

## ASX ANNOUNCEMENT 28 APRIL 2023

### MARCH 2023 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 March 2023, along with its Appendix 4C cash flow report.

#### HIGHLIGHTS

- Sell My Shares records highest quarterly revenue since acquisition
- DigitalX Bitcoin Fund increased 69% and the DigitalX Fund rose 47% over the quarter
- Progress made into real world asset tokenisation, including:
  - Signing of “deposit gap” equity funding agreement with property tech company Bricklet;
  - Funded three residential properties through the Bricklet partnership; and
  - Engaged BlockFold and Fireblocks to build the core technology that will securely bridge the gap between the real world and digital assets, starting with the tokenisation of residential property.
- First Automic Group referred trades executed via Sell My Shares
- Continued progress on revenue enhancement, operational efficiencies and reduction in corporate costs

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

*“We had an exciting March quarter, during which we continued to deliver on executing our strategy across the board and saw the outperformance of our funds business, after the 2022 market rout. Along with this positive growth, we continued to execute strategic initiatives and reduced costs in line with targets to ensure we are maximising shareholder returns.*

*My highlight for the quarter was the execution of the Bricklet partnership and funding the first Bricklet transactions, which closes the gap for real Australian families to buy homes. This was a great team effort that will seed the launch of our Real World Asset Tokenisation Fund, expected to occur during the current quarter.”*

## INVESTOR WEBINAR

Please join DigitalX Chief Executive Officer Lisa Wade for the March 2023 Quarterly Report Webinar on 3 May, 8.00am AEST.

To register for the webinar and for more information on the March 2023 Quarterly Report, please click [here](#).

Investors can submit questions prior to the webinar via the registration link or by emailing [info@digitalx.com](mailto:info@digitalx.com).

## STRATEGY

The Company continued to deliver on a number of its strategic priorities during the quarter, continuing the positive work undertaken in Q2 2022. A key commercial partnership with Automic Group (“Automic”) went live in late March which is expected to create additional revenue opportunities for the Sell My Shares business going forward. In combination with this, the parties are exploring potential applications of DigitalX’s Drawbridge regtech product within the Automic portal, as well as a number of other joint initiatives. DigitalX’s corporate share registry service was successfully transferred to Automic at the end of March.

Continuing the focus on strategic partnerships, DigitalX signed a key agreement during the period with Bricklet<sup>1</sup>, a technology based property investment company which provides no-deposit loans, in partnership with AMP, to approved borrowers and uses blockchain technology to fractionalise ownership. This fits squarely within DigitalX’s Company Purpose of providing *Finance for Impact* and the Company sees a great opportunity to add significant value to the lives of many Australian families through this relationship.

The Bricklet partnership also fits directly into the Company’s plans to launch its Real World Asset Tokenisation Fund (“RWAT Fund”), with structural and regulatory requirements currently being finalised. DigitalX is expected to be one of the first companies in Australia and globally to offer

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<sup>1</sup> ASX Announcement - DigitalX Commences RWAT Journey with Initial Partnership - 20 Feb 2023

investments in this exciting and innovative space when it launches the RWAT Fund during the current quarter.

Entering the final quarter of the financial year, the Company is on track to have completed a number of its initiatives and will continue to focus on developing new relationships with a clear strategic focus of growing sustainable and recurring revenue.

## FINANCIAL REVIEW

DigitalX had cash, listed digital assets and unlisted investments (liquid and illiquid) of AU\$21.8m in value as at 31 March 2023.

| Name                            | Value (\$AUD)          |
|---------------------------------|------------------------|
| Australian Dollars <sup>1</sup> | \$3,055,967            |
| Bitcoin <sup>2</sup>            | \$7,680,653            |
| Fund units <sup>3</sup>         | \$10,231,332           |
| Other liquid investments        | \$559,734              |
| Bricklet property investments   | \$268,420              |
| <b>Total</b>                    | <b>AUD\$21,796,106</b> |

<sup>1</sup> Includes \$490,000 XAUD token which the Company considers to be cash and cash equivalent.

<sup>2</sup> Total Bitcoin in Treasury at 31 March 2023 was 180.70.

<sup>3</sup> Includes total units in the DigitalX BTC Fund and DigitalX Fund based on the respective NAV at 31 March 2023.

Cash and assets for the quarter increased by approximately \$6.3m. A sharp increase in the price of Bitcoin and Ethereum during the period contributed to the quarterly increase, with the Company's fund unit prices rising firmly. Cash outflows through operations of \$1.4m was \$0.3m lower than the December quarter in 2022 which is pleasing as the strategic foundations are put in place to grow the business.

Total cash receipts for the March quarter continued to match the Company's forecast upward trajectory. Cash receipts from Sell My Shares and DigitalX Asset Management was \$504k, matching last quarter, while total recurring revenue rose 5% over the period to \$611k. Again, this is a pleasing result given continued volatility in the digital assets market and January traditionally being a soft trading month for equity sales activity.

Cost reduction continued to be a key focus during the quarter and the Company is on track to achieve a 10-15% annualised target reduction in total costs by the end of FY2023.

Further detail is contained in the accompanying 4C report for March 2023, with an improvement in key line items summarised below:

- Administration/corporate costs of \$220k, a 26% reduction to the previous quarter; and
- Staff costs \$618k, a 51% reduction to the previous quarter.

Staff cost savings were primarily due to a number of employee redundancy charges paid later in the prior reporting period as well as timing on superannuation payments.

Operating outflows are expected to reduce further upon execution of cost control initiatives implemented over the course of the next three to six months. Similar to last quarter, in combination with the focus on sustainably growing revenue, the Company anticipates moving towards a cashflow positive state.

In accordance with ASX Listing Rule 4.7C.3, \$57k was paid to related parties or their associates during the quarter (prior quarter \$57k), including Non-Executive Director remuneration and legal fees paid to Steinepreis Paganin (of which DigitalX Chair Mr Hicks is a Partner).

## BUSINESS REVIEW

### DIGITAL ASSET FUNDS MANAGEMENT

DigitalX Asset Management (“DXAM”), a wholly owned subsidiary of DigitalX Limited, is the Investment Manager of two wholesale investment funds that provide qualified investors with secure and streamlined access to digital assets. The Company manages the DigitalX Bitcoin Fund, a passive investment strategy with an institutional grade custodian, and the DigitalX Fund that provides simplified access to an actively managed and diversified portfolio of leading digital assets. The two DigitalX funds solve the technical and administrative challenges of investing in this emerging asset class. DXAM is currently in the process of developing a Real World Asset Tokenisation Fund.

### Fund Performance and Activities

The DigitalX Bitcoin Fund and the DigitalX Fund both increased over the quarter, rising 69.1% and 47.0% respectively. March was a strong month for both funds with the DigitalX Bitcoin Fund increasing 19.6% and the DigitalX Fund rising 11.4%, outperforming the S&P Cryptocurrency Top 10 Weighted Index over March, which rose 1.5%. The DigitalX Fund’s outperformance is attributed to its overweight holdings in Bitcoin and Ethereum.

Bitcoin was the best performing asset in the DigitalX Fund in the quarter, increasing by almost 70%. In DigitalX’s view, the recent collapse of several prominent banks was a reminder to the broader market of why Bitcoin was invented - it was specifically built for an environment of instability in traditional finance post the 2008 GFC, and as an alternative to the traditional financial rails and the current fiat banking system. Gold and Bitcoin were the stand-out assets in March 2023 following the biggest bank failures since the global financial crisis.

DigitalX continues to demonstrate it offers a safe pair of hands for investors seeking exposure to digital assets. As professional investors, non-investment risks are a big focus for DXAM. Counterparty risks in particular are closely monitored in terms of how trades are executed, with funds spending minimal time on third-party exchanges. In addition, DXAM only trades via trusted exchanges that meet strict due diligence requirements. Outside of when trades are executed, 100% of the Company’s digital assets are held in cold storage.

The DigitalX Fund adopted a more aggressive position in the first quarter of 2023 and maintained overweight positions in Bitcoin and Ethereum due to our strong conviction in these assets and the current narratives.

Net flows out of the funds were less than \$105k over the period, while total funds under management have appreciated by circa \$7.0m.

## **Bricklet Partnership and Real World Asset Tokenisation**

During the quarter, DigitalX entered a strategic partnership with Sydney-based property tech company Bricklet, through which the parties are combining their respective technology, expertise and resources to lower barriers to home ownership for everyday Australians.

Bricklet has an innovative, blockchain-supported Homeowner Equity Share program seeking to enable buyers that have been unable to save the standard 20% home deposit - but have sufficient income to service their loan - to purchase residential property as an owner-occupier.

Under the agreement between the two parties, DigitalX will help accelerate commercialisation of the Bricklet program by providing equity funding directly, indirectly or through dedicated investment vehicles to support property purchases made by Bricklet customers.

DigitalX's initial commitment is to secure, on a best endeavours basis, funding of up to \$5.0 million for proposed property investments that it chooses to participate in.

As previously announced, the Company committed up to \$500k of balance sheet funds to Bricklet's property deals as seed capital for the launch of the new RWAT Fund. Two Bricklet property deals were funded over the quarter (\$268k) while the third deal was funded post quarter end, utilising the full \$500k funding allocation. Once the RWAT Fund is established, the balance sheet investments will be transferred to the new fund.

Residential property provides a good case for the introduction of fractionalised ownership and real world asset tokenisation, but the intention of the RWAT Fund is to offer multiple pools of digital tokens across the traditional asset classes. DigitalX has engaged blockchain technology company BlockFold to build the tokenisation functionality for the RWAT Fund and Fireblocks for managing the digital wallets.

In the Bricklet example, DigitalX will generate revenue through management fees based on the assets under management, as well as commission and settlement fees. Similar commercial arrangements are likely with other assets tokenised and offered through the RWAT Fund.

## **DigitalX Fund Analyst Information Sessions**

DigitalX's aim is to be open and transparent, and to arm stakeholders with as much information about investing in the sector as possible. Recognising the volatility and uncertainty within the markets, the Funds Management team conducts Monthly Fund Analyst Zoom calls to engage with existing and potential investors across Australia. To register for the next fund analyst information session please click [here](#).

## **SELL MY SHARES**

### **Revenue Generation**

The Sell My Shares specialist online stockbroking service had another strong quarter, generating more than \$544k in total brokerage, a new record since the business was acquired by DigitalX in October 2021. T-Zero settlements continue to add additional margin with Deceased Estates contributing 20% of brokerage revenue over the reporting period. Trade volume from the partnership with Automic is expected to add further revenue going forward. The record quarterly performance was also a result of improved resourcing and continued efficiency improvements and marketing efforts.

### **Automic Group Partnership**

Practical implementation of DigitalX's referral partnership agreement with leading Australian share registry business Automic Group Limited (announced 25 November 2022) commenced late in the March quarter following completion of the main condition precedent, cyber security penetration testing.

Buttons linking to the Sell My Shares website now appear on company holding pages within the Automic investor portal, offering a convenient solution to share sale execution.

The partnership, which has been agreed for an initial three-year period, is expected to drive increased revenues for both parties: DigitalX will earn brokerage revenue on the additional transactions and Automic will generate referral fees from completed share sales. Given the button link went live at the end of the quarter, the Company expects the positive impact on brokerage revenue to be apparent in the June FY23 quarter.

## PRODUCT DEVELOPMENT

### Drawbridge

Improvements to Drawbridge's application and capability continued over the quarter, with strategic discussions underway with new partner, Automic. This has set the foundations for the Drawbridge team to work more closely with the share registry business going forward, and to understand the opportunities where Drawbridge can assist with Automic's growing list of services.

### Ethereum Validator Nodes & Staking

In August 2022, the Company launched its own Ethereum ("ETH") validator nodes to maximise the utilisation of its digital assets and generate staking revenue. Each Ethereum validator node requires 32 ETH to be staked as a deposit, which then generates a return in exchange for the node's contribution of computational resources needed to run the network.

Over the duration of the March quarter, four Ethereum validator nodes (requiring 128 ETH) were staked and generated 1.26 ETH in staking revenue. This quarterly staking revenue transpires into an annualised revenue yield of approximately 4.0%. The nodes have been developed with best practice and robust cyber security principles designed to appropriately manage technical risks associated with staking.

### Tokenised Investment Pool - T0k

During the reporting period, DigitalX enhanced the underlying software infrastructure of the tokenised investment pool Proof of Concept, named T0k, as previously announced in the Company's December quarterly report. The pool demonstrated how qualified investors could earn a return by providing the capital required to fund the settlement of shares on a same-day, or T+0 basis.



The enhancements include additional compliance to relevant industry standards for Ethereum blockchain smart contracts and user interface improvements. This enables the proof of concept to be extended to testing live transactions, at the appropriate stage in the Company's strategic roadmap.

The team continued to explore future opportunities for scaling the T+0 settlement service beyond the Company's Sell My Shares business to other brokers. In parallel the team is also researching distribution channels that could scale the access to qualified investors for the tokenised investment pool.

## CORPORATE

### Treasury

The focus for the quarter was to review current exposure to digital assets, with no divestment of non-core holdings in tokens or investments in the Company's holding of Bitcoin or other digital assets. Although volatile markets continued to provide opportunities, holdings were maintained as they were at the end of the December 2022 quarter. During the reporting period, the Company made two investments into Bricklet properties totalling \$268k, with a third investment funded in April bringing the total amount invested to \$500k. These three investments will be transferred into the RWAT Fund once that is established. They are held at cost and expected to yield a 6.0% return per annum plus capital gains.

### Environment, Social and Governance (ESG)

Following the release of the Company's baseline disclosure report last year, DigitalX progressed its commitment to the ongoing reporting on the Environmental, Social and Governance disclosures of the World Economic Forum. DigitalX's baseline report, focused on Governance, Planet, People and Prosperity, was reviewed and verified by SocialSuite, with recommendations provided to DigitalX that will promote further action, transparency and improve reporting standards over the coming quarters.

The ESG Dashboard (provided by ESG technology partner, Socialsuite) provides a snapshot of the Company's progress to 31 March 2023. A copy of the latest dashboard report is available [here](#).

## Mt Gox

In the March 2022 Quarterly Report<sup>2</sup>, the Company noted that it had previously commenced proceedings in the District Court of Massachusetts to secure the rights to Bitcoin that has been recovered by liquidators of historical crypto exchange, Mt Gox. The announcement went on to report that Mr Alex Karis, a former director of the Company, had lodged a claim with the bankruptcy trustee of Mt Gox in his own name (despite having entered into an agreement to transfer the trading accounts to which those Bitcoin relate to a subsidiary of the Company (referred to in Section 11.17 of the Company's 2014 Prospectus)) and that he had also filed proceedings in the Federal Court of Australia claiming amounts he states are owing to him by the Company. The Company asserts that it does not owe any amount to Mr Karis and intends to defend these proceeds to the fullest extent.

In its September Quarterly Report<sup>3</sup>, the Company advised that the District Court of Massachusetts had dismissed this claim with the bankruptcy trustee of Mt Gox without prejudice, following the Company filing its counterclaim in the Federal Court of Australia. It was also reported that mediation for the proceedings between Mr Karis and the Company for money owed, was due to occur in late 2022, and was subsequently postponed until 16 March 2023 when the Judge reserved her decision without an expected timeframe for decision. The company is currently awaiting that decision.

## OUTLOOK

In terms of digital assets markets, there was a key change in narrative post the collapse and bailout of several large banks in the March quarter that is significant for digital assets.

The financial turmoil during the period provided a pertinent reminder of why Bitcoin was created, which was as the whitepaper states was to serve as *"a purely peer-to-peer version of electronic cash that would allow online payments to be sent directly from one party to another without going through a financial institution."*

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<sup>2</sup> ASX release - Quarterly Activities/Appendix 4C Cash Flow Report - 29 April 2022

<sup>3</sup> ASX release - Quarterly Activities/Appendix 4C Cash Flow Report - 31 October 2022

While future volatility can't be ruled out, investors are beginning to see that having "blue chip" crypto making up a small portion of their portfolio can be a wise choice supported by the narrative that it is a safe medium of exchange at a time when the traditional finance system is exhibiting signs of fragility.

In the June 2023 quarter, DigitalX aims to capitalise on the current positive momentum in the business to maximise shareholder returns by:

- 1) Continued enhancement of sustainable and recurring revenue opportunities, including:
  - a) embedding Automic's referral processes;
  - b) further integration and expansion of Automic partnership opportunities; and
  - c) seeking to provide equity funding to support Bricklet property purchases.
- 2) Continuing to position Drawbridge as a centrepiece for listed companies to bridge compliance and digital financial services.
- 3) Market the actively managed DigitalX Fund's attractive five-year track record - which will be amongst the first in the world.
- 4) Further developing and strengthening strategic partnerships to support Drawbridge and the Funds Management business.
- 5) Launch of the Real World Asset Tokenisation Fund, building from the seed portfolio and identifying additional investment opportunities.
- 6) Continuing to foster a cost-conscious culture and ensuring the targeted annualised 10-15% reduction in cost base is achieved.
- 7) Building the Company's ecosystem through new strategic partnerships that carry revenue-generating potential, including with Bricklet and Blockfold.
- 8) Fostering the broader adoption of Web3.0 through work with the Digital Finance Cooperative Research Centre and the University of NSW Research Lab UNOVA.

- 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](http://www.digitalx.com) | [www.digitalx.fund](http://www.digitalx.fund) | [www.opendrawbridge.io](http://www.opendrawbridge.io) | [www.sellmyshares.com.au](http://www.sellmyshares.com.au)

## APPENDIX 4C

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

Name of entity

DigitalX Limited

ABN

59 009 575 035

Quarter ended ("current quarter")

31 March 2023

| Consolidated statement of cash flows                      | Current quarter<br>\$AUD'000 | Year to date<br>(9 months)<br>\$AUD'000 |
|---|------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                              |   |
| 1.1 Receipts from customers                               | 587                          | 2,618                                   |
| 1.2 Payments for  |                              |   |
| (a) research and development                              | (83)                         | (166)                                   |
| (b) advertising and marketing                             | (161)                        | (599)                                   |
| (c) leased assets   | -                            | -                                       |
| (d) staff costs   | (618)                        | (2,694)                                 |
| (e) administration and corporate costs                    | (650)                        | (1,764)                                 |
| (f) professional fees                                     | (220)                        | (913)                                   |
| 1.3 Dividends received (see note 3)                       | -                            | -                                       |
| 1.4 Interest received                                     | 1                            | 3                                       |
| 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)                   | -                            | (47)                                    |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,144)</b>               | <b>(3,562)</b>                          |
| <b>2. Cash flows from investing activities</b>            |                              |   |
| 2.1 Payments to acquire or for:                           |                              |   |
| (a) entities  | -                            | -                                       |
| (b) businesses  | -                            | -                                       |
| (c) property, plant and equipment                         | -                            | (45)                                    |
| (d) investments   | -                            | -                                       |
| (e) intellectual property                                 | -                            | -                                       |
| (f) other non-current assets                              | (268)                        | (278)                                   |

| Consolidated statement of cash flows |   | Current quarter<br>\$AUD'000 | Year to date<br>(9 months)<br>\$AUD'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                          | -                            | 802                                     |
| 2.3                                  | Cash flows from loans to other entities               | 21                           | 21                                      |
| 2.4                                  | Dividends received (see note 3)                       | -                            | -                                       |
| 2.5                                  | Other (provide details if material)                   | -                            | (22)                                    |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(247)</b>                 | <b>478</b>                              |

|             |   |          |          |
|-------------|---|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |          |          |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -        | -        |
| 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 (provide details if material)   | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>-</b> |

|           |  |         |         |
|-----------|--|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 4,448   | 6,141   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (1,144) | (1,771) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (247)   | 539     |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -       | -       |

| Consolidated statement of cash flows |   | Current quarter<br>\$AUD'000 | Year to date<br>(9 months)<br>\$AUD'000 |
|--------------------------------------|---|------------------------------|---|
| 4.5                                  | Effect of movement in exchange rates on cash held       | -                            | -                                       |
| 4.6                                  | Cash and cash equivalents at end of period <sup>1</sup> | 3,055                        | 3,055                                   |

*Note 1: At the date of this report, the Group also holds Bitcoin, listed digital assets and other unlisted investments not included above but which are considered to be highly liquid and can be converted into cash when required as set out on page 1 of the Quarterly Activities Report.*

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$AUD'000 | Previous quarter<br>\$AUD'000 |
|-----|--|------------------------------|-------------------------------|
| 5.1 | Bank balances  | 2,565                        | 3,957                         |
| 5.2 | Call deposits  | 490                          | 490                           |
| 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)  | 3,055                        | 4,447                         |

| 6.  | Payments to related parties of the entity and their associates                                       | Current quarter<br>\$AUD'000 |
|-----|--|------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 <sup>2</sup> | 77                           |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2              | -                            |

*Note 2: Amounts paid to related parties includes Executive Director salary, superannuation and payout of accrued entitlements, Non-Executive Director superannuation, and legal & consulting fees.*

| 7.  | Financing facilities<br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount<br>at quarter end<br>\$AUD'000 | Amount drawn at<br>quarter end<br>\$AUD'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 Description of facilities

-

| 8.         | Estimated cash available for future operating activities                      | \$AUD'000   |
|------------|---|-------------|
| 8.1        | Net cash from / (used in) operating activities (item 1.9)                     | (1,144)     |
| 8.2        | Cash and cash equivalents at quarter end (item 4.6)                           | 3,055       |
| 8.3        | Unused finance facilities available at quarter end (item 7.5)                 | -           |
| 8.4        | Total available funding (item 8.2 + item 8.3)                                 | 3,055       |
| <b>8.5</b> | <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b> | <b>2.67</b> |

*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: Not applicable

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: Not applicable

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: Not applicable

*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: 28 April 2023

Authorised by: Board of DigitalX Limited

## 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.