it is deemed that the consolidated entity meets the definition of control under AASB10: *Consolidated Financial Statements* and as a result, the financial position and performance of the DigitalX funds have been included in the consolidated entity financial statements. The consolidated entity will continue to assess its position with respect to control of the funds at each reporting period and there have been no changes to the consolidated entity's assessment for the year ended 30 June 2024.

At 30 June 2024, the company's holdings were as follows:

- DigitalX Fund: 53.41% (30 June 2023: 37.06%)
- DigitalX BTC Fund: 63.93% (30 June 2023: 60.82%)
- DigitalX RWAx Fund: 99.01% (30 June 2023: N/A)

Subsequent to period end, the intention is to transfer the Bricklet deposit into the RWAx fund. At the date of this report, the transfer mechanism and date of transfer have been finalised for one of three properties.



Note 9. Investments (continued)

	Consolidated 2024	2023
NAV at year end		
DigitalX Fund	1.7029	0.9417
DigitalX BTC Fund	8.3449	4.1407
DigitalX RWAx Fund	0.9958	-

Note 10. Digital assets

	Consolidated 2024	2023
	\$	\$
Current assets		
Bitcoin ^{1,2}	44,090,758	24,095,777
Other listed digital assets ^{1,3}	4,783,824	3,077,622
Non-listed digital assets ⁴	-	121
	<u>48,874,582</u>	<u>27,173,520</u>

¹ Digital assets were measured at fair value using quoted prices as at 30 June 2024. Refer to note 22 for prices at the date of this report.

² The amount includes \$AUD29,205,071 held by the DigitalX BTC Fund and \$AUD8,203,975 held by the DigitalX Fund.

³ Includes all tokens that are not Bitcoin that are listed on an exchange. The amount includes \$AUD4,121,645 held by the DigitalX Fund.

⁴ Includes all tokens not listed on an exchange.

All digital assets have been recognised using the intangible asset method detailed in the accounting policy note below for all periods presented.

	Intangible asset \$
Opening balance at 1 July 2022	23,568,863
Net trading activity	(2,658,952)
Revaluation	6,263,609
Closing balance at 30 June 2023	<u>27,173,520</u>
Opening balance at 1 July 2023	27,173,520
Net trading activity	(3,607,139)
Revaluation	25,308,201
Closing balance at 30 June 2024	<u>48,874,582</u>

Net trading activity is the net purchase and sale of digital assets and includes monthly rebalance for the DigitalX Fund and DigitalX BTC Fund.



Note 10. Digital assets (continued)

Accounting policy for digital assets

Digital assets are assets such as Bitcoin and Ethereum, which use an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. Digital Assets are an emerging technology and asset class, and as such there are no specific accounting standards that cover the treatment, rather digital assets are assessed by applying existing accounting standards in conjunction with guidance released by the accounting standard setting bodies such as the IASB. Management consider it appropriate to group digital assets into a single balance in the Consolidated Financial Statements and providing users with a reconciliation by category in the notes to the Financial Statements. For the purpose of fair value disclosures, the consolidated entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below.

Digital assets – accounted for using intangible asset methodology

The consolidated entity consider that any digital asset that does not fall under the inventory or financial asset methodology and meet the recognition criteria (identifiable, controllable and capable of generation future economic benefits) are considered to intangible assets.

For digital assets that meet the criteria of *AASB138: Intangible Assets*, the consolidated entity measures digital assets at its fair value in accordance with the revaluation model (provided there is an active market), with increase in fair value being recognised in other comprehensive income and credited to a revaluation reserve, unless it reverses a revaluation deficit of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Digital assets classified as intangible assets are considered to be indefinite life intangible assets given their nature.

Digital assets are derecognised when the consolidated entity disposes of the asset or when the consolidated entity otherwise loses control and, therefore, access to the economic benefits associated with ownership of the digital asset.

Estimates and judgements

(a) Digital assets

Management note that the topic of digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board (IASB) and continues to monitors new comments and interpretations released by the Board and other standard setters from around the world.

In line with this, the consolidated entity has considered its position for the year ending 30 June 2024 and has determined that the consolidated entity's digital assets fall into

- Intangible asset method (the method noted by the IASB in its most recent deliberations)

Management notes that under the method noted above, the treatment continues to be to measure digital assets at fair value (unless otherwise disclosed and provided certain conditions are met) under the respective accounting standards.

Digital assets (including Bitcoin inventory) is measured at fair value using the quoted price in United States dollars on from a number of different sources with the primary being Coin Market Cap (www.coinmarketcap.com) at closing Coordinated Universal Time. Management considers this fair value to be a Level 1 input under the AASB 13 Fair Value Measurement fair value hierarchy as the price on the quoted price (unadjusted) in an active market for identical assets.

Management uses a number of exchanges including Binance, Bitgo, Independent Reserve and others in order to provide the consolidated entity with appropriate size and liquidity to provide reliable evidence of fair value for the size and volume of transactions that are reasonably contemplated by the consolidated entity.

Unlisted digital assets are fair valued using a combination of Level 2 and Level 3 techniques. Refer to the table below for the break-down of fair value levels.



Note 10. Digital assets (continued)

Level	Description	2024 \$	2023 \$
Level 1	Level 1 fair value digital assets are those assets that are actively traded on a digital asset exchange or decentralised exchange for which there is an active market with sufficient volume.	48,874,582	27,173,399
Level 2	Level 2 fair value digital assets are those assets measured at fair value but the market prices are not actively quoted and determined using a market matrix approach (AASB13.B7). This is most common for digital assets where an active trading pair does not exist with a FIAT currency but may exist for a trading pair such as Ethereum or Bitcoin which can then be measured using the level 1 input.	-	121
Level 3	Level 3 fair value digital assets are those assets carried at fair value where fair value has been determined by reference to the entity's own data and financial data provided by the project such as comparable projects, financial forecasts and equity transactions.	-	-

Note 11. Intangibles

	Consolidated	
	2024 \$	2023 \$
Goodwill	1,888,304	1,888,304
Less: Impairment	-	-
	<u>1,888,304</u>	<u>1,888,304</u>
Development - at cost	3,427,346	3,432,847
Less: Accumulated amortisation	(238,066)	(148,379)
Less: Accumulated provision for impairment	(2,978,907)	(2,984,408)
	<u>210,373</u>	<u>300,060</u>
	<u><u>2,098,677</u></u>	<u><u>2,188,364</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Development \$	Goodwill \$	Total \$
Balance at 1 July 2022	389,747	1,888,304	2,278,051
Additions	63,479	-	63,479
Provision for impairment of assets	(63,478)	-	(63,478)
Amortisation expense	(89,688)	-	(89,688)
Balance at 30 June 2023	300,060	1,888,304	2,188,364
Exchange differences	(5,501)	-	(5,501)
Provision for impairment of assets	5,501	-	5,501
Amortisation expense	(89,687)	-	(89,687)
Balance at 30 June 2024	<u><u>210,373</u></u>	<u><u>1,888,304</u></u>	<u><u>2,098,677</u></u>



Note 12. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	395,156	499,324
Accrued expenses	294,847	168,441
Employee entitlements	312,488	424,591
Statutory payables	51,829	18,194
Other payables	8,903	-
	<u>1,063,223</u>	<u>1,110,550</u>

Note 13. Net assets attributable to unit holders

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Net assets attributable to unit holders	<u>14,482,863</u>	<u>9,108,506</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening balance	9,108,506	6,211,747
Loss for the year attributable to non-controlling interests	(313,046)	(131,950)
Other comprehensive income attributable to non-controlling interests	7,678,815	3,318,020
Net change in units on issue	(1,827,085)	(260,477)
Other	(164,327)	(28,834)
	<u>14,482,863</u>	<u>9,108,506</u>

In accordance with the trust deed for the DigitalX BTC Fund, DigitalX Fund and the DigitalX Real World Assets Tokenisation Fund if there is taxable income at 30 June 2024 it must be distributed to the unit holders. At 30 June 2024, no amount was payable.

Accounting policy for net assets attributable to unit holders

In accordance with AASB 132 *Financial Instruments*, specific instruments are categorised as equity in the separate financial statements of a subsidiary or other entity controlled by the consolidated entity. These instruments represent non-controlling interests in the consolidated financial statements, and they are categorised as liabilities in the consolidated financial statements of the consolidated entity to the extent that the non-controlling interest holds a preferential claim to the net assets of the subsidiary over shareholders of the parent. Changes in the net assets are recognised in the profit or loss, except for distributions to unit holders and subscription of units.

Note 14. Contributed equity

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>866,404,031</u>	<u>745,519,039</u>	<u>65,675,698</u>	<u>59,120,476</u>

Dividends

There are no dividends paid or declared during the period.



Note 14. Contributed equity (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	742,444,039		59,028,586
Issue of employee shares	29 August 2022	3,075,000	\$0.030	95,325
Share issue costs				(3,435)
				<hr/>
Balance	30 June 2023	745,519,039		59,120,476
Issue of shares via Share Purchase Plan	31 January 2024	40,980,513	\$0.046	1,885,104
Share issue costs - Share Purchase Plan				(81,301)
Issue of employee shares	2 February 2024	800,000	\$0.047	37,600
Issue of shares via Private Placement	26 March 2024	77,604,154	\$0.067	5,199,478
Issue of shares via Private Placement	27 March 2024	1,037,638	\$0.067	69,522
Issue of shares via Private Placement	2 April 2024	462,687	\$0.067	31,000
Share issue costs - Private Placement				(378,676)
Share issue costs - Lead manager options				(207,505)
				<hr/>
Balance	30 June 2024	<u>866,404,031</u>		<u>65,675,698</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.



Note 15. Reserves

	Consolidated	
	2024	2023
	\$	\$
Share-based payments reserve	2,492,051	3,191,622
Convertible note reserve	-	91,051
Foreign currency reserve	(20,059)	(47,814)
Asset revaluation reserve	17,189,344	6,240,172
	<u>19,661,336</u>	<u>9,475,031</u>

Nature of reserves

Share-based payments reserve	Reserve is established to record balances pertaining to share options and performance rights granted for services provided to the company by employees and vendors.
Convertible note reserve	Reserve is established to record amounts required to be recognised in equity for convertible notes that meet the definition of compound instruments.
Foreign currency reserve	Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.
Asset revaluation reserve	Reserve is established to record the fair value movement in digital assets.

Consolidated	Share-based payments reserve \$	Convertible note reserve \$	Foreign currency reserve \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2023	3,191,622	91,051	(47,814)	6,240,172	9,475,031
Share-based payment expense	143,939	-	-	-	143,939
Fair value of options granted, recorded as share issue costs	207,504	-	-	-	207,504
Expiry of warrants	(336,014)	-	-	-	(336,014)
Expiry of options	(715,000)	-	-	-	(715,000)
Transfer from convertible note reserve to accumulated losses	-	(91,051)	-	-	(91,051)
Exchange differences on translation of operations	-	-	27,755	-	27,755
Fair value increase in digital asset holdings, net of tax	-	-	-	10,949,172	10,949,172
Balance at 30 June 2024	<u>2,492,051</u>	<u>-</u>	<u>(20,059)</u>	<u>17,189,344</u>	<u>19,661,336</u>

Note 16. Accumulated losses

	Consolidated	
	2024	2023
	\$	\$
Accumulated losses at the beginning of the financial year	(44,657,925)	(37,073,176)
Loss after income tax expense for the year	(4,792,901)	(7,584,749)
Transfer from share-based payments reserve	1,051,014	-
Transfer from convertible note reserve	91,051	-
Accumulated losses at the end of the financial year	<u>(48,308,761)</u>	<u>(44,657,925)</u>



Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 18. Commitments and contingencies

Commitments of the consolidated entity

The consolidated entity did not have any capital commitments as at 30 June 2024 (2023: none).

Guarantees entered into by the consolidated entity

There were no guarantees entered into by the consolidated entity as at 30 June 2024 (2023: none).

Contingent liabilities of the consolidated entity

The consolidated entity did not have any contingent liabilities as at 30 June 2024 (2023: none).

Note 19. Earnings per share

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax attributable to the owners of DigitalX Limited	<u>(4,792,901)</u>	<u>(7,584,749)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>783,265,077</u>	<u>745,013,560</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>783,265,077</u>	<u>745,013,560</u>
	Cents	Cents
Basic earnings per share	(0.61)	(1.02)
Diluted earnings per share	(0.61)	(1.02)

Diluted earnings per share

Options and performance rights outstanding would decrease the loss per share reported above and hence, have been treated as antidilutive. The number of options outstanding at 30 June 2024 would convert to 115,391,208 ordinary shares if exercised. The number of performance rights outstanding at 30 June 2024 would convert to 15,820,745 ordinary shares if exercised.

Refer to note 20 for details on options and performance rights outstanding at 30 June 2024.

Note 20. Share-based payments

As at 30 June 2024, there are 115,391,208 options and 15,820,745 performance rights to subscribe for ordinary shares in the company.

Share-based payments expense for the year ended 30 June 2024 is \$181,539, comprised of:

- Ordinary shares issued to key management of \$37,600
- Grant date fair value of options, warrants and performance rights, expensed proportionately through to vesting date of \$143,939.

\$207,504 was recognised as costs of capital raising in the statement of changes in equity.



Note 20. Share-based payments (continued)

Options issued
2024

Item	Free-attaching options issued to participants in	
	Private Placement Tranche 1 - 26 March 2024	Issued to lead manager Tranche 2 - 26 March 2024
Volatility (%)	N/A	144.27%
Risk-free interest rate (%)	N/A	3.65
Expected life of option (years)	0.25 years	0.25 years
Exercise price per terms and conditions	\$0.1000	0.1000
Underlying security spot price	\$0.0700	0.0700
Grant date	26/03/2024	26/03/2024
Expiry date	30/09/2024	30/09/2024
Valuation per option	\$0.0000	\$0.0208
Number issued	79,104,479	10,000,000
Vesting condition	No vesting conditions. Vested on grant date.	No vesting conditions. Vested on grant date.

Performance rights

Set out below are summaries of performance rights granted and outstanding at the end of the financial year:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
10/10/2022	29/09/2023	\$0.000	1,964,285	-	-	(1,964,285)	-
10/10/2022	29/09/2023	\$0.000	1,964,285	-	-	(1,964,285)	-
10/10/2022	29/09/2023	\$0.000	1,428,571	-	-	(1,428,571)	-
08/05/2024	30/06/2025	\$0.000	-	2,500,000	-	-	2,500,000
17/11/2023	15/07/2025	\$0.000	-	6,392,509	-	-	6,392,509
17/11/2023	15/07/2025	\$0.000	-	6,392,522	-	-	6,392,522
17/11/2023	15/07/2025	\$0.000	-	535,714	-	-	535,714
			5,357,141	15,820,745	-	(5,357,141)	15,820,745
Weighted average exercise price			\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

No performance rights are exercisable at the end of the financial year.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.03 years (2023: 0.25).



Note 20. Share-based payments (continued)

Performance rights issued to Chief Executive Officer and Employees

Item	Tranche 1*	Tranche 2*	Tranche 3*
Volatility (%)	N/A	N/A	N/A
Risk-free interest rate (%)	N/A	N/A	N/A
Expected life of option (years)	1 year	1 year	1 year
Exercise price per terms & conditions	\$0	\$0	\$0
Underlying security spot price	\$0.048	\$0.048	\$0.048
Grant date	17/11/2023	17/11/2023	17/11/2023
Expiry date	15/07/2025	15/07/2025	15/07/2025
Valuation per right	\$0.0480	\$0.0480	\$0.0480
Number issued	2,410,713	2,410,713	535,714
Vesting condition	Non-market, performance. The company having a normalised cash flow positive run rate by the end of the 2023/2024 Financial year.	Non-market, performance. The consolidated entity holding funds under management (FUM) of not less than AUD\$100 million by 30 June 2024.	Non-market, performance. Achievement of eNPS (employee net promoter score) higher than 30 June 2023.

* Probability of rights vesting is deemed less than likely, therefore nil expense has been recorded as a vesting charge during the year ended 30 June 2024.

Valuation of performance rights

For performance rights with non-market conditions, fair value is measured using the closing share price at grant date. Vesting is based on management's best estimate of performance conditions being met.

Warrants

Set out below are summaries of warrants granted and outstanding at the end of the financial year:

2024		Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date						
09/03/2021	09/03/2024	\$0.100	48,981,582	-	-	(48,981,582)	-
09/03/2021	09/03/2024	\$0.113	6,857,421	-	-	(6,857,421)	-
Weighted average exercise price			\$0.102	\$0.000	\$0.000	\$0.102	\$0.000

All warrants disclosed above are exercisable at the end of the current and prior financial year.

The weighted average remaining contractual life of warrants outstanding at the end of the financial year was N/A (2023: 0.69 years).

Shares issued during the period

There were 120,884,992 shares issued during the period, of these 800,000 were issued to Lisa Wade.

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.



Note 20. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

For performance rights with non-market conditions, the fair value is measured using the closing share price at grant date.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors, will ultimately vest.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 21. New accounting standards and interpretations

Standards and Interpretations issued but not yet adopted

The company has reviewed the standards that have been issued but not yet effective and have determined there will be no material impact on adoption of the standards.

Note 22. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the consolidated entity's operations, results or state of affairs, or may do so in future years other than those set out below.



Note 22. Events after the reporting period (continued)

Date of event	Details of event
1 July 2024	The company announced the expiry of 5,000,000 options without exercise, with a date of cessation being 30/06/2024.
9 July 2024	The company announced the approval of its DigitalX spot Bitcoin ETF ("ASX:BTXX") for quotation on the Australian Stock Exchange ("ASX"). The DigitalX Bitcoin ETF 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. The DigitalX Bitcoin ETF commenced trading on 12 July 2024
9 July 2024	The company confirmed that on 9 July 2024 the Federal Court of Australia handed down Orders in relation to the company's application for summary judgement in the matter between two of the company's subsidiaries and Mr Alex Karis, a former director of the company. The company's application for summary judgement in the matter was not granted, however Mr Karis has been ordered to provide security for the company's costs of the proceeding for the period until completion of discovery and court-directed mediation in the amount of \$150,000 by payment to the Court within 28 days of the date of the orders, and his claim against the company is stayed until payment of that security.
30 August 2024	Due to the volatile nature and the materiality of the digital assets held, we disclose the value of material digital assets held by the consolidated entity, excluding the DigitalX Fund and DigitalX BTC Fund and unlisted digital assets, as at the close date of the 30 August 2024.

Coin	Number of coins held at 30 June 2024	\$AUD Spot price at 30 June 2024	\$AUD Spot price at 30 August 2024	\$AUD Pro-forma impact
BTC	114.90	94,024	89,222	(551,793)