

APPENDIX 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET

A.Reporting Period

Financial period 30 June 2019.

B.Previous Corresponding Period (PCP)

The previous corresponding period for the Group is the period end 30 June 2018.

C.Results

	% change from 30 June 2018	\$USD
Revenue from ordinary activities	↓89%	926,667
Profit/(loss) from ordinary activities after tax attributable to members	↓ ¹	(2,524,151)
Profit/(loss) for the period attributable to members	↓ ¹	(2,521,151)

¹ As the entity was in a profit-making position in the previous reporting period no percentage change has been disclosed.

D.Net tangible asset per ordinary share

2019 (\$USD per share)	2018 (\$USD per share)
0.021	0.022

E.Dividends paid or recommended

No dividends have been paid or declared for payment during the financial year (Prior period: Nil).

F.Entities over which control has been lost during the period

Not applicable.

G.Entities over which control has been gained during the period

DigitalX Asset Management Pty Ltd;
DigitalX (BVI) Limited;
Digital Asset Administration; and
DigitalX New Tech Fund Inc.

* Entities are new Group entities that have been incorporated during the period and no amounts have been incurred for the period.

H.Associates and joint venture entities

Futuredge Capital (Refer to Note D3 of the Notes to the Financial Report).
DX Americas LLC (Refer to Note D3 of the Notes to the Financial Report).
Coincast Media (Refer to Note D3 of the Notes to the Financial Report).

I. Audit Status

This report is based on unaudited financials.

For personal use only

DIGITALX LIMITED
PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

CONTENTS

COMMENTARY ON RESULTS FOR THE PERIOD	2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF CASHFLOWS	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
NOTES TO THE FINANCIAL STATEMENTS	10
CORPORATE DIRECTORY	39

COMMENTARY ON RESULTS FOR THE PERIOD

Operating results

The result for the year ended 30 June 2019 was a consolidated loss attributable to members of the group of \$USD2,524,151 (2018: profit of \$USD2,595,834).

DigitalX provided market-leading services to the digital asset market during a profitable 2018 financial year, however, the results were impacted by a slow-down in the market and a significant draw down in the value of digital asset prices which has contributed to a significant reduction in the Group's revenue from the previous financial year. The four main service offerings the Group operated during the period were corporate advisory & blockchain consulting, funds management, and media (via the Coincast Joint Venture). Since the end of the financial year, DigitalX has been working hard to leverage its core competencies, specifically, the commercialisation of blockchain technologies and is focusing on blockchain consulting and development and funds management.

Despite the final financial result, the Group ended the year well capitalised and resourced to deliver an improved year for shareholders.

Corporate advisory

DigitalX provided corporate advisory services to organisations seeking to launch digital assets during 2018/2019 through a combination of technical due diligence, marketing and promotion, and introductions to DigitalX's network.

While DigitalX has significant industry experience in this sector, the poor performance of the market (only 7% of ICO's outperformed Bitcoin¹) saw DigitalX reshape its offering to focus on security token offerings (being digital assets representing financial securities). DigitalX formed the DX Americas LLC joint venture to service this security token market with US Investment Bank, Americas Executions LLC. DigitalX considers the demand for security tokens to still be at a preliminary stage due to the current lack of secondary trading markets for these financial products and therefore early revenues have been minimal.

Blockchain consulting and development

DigitalX has provided services to a small number of groups during the quarter, with highlights including publicly listed clients and a tier one global energy firm. DigitalX is currently tailoring a consulting offering to deliver introductory blockchain technology workshops and proof of concept development, assisting clients to rapidly validate use cases for adopting blockchain technologies into their businesses.

DigitalX has been actively working to build a market for blockchain technology consulting and development, which is strong internationally. DigitalX management have been heavily involved in growing interest in the blockchain industry through a range of speaking events, educational engagements and contributions to: Blockchain Australia, CPA Annual Congress Western Australia, Office of the Auditor General WA, CPA Western Australia Member's Breakfast, Australian Human Rights Commission - Impact of new technology, ADCA ICO Treasury submission, Blockchain Centre Perth, West Tech Fest, World Bank Aid and International Development Tour. DigitalX will continue to lead efforts to create a market for blockchain technology in Australia which the firm is well capitalised to commercialise.

DigitalX secured its first client in the stable coin market through the engagement with Bullion Asset Management to launch 'xbullion', a gold-backed digital asset. xbullion issuance and redemptions are recorded on the blockchain and are audited for compliance. In addition to the use of blockchain, the underlying gold bullion is securely vaulted and insured and investors who purchase xbullion will be able to redeem these digital assets for physical gold bullion if they choose.

The Company is at the forefront of these new digital assets in Australia that seek to encapsulate the benefits of both historical regulated securities and the new technologies provided by digital assets.

Funds under management

The Group's funds under management division, DigitalX Asset Management, focuses on offering professionally managed investment products that invest in digital assets and blockchain technology companies. Over the past year, the division operated its Digital Asset Fund, which invests in leading digital assets, with a smaller allocation towards special trading opportunities.

¹ <https://www.theblockcrypto.com/2019/08/07/a-post-mortem-on-the-ico-bubble-at-least-89-of-icos-are-in-the-red/>

Since its launch on May 1, 2018, the Digital Asset Fund has underperformed its benchmark market cap weighted index by 8% to June 30, 2019, principally as a result of its significant underweighting in bitcoin relative to its benchmark index. Additionally, the fund has 20% of its assets invested in two unlisted investments.

This division also worked on its product development and research efforts. The portfolio management team has focused on developing extensive research on hardware and software inputs to the blockchain ecosystem and on applications to other emerging technologies such as the internet-of-things (IOT) and AI. The division also developed and distributed research notes on blockchain and digital asset ecosystems.

Division personnel also worked on developing its distribution strategy throughout the year, and continued to build contacts with prospective distribution partners and investors in Europe and in Panama. The division plans to expand marketing of its Digital Asset Fund and continue product development efforts over the coming year.

Coincast Media

Coincast Media was a joint venture that provided education, public relations and content creation to the blockchain marketplace. The division started the year strongly with the launch of the 12-week weekly blockchain TV series 'Coincast TV' on Sky News. Coincast was involved with planning a second series of Coincast TV with other media channels, but was unsuccessful in securing a contract that would be profitable for the business. Coincast Media engaged with DIVAN.TV, an international TV streaming service which is available in more than 200 countries around the world, but the engagement did not yield commercial success.

Coincast Media was engaged to provide media, marketing and PR services for a variety of exciting technology companies. The primary strategy focused on serving clients that were going through a news heavy period, such as a capital raising process or conference and roadshow activities. As the market declined over the period, the opportunity to generate high value engagements in the industry was limited to a select few clients. Since the end of the financial year the partners have been reviewing the viability of the joint venture.

Future Developments

DigitalX has experienced a transitional year in a challenging market as it shapes its offering towards blockchain consulting and development and asset management. We consider blockchain technology to be in its formative years. While major structural and technological revolutions often have a 50-year cycle², it is important to remember it is only 10 years since the launch of the Bitcoin whitepaper. DigitalX's mission to commercialise applications of blockchain technology is unchanged, and we are well capitalised to achieve this goal. The Company expects to be in a strong position to present its refined blockchain commercialisation strategy and the exciting developments in xbullion to the market in coming months.

² <https://appliedabstractions.com/2008/09/18/carlot-perez-on-how-to-understand-global-technology-trends/>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Note	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Revenue from operations	C2	926,667	8,211,408
Net gain on digital assets	C2	1,639,848	1,685,053
Other Income	C2	30,696	9,398
Professional and consultancy fees	C3	(464,690)	(475,229)
Settlement costs	C3	(526,068)	-
Brokerage costs		(69,920)	(1,545,670)
Corporate expenses		(188,101)	(334,831)
Advertising, media and investor relations		(266,414)	(249,875)
Employee benefit expenses		(1,520,014)	(1,597,924)
Share based payments – employee benefits		(700,044)	(1,285,386)
Depreciation		(53,883)	(12,295)
Intangible asset impairment		(50,000)	-
Realised and unrealised foreign exchange losses		(191,370)	(270,259)
Fair value adjustment of derivative liability		-	-
Impairment of investments and other assets		(97,666)	(511,059)
Interest expense		(70,074)	(54,268)
Finance costs		-	(682,036)
Other expenses	C3	(838,128)	(521,697)
Equity accounted share of profit/(loss) from joint venture	D3	(38,442)	37,144
Profit/(Loss) before tax		(2,477,603)	2,402,473
Income tax benefit/(expense)		-	-
Profit/ (Loss) after income tax from continuing operations		(2,477,603)	2,402,473
Profit/(Loss) from discontinued operations		-	40,748
Profit/(Loss) for the period		(2,477,603)	2,443,221
Profit/(Loss) attributable to:			
Members of the parent entity		(2,524,151)	2,595,834
Non-controlling interests		46,548	(152,613)
		(2,477,603)	2,443,221

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Profit/(Loss) for the period		(2,477,603)	2,443,221
Other comprehensive income for the period			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of operations		19,126	(2,561)
Other comprehensive income for the period, net of tax		19,126	(2,561)
Total comprehensive income for the period		(2,458,476)	2,440,660
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(2,486,844)	2,579,947
Non-controlling interests		28,368	(139,287)
		(2,458,476)	2,440,660
Profit/(Loss) per share attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share (cents)	C4		
Earnings per share from continuing operations		(0.005)	0.006
Earnings per share from discontinued operations		(0.000)	0.000
Total		(0.005)	0.006
Diluted earnings/(loss) per share (cents)	C4		
Earnings per share from continuing operations		-	0.005
Earnings per share from discontinued operations		-	0.000
Total		-	0.005

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
CURRENT ASSETS			
Cash and cash equivalents	D1	5,160,689	5,772,287
Trade and other receivables	C2	266,469	1,295,844
Digital assets	D2	7,115,373	4,500,282
Total Current Assets		12,542,531	11,568,413
NON-CURRENT ASSETS			
Investments	D3	534,572	56,581
Property, plant and equipment	E1	297,490	502
Intangible assets		-	49,519
Total Non-Current Assets		832,062	106,602
TOTAL ASSETS		13,374,593	11,675,015
CURRENT LIABILITIES			
Trade and other payables	C3	1,218,102	574,696
Derivative financial instruments	D4	-	-
Interest bearing liabilities	D4	-	281,446
Total Current Liabilities		1,218,102	856,142
TOTAL LIABILITIES		1,218,102	856,142
NET ASSETS		12,156,491	10,818,873
EQUITY			
Contributed equity	F1	33,662,319	30,431,588
Reserves	F2	1,384,860	832,033
Retained earnings/(losses)		(23,483,498)	(20,959,347)
Capital & reserves attributable to owners of DigitalX		11,563,681	10,304,274
Non-controlling interests	F2	592,810	514,599
TOTAL EQUITY		12,156,491	10,818,873

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Cash flows from operating activities			
Receipts from customers		1,271,834	4,585,891
Payments to suppliers and employees		(3,512,924)	(2,532,763)
Other income		48,010	212,493
Interest paid		(12,168)	(60,000)
Proceeds from sale of bitcoin		-	-
Payment for purchase of bitcoin		-	(135,068)
Payments for power and hosting		-	(5,000)
Net cash provided by/(used in) operating activities		(2,205,248)	2,065,553
Cash flows from investing activities			
Payment for intellectual property		-	-
Acquisition of property plant and equipment		(347,992)	(1,883)
Payment for investments including digital assets in fund		(1,002,613)	(1,449,535)
Payment for deposits		-	(11,683)
Loan to related party		(17,538)	-
Net cash used in investing activities		(1,368,143)	(1,463,101)
Cash flows from financing activities			
Proceeds from issue of equity securities		3,226,941	3,762,469
Net proceeds from issue of units in fund		97,500	1,366,773
Proceeds from borrowings		-	-
Proceeds from issue of convertible notes		-	225,188
Other (Share Buy-back)		-	-
Payments for share issue costs		(176,548)	(180,590)
Net cash (used in)/provided by financing activities		3,147,893	5,173,840
Net increase/ (decrease) in cash and cash equivalents		(425,498)	5,776,292
Cash and cash equivalents at beginning of period		5,772,287	232,225
Foreign exchange movement in cash		(186,100)	(236,230)
Cash and cash equivalents at end of period	D1	5,160,689	5,772,287

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Group	Contributed Equity \$USD	Reserves ¹ \$USD	Retained Earnings/(Losses) \$USD	Total \$USD	Non-controlling interest \$USD	Total \$USD
Balance at 1 July 2018	30,431,588	832,033	(20,959,346)	10,304,274	514,600	10,818,874
Profit/(Loss) for the year	-	-	(2,524,151)	(2,524,151)	46,548	(2,477,603)
Other comprehensive income	-	37,307	-	37,307	(18,181)	19,126
Total comprehensive income for the period	-	37,307	(2,524,151)	(2,486,844)	28,368	(2,458,476)
Shares issued during the period	3,224,128	-	-	3,224,128	-	3,224,128
Units issued during the period ²	-	-	-	-	49,843	49,843
Share issue costs	(294,002)	116,081	-	(177,921)	-	(177,921)
Share based payment expense	300,605	399,439	-	700,044	-	700,044
Share options issued	-	-	-	-	-	-
Share options and performance rights converted	-	-	-	-	-	-
Balance at 30 June 2019	33,662,319	1,384,860	(23,483,498)	11,563,681	592,810	12,156,491

¹ Refer to Note F2 for reconciliation of reserve balances.

² Balance is net of issues, redemptions and change of ownership.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Consolidated Group	Contributed Equity \$USD	Reserves \$USD	Retained Earnings/(Losses) \$USD	Total \$USD	Non-controlling interest \$USD	Total \$USD
Balance at 1 July 2017	22,653,332	396,194	(23,555,180)	(505,653)	-	(505,653)
Profit/(Loss) for the year	-	-	2,595,834	2,595,834	(152,613)	2,443,221
Other comprehensive income	-	(15,887)	-	(15,887)	13,326	(2,561)
Total comprehensive income for the period	-	(15,887)	2,595,834	2,579,947	(139,287)	2,440,660
Shares issued during the period	7,759,367	-	-	7,759,367	-	7,759,367
Units issued during the period	-	-	-	-	653,887	653,886
Share issue costs	(394,036)	-	-	(394,036)	-	(394,036)
Share based payment expense	-	350,294	-	350,294	-	350,294
Share options issued	-	414,506	-	414,506	-	414,506
Share options and performance rights converted	375,754	(375,754)	-	-	-	-
Equity component of convertible note	-	78,465	-	78,465	-	78,465
Early conversion of convertible note	37,171	(15,785)	-	21,386	-	21,386
Balance at 30 June 2018	30,431,588	832,033	(20,959,346)	10,304,274	514,600	10,818,874

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2019

The notes to the financial statements have been set out under the following main headings:

- A. Legend
- B. Basis for preparation (B1)
- C. Key operating & financial results (C1 to C4)
- D. Capital & risk management (D1 to D4)
- E. Financial position (E1)
- F. Equity (F1 to F2)
- G. Group structure (G1)
- H. Other disclosures (H1)

A - LEGEND

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 Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

- Revenue recognition (Note C2)
- Digital assets including bitcoin inventory (Note D2)
- Fair value of digital assets (Note D2)
- Functional currency

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.

- Multijurisdictional taxation of operations
- Valuation of share-based payments (Note F2)

ADDITIONAL COMMENTARY

Additional management commentary on the item has been provided above what is required under legislation or accounting standards for stakeholders to understand the financial report

B - BASIS FOR PREPARATION

The section below includes information regarding how the overall financial statements are prepared including the key accounting policies and accounting standard frameworks applied.

CORPORATE INFORMATION

DigitalX Limited (the Company or the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company is a for-profit entity.

B1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial report are set out below. These policies have been applied consistently to all periods presented in the financial report excepted as described in the notes or in the Group's [interim financial report](#). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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.

All amounts are presented in United States Dollars, unless otherwise noted.

Compliance with IFRS

The Preliminary Financial Report of the Group 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.

Historical cost convention

The Preliminary 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.

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 the financial report.

Presentation and functional currency

Presentation currency

The consolidated financial report is presented in United States Dollars.

Functional currency

The individual financial statements of each Group 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 United States dollars ('\$USD'), 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 Group the functional currency has been determined to be \$USD.

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.

The Group continues to monitor its exposure and dealings in various currencies including \$USD, \$AUD, \$HKD, \$EUR and has considered that for the year ended 30 June 2019 that \$USD is the most appropriate currency for the Group's reporting as the predominant currency for revenue generating activities has been \$USD combined with the material US operations. The Group will continue to assess the relevant of that assessment each reporting period.

Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/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 Group 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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

C - KEY OPERATING & FINANCIAL RESULTS

The section below includes information regarding how the Group performed during the financial year including segment analysis and detailed breakdowns of items in the Statement of Profit or Loss and Other Comprehensive Income.

This section includes the following disclosures:

- C1 Segment Information (Page 14)
- C2 Revenue & Receivables (Page 17)
- C3 Expenses, Payables & Other Assets (Page 18)
- C4 Earnings Per Share (Page 20)


C1 SEGMENT INFORMATION


Segment reporting


AASB 8 requires operating segments to be identified based on internal reports about components of the Group 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 2019 the Group operated three segments: Advisory, Funds Under Management, and Technology. The Group does report media and marketing as a segment as the Group’s interest in these activities is via a joint venture as disclosed in Note D3. In the previous corresponding period (period ended 30 June 2018) the Group had three reportable segments: ICO Advisory, Funds Under Management, and Technology.

Segment description

 **ADVISORY**
The Group provides advisory services specialising in four main categories; consulting, technical due diligence, development, marketing and promotion, and introductions to DigitalX’s network.

 **TECHNOLOGY**
The Group has previously been engaged in the development of a mobile application remittance software, “AirPocket”. The development activities are part of an internal project, with costs incurred both by an internal software development team and through the outsourcing of development activities to external contractors.

 **FUNDS UNDER MANAGEMENT (FUM)**
The FUM division was setup in 2018 to give high net worth and institutional investors access to a portfolio of digital assets. DigitalX’s first fund invests predominantly in the leading digital assets, with a smaller allocation towards special trading opportunities.

 **UNALLOCATED**
Amounts disclosed in the unallocated segment primarily relates to Group-level functions including governance, finance, legal, risk management and company secretarial.

DIGITALX LTD - PRELIMINARY FINANCIAL REPORT

SEGMENT PERFORMANCE

Segment reporting (\$USD)	ADVISORY		FUNDS UNDER MANAGEMENT ²		TECHNOLOGY		UNALLOCATED		TOTAL	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Results										
Segment revenue	828,581	8,211,408	26,048	-	-	-	72,492	-	926,667	8,211,408
Profit/(Loss) before income tax	(271,780)	6,441,782	(737,676)	(141,391)	(206,311)	(123,075)	(1,223,394)	(3,811,986)	(2,439,161)	2,365,330
Income tax expense/(benefit)		-	-	-	-	-	-	-	-	-
Profit/(Loss) after income tax from continuing operations	(271,780)	6,441,782	(737,676)	(141,391)	(206,311)	(123,075)	(1,223,394)	(3,811,986)	(2,439,161)	2,365,330
Profit/(Loss) from discontinued operations	-	-	-	-	-	-	-	-	-	40,748
Profit/(Loss) attributable to members of the parent entity	(271,780)	6,441,782	(737,676)	(141,391)	(206,311)	(123,075)	(1,223,394)	(3,811,986)	(2,439,161)	2,406,078
Other										
Equity accounted share of profit from joint venture	-	-	-	-	-	-	-	-	(38,442)	37,143
Profit/(loss) after income tax									(2,477,603)	2,443,221
Reconciliation of underlying EBITDA										
Interest									70,074	54,268
Taxation									-	-
Depreciation									53,883	12,295
Amortisation									-	-
EBITDA									(2,353,646)	2,509,784

¹Revenue earned from external customers by geography and major customer information is not able to be disclosed as the information is not available to the Group.

²For 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 as CODM reviews the fund on a fair value basis of the Group's interest in the fund as disclosed in Note D3.

DIGITALX LTD - PRELIMINARY FINANCIAL REPORT

SEGMENT POSITION

	ADVISORY		FUNDS UNDER MANAGEMENT		TECHNOLOGY		UNALLOCATED		TOTAL	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Segment reporting (\$USD)										
Assets										
Segment assets	53,377	965,113	22,477	-	-	49,519	13,298,739	10,660,383	13,374,593	11,675,015
Total assets	53,377	965,113	22,477	-	-	49,519	13,298,739	10,660,383	13,374,593	11,675,015
Assets pertaining to discontinued operations	-	-	-	-	-	-	-	-	-	-
Liabilities										
Segment liabilities	580	23,136	1,183	24,666	-	-	1,216,339	808,399	1,218,102	856,141
Total liabilities	580	23,136	1,183	24,666	-	-	1,216,339	808,399	1,218,102	856,141
Liabilities pertaining to discontinued operations	-	-	-	-	-	-	-	-	-	-

C2 - REVENUE & RECEIVABLES

Policy - Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable; taking into account contractually defined terms of payment, if any, and excluding taxes or duty.

Revenue is recognised when the specific recognition criteria described below have been met:

A. Advisory & Consulting

The Group provides consulting services for its customers, assisting in the customers' sale of its digital assets, with the sale being conducted as a token sale or pre token sale. In either case, these services are rendered until the close of the sale. For the provisioning of its consulting services, the Group is remunerated by its customers through the distribution of cash, the customers' digital asset, other digital assets, or a combination of these sources.

Performance Obligations

The Group recognises token sale consulting revenue as a point in time obligation when its services have been fully rendered under contract and the Group no longer has any continuing involvement in the sale of digital assets by its customers and the consideration becomes payables. If the Group is entitled to consideration on a pro rata basis or for works complete, then the Group shall recognise revenue over time by reference to the work completed.

The Group recognises revenue from fund raising at the time the customer receives the benefits of the fund raising. Depending on the nature of the individual agreement with the customer, this may be through-out the duration of the token sale or at the completion of the token sale and funds are received by the customer.

Transaction Price

Where the contract provides for payment in the customers digital assets, the digital asset's fair value is determined:

- by referencing publicly available pricing data from digital asset exchanges; or
- for those digital assets not yet listed on exchanges, by referencing the results of the sale (i.e. the unit price of a digital asset can be measured by dividing the dollar amounts raised in the sale by the number of units issued in the sale).

B. Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group allows 1% for amounts that are 30 to 60 days past due, 1.5% for amounts that are between 60 and 90 days past due and impair any amounts that are more than 90 days past due.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Revenue

Advisory

Consulting

Asset Management Fees

Licensing

Total revenue

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Advisory	773,314	8,035,852
Consulting	126,517	175,556
Asset Management Fees	18,293	-
Licensing	8,543	-
Total revenue	926,667	8,211,408

Trade and other receivables

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Trade receivables (gross) ^{1,2}	57,012	1,037,624
Loss allowance	-	-
Trade receivables – Net	57,012	1,037,624
Other receivables		
Statutory tax receivable	13,621	86,972
Loan to a related party	26,099	5,932
Other	169,737	165,316
Total trade and other receivables	266,469	1,295,844

¹At 30 June 2019, \$USD53,200 is considered past due but not impaired (2018: \$USD92,874).

²Included in the balance at 30 June 2018 is an amount \$USD770,000 for token to be received from a customer pending a token generation event (TGE) that had not yet occurred. These tokens were received during the financial year 30 June 2019.

Other Income

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Interest received	30,696	-
Net fair value gain on digital assets held	1,639,848	1,685,053
Other income	-	9,398
Total other income	1,670,544	1,694,451

C3 - EXPENSES, PAYABLES & OTHER ASSETS

Policy - Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Policy - Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Policy - Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Policy - Goods and services, Value Added Tax, or Sales Tax

Amounts are recognised net of the amount of associated GST or VAT, except:

- where the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST or VAT.

The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST or VAT component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(A) Professional and Consultancy fees

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Legal fees	177,108	122,051
Consulting fees	209,280	247,909
Tax consulting fees	28,708	14,167
Audit fees	49,594	91,102
Total professional and consultancy fees	464,690	475,229

(B) Settlement costs

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Settlement costs ¹	526,068	-
Total other expenses	526,068	-

¹ The balance relates solely to the finalisation of legal proceedings [as announced](#) to the market on 7 May 2019 which is expected to be a non-recurring amount. The Group also incurred \$USD66,830 in legal fees for this matter included in the total legal fees disclosed above in (A).

(C) Other expenses

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Office and administration	344,186	201,906
Bank charges	11,193	5,866
Other expenses	482,749	313,925
Total other expenses	838,128	521,697

Current liabilities – trade & other payables

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Trade payables	242,723	377,682
Accrued expenses	397,554	187,768
PAYG withholding payable	16,086	9,244
Share applications	561,739	-
Total trade & other payables	1,218,102	574,694

C4 - EARNINGS PER SHARE (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) after tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued or cancelled during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Basic earnings/(loss) per share (cents)		
From continuing operations	(0.005)	0.006
From discontinued operations	(0.000)	0.000
Total	(0.005)	0.006
Diluted earnings/(loss) per share (cents)		
From continuing operations	-	0.005
From discontinued operations	-	0.000
Total	-	0.005
The earnings/(loss) used in the calculation of basic and diluted loss per share		
From continued operations	(2,524,151)	2,555,086
From discontinued operations	-	40,748
Weighted average number of ordinary shares on issue during the period used in the calculation of basic EPS	512,099,007	421,293,051
Adjustments for calculation of diluted EPS		
Options	60,240,335	42,858,373
Performance rights	9,000,000	1,000,000
Convertible notes	-	8,800,000
Weighted average number of ordinary shares on issue during the period used in the calculation of diluted EPS	581,339,342	473,951,423

¹ Potential ordinary shares in the form of share options and rights are not considered to be dilutive. As the Group made a loss for the prior period, diluted earnings per share is the same as basic earnings per share for that period.

D - CAPITAL & RISK MANAGEMENT

The section below includes information regarding how the Group accounts for its capital assets including the positions at year end.

The section includes the following disclosures:

- D1 Cash and cash equivalents (Page 22)
- D2 Digital assets (Page 22)
- D3 Investments (Page 23)
- D4 Interest bearing liabilities and derivatives (Page 25)

D1 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, cash held with bitcoin exchanges, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Cash and cash equivalents do not include the Group's holdings of digital assets which are classified as inventory (refer to D2).

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Cash at bank	5,160,614	5,772,211
Cash deposits at call ¹	75	76
Total cash and cash equivalents	5,160,689	5,772,287

¹Cash deposits at call include cash balances on exchanges. The balance originates following a liquidation of digital assets.

D2 - 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. The Group measures digital assets at its fair value less costs to sell, with any change in fair value less costs to sell being recognised in profit or loss in the period of the change. Amounts are derecognised when the Group has transferred substantially all the risks and rewards of ownership. As a result of the various blockchain protocols, costs to sell are immaterial in the current period and no allowance is made for such costs.

Digital assets are derecognised when the Group disposes of the inventory through its trading activities or when the Group otherwise loses control and, therefore, access to the economic benefits associated with ownership of the digital asset.

For the purpose of fair value disclosures, the Group 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.

Estimates & 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 monitor new comments and interpretations released by the Board and other standard setters from around the world.

In line with this, the Group has considered its position for the year ending 30 June 2019 and has determined that the Group's digital assets fall into 3 categories:

- Inventory method (historical method used by the Group)
- Intangible asset method (the method noted by the IASB in its most recent deliberations³)
- Financial asset method (used where the digital asset meets the criteria of a financial asset)

Management notes that under the 3 methods noted above, the treatment continues to be to measure digital assets at fair value (unless otherwise disclosed) under the respective accounting standards.

(b) Fair value of Digital Assets

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, KuCoin, Independent Reserve and others in order to provide the Group 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 Group.

Unlisted digital assets are fair valued using a combination of Level 2 and Level 3 techniques.

³ <https://www.ifrs.org/news-and-events/updates/ifric-updates/june-2019/#8>

Bitcoin¹
Other listed digital assets^{1,2}
Non listed digital assets³
Total Digital Assets

Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
4,661,772	2,764,706
1,121,074	1,494,484
1,332,527	241,092
7,115,373	4,500,282

Inventory method
Intangible asset method
Financial asset method
Total Digital Assets

Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
4,661,772	2,764,706
1,683,601	1,494,484
770,000	-
7,115,373	4,500,282

¹ Digital assets were measured at fair value using at 30 June 2019. Refer to Note H2 for prices at the date of this report.

² Includes all tokens that are not bitcoin that are listed on an exchange. The amount includes \$USD891,907 held by the DigitalX Fund.

³ Includes all tokens not listed on an exchange. The amount includes \$USD150,071 held by the DigitalX Fund.

D3 – INVESTMENTS

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Investment in Coincast - Equity accounted joint venture ^A	16,259	56,581
Investment in DigitalX Fund ^{B/C}	-	-
Investment in DX Americas LLC ^D	-	-
Investment in Futureedge Pty Ltd ^E	-	-
Investment in Bullion Asset Management Pte Ltd ^F	322,662	-
Convertible note receivable ^G	195,651	-
	534,572	56,581

A. Investment in Digital Multiplier Pty Ltd ("Coincast")

During the prior period the Group entered into a 50:50 joint venture with Multiplier Pty Ltd by way of a \$USD19,437 (\$AUD25,000) investment to launch a new blockchain business news website and online blockchain education platform and television show. For the period ended 30 June 2019 the joint venture generated a loss of \$76,884 (2018: profit of \$USD74,288).

	30 June 2019 \$USD	30 June 2018 \$USD
Opening balance	56,581	-
Initial investment	-	19,437
DigitalX share of profit/(loss) – 50%	(38,442)	37,144
Foreign exchange movement	(1,880)	-
	16,259	56,581

B. Investment in DigitalX Funds Management Pty Ltd

On 16 February 2018, the Group incorporated a new subsidiary, DigitalX Funds Management Pty Ltd, to act as the fund manager for the DigitalX Fund and any future funds the Group may launch. The Group holds a 73% interest and has deemed it has control. The results for DigitalX Funds Management Pty Ltd are immaterial for the period.

C. Investment in DigitalX Fund

On 26 of April 2018, the Group provided seed capital to the DigitalX Fund (a unit trust) for the purpose of investing in and generating returns digital assets. At 30 June 2019, the Group has an interest in the fund of 43% (2018: 46%), however, as DigitalX also provides fund management services for the fund it is deemed that the Group meets the definition of control under AASB10: *Consolidated Financial Statements* and as a result, the fund has been included in the Group's consolidated financial statements. The Group will continue to assess its position with respect to control of the fund at each reporting period.

The net asset value (NAV) of the Group's units in the fund at 30 June 2019 is \$AUD 0.85 (2018: \$0.79).

D. DX Americas LLC

On the 23rd of November, the Group [announced](#) a joint ventures with US investment bank AmerX, DX Americas LLC with DigitalX's ownership at 50%. The entity is an equity accounted joint venture, the results for the period are immaterial.

E. Futureedge Capital Pty Ltd (Formerly FutureICO Pty Ltd)

On the 18th of September, the Group [announced](#) a joint ventures, FutureICO (now Futureedge Capital) with DigitalX's ownership at 44.9%. The entity is an equity accounted joint venture, the results for the period are immaterial.

F. Investment in Bullion Asset Management Pte Ltd

On 16th of April 2019, the Group [announced](#) its equity investment into Bullion Asset Management Pte Ltd, the management company for [xbullion](#) (gold backed stable coin project) for \$AUD450,000 and 9,411,111 DigitalX shares at an issue price of \$AUD0.085. The DigitalX shares have not yet been issued.

G. Convertible note receivable

During the period, the Group entered into a convertible note with YPB Systems Ltd (ASX:YPB) based on the terms and conditions in the [announcement](#).

At year end the Group valued the note at fair value using a weighted average of the fair value using the redemption method of the note and the fair value of holding the note to maturity. Under this methodology the fair value of the note was deemed to be \$USD195,650.

D4 - INTEREST BEARING LIABILITIES & DERIVATIVES

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Convertible notes – debt-liability component ^{1,2}	-	281,446
Convertible loan ²	-	-
	-	281,446
Convertible Notes – derivative liability component ³	-	-
Net carrying amount	-	281,446
<i>Reconciliation</i>		
Carrying amount at beginning of period	281,446	535,198
Convertible note – debt liability component	-	360,459
Convertible note – transaction costs	-	(360,459)
Convertible note – derivative liability component	-	-
Fair value adjustment of derivative liability component	-	-
Amortisation of debt liability component	69,566	294,976
Convertible loan	-	-
Conversion of loans & notes	(351,012)	(548,728)
Carrying amount at end of period	-	281,446

E - FINANCIAL POSITION

The section below includes information regarding the financial position of the Group (excluding non-operating assets & liabilities covered under Section C and Working Capital covered under Section D).

The section includes the following disclosures:

E1 Property, plant and equipment (Page 27)

E1 - PROPERTY, PLANT AND EQUIPMENT – COMPUTER EQUIPMENT**Policy**

Plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Plant and equipment are depreciated or amortised on a reducing balance or straight-line basis at rates based upon their expected useful lives as follows:

- Computer equipment – 3 years
- Leasehold improvements – 5 years

Depreciation is recognised to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives. The estimated residual value of plant and equipment has been assessed to be zero. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with their carrying amount.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

	Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
Cost	351,352	15,922
Accumulated depreciation	(53,862)	(15,420)
Net Carrying amount	297,490	502
<i>Reconciliation</i>		
Carrying amount at beginning of period	502	10,832
Additions	351,352	1,965
Disposals	(481)	-
Depreciation charge for the period	(53,883)	(12,295)
Net carrying amount at end of period	297,490	502

F - EQUITY

The section below includes information regarding the Group’s equity structure including movements in contributed equity from share transactions and movements in reserves.

The section includes the following disclosures:

F1 Contributed Equity (Page 29)

F2 Reserves (Page 32)

F1 – CONTRIBUTED EQUITY

(a) Issued and paid up Capital

Fully paid ordinary shares – 571,525,427
(2018: 486,865,628)

Year ended 30 June 2019 \$USD	Year ended 30 June 2018 \$USD
33,662,319	30,431,588

(b) Movement in Ordinary Share Capital

Date	Details ¹	Number of Shares	Issue Price A\$	\$USD ²
30-Jun-18	Closing Balance	486,865,628		30,431,588
5-Jul-18	Vesting of Performance Rights	1,000,000	-	-
10-Jul-18	Share issue costs	-	-	(1,426)
7-Aug-18	Issue of Shares on exercise of options	3,086,420	0.0324	73,757
8-Aug-18	Share issue costs	-	-	(1,397)
18-Sep-18	Issue of shares on exercise of convertible notes	16,296,295	0.027	317,108
18-Sep-18	Issue of shares to employees	3,441,000	0.12	300,606
20-Sep-18	Share issue costs	-	-	(3,571)
8-Oct-18	Issue of Shares on exercise of options	100,000	0.0324	2,341
10-Oct-18	Share issue costs	-	-	(1,336)
13-May-19	Issue of Shares for settlement	1,895,453	0.0616	81,301
14-May-19	Share Issue costs			(1,368)
15-May-19	Issue of Shares under Share Purchase Plan	36,321,122	0.0677	1,701,610
16-May-19	Share Issue costs			(6,960)
17-May-19	Issue of Shares under top up placement	19,046,519	0.0677	887,500
17-May-19	Share Issue costs			(270,745)
21-May-19	Share Issue costs			(4,459)
27-May-19	Issue of Shares for settlement	1,576,568	0.0740	80,714
28-May-19	Share Issue costs			(1,368)
18-Jun-19	Issue of Shares for settlement	1,896,422	0.0615	79,796
24-Jun-19	Share Issue costs			(1,372)
30-Jun-19	Closing Balance	571,525,427		33,662,319

¹ Refer to the corresponding Appendix 3B for full details of each issue.

² Based on AUD/USD as at the date of transaction.

³ Refer to Note H2 for any issues subsequent to the end of the reporting period.

DIGITALX LTD - PRELIMINARY FINANCIAL REPORT

Date	Details ¹	Number of Shares	Issue Price \$AUD	\$USD ²
30-Jun-17	Opening Balance	212,044,933	-	22,653,332
16-Aug-17	Issue of Shares to Leigh Travers - CEO and Managing Director	500,000	0.038	14,900
16-Aug-17	Share Issue costs	-	-	(1,456)
31-Aug-17	Issue of Shares to Ironside Capital as consideration under the Capital raising services and mandate fees	7,772,745	0.041	253,176
31-Aug-17	Issue of Subscription shares	74,074,074	0.027	1,547,318
31-Aug-17	Share Issue costs	-	-	(298,888)
31-Aug-17	Issue of Loan Conversion Shares	11,111,111	0.027	236,940
31-Aug-17	Shares Issued on conversion of Convertible Notes	9,629,629	0.027	204,119
1-Sep-17	Issue of Shares in part consideration for capital raising services	988,867	0.027	20,656
1-Sep-17	Issue of Subscription shares	25,370,003	0.027	529,949
1-Sep-17	Share Issue costs	-	-	(46,322)
1-Sep-17	Shares Issued on conversion of Convertible Notes	8,888,889	0.027	188,418
1-Sep-17	Issue of Shares on exercise of Options	500,000	0.08	31,594
5-Sep-17	Shares Issued on conversion of Convertible Notes	7,407,407	0.027	157,015
5-Sep-17	Share Issue costs	-	-	(5,004)
8-Sep-17	Issue of Subscription shares	32,804,142	0.027	685,239
8-Sep-17	Share Issue costs	-	-	(4,374)
8-Sep-17	Issue of Shares on exercise of Incentive options	5,700,000	0.0324	292,037
8-Sep-17	Early conversion of convertible note	-	-	7,953
12-Sep-17	Shares Issued on conversion of Convertible Notes	370,370	0.027	7,851
12-Sep-17	Share Issue costs	-	-	(1,632)
12-Sep-17	Issue of Shares on exercise of Incentive options	4,000,000	0.0324	103,766
14-Sep-17	Issue of Subscription shares	600,000	0.027	24,776
14-Sep-17	Share Issue costs	-	-	(12,496)
14-Sep-17	Issue of Shares on exercise of Incentive options	600,000	0.0324	15,569
14-Sep-17	Early conversion of convertible note	-	-	13,433
22-Sep-17	Issue of Shares on exercise of Incentive options	1,000,000	0.0324	45,484
22-Sep-17	Issue of Shares on exercise of Incentive options	4,000,000	0.0324	103,696
22-Sep-17	Share Issue costs	-	-	(1,720)
4-Oct-17	Issue of Shares on exercise of Incentive options	246,914	0.0324	20,233
4-Oct-17	Share Issue costs	-	-	(1,425)
6-Oct-17	Issue of Shares to Director Faisal Khan	250,000	0.056	10,857
6-Oct-17	Share Issue costs	-	-	(1,430)
9-Oct-17	Issue of Shares on exercise of Incentive options	917,284	0.0324	23,107

DIGITALX LTD - PRELIMINARY FINANCIAL REPORT

31-Oct-17	Issue of Shares on exercise of options	9,597,284	0.0324	549,422
3-Nov-17	Issue of Shares on exercise of options	3,725,000	0.08	225,621
3-Nov-17	Issue of Shares on exercise of options	620,000	0.0324	71,193
8-Nov-17	Issue of Shares on exercise of options	4,450,000	0.08	291,927
14-Nov-17	Issue of Shares on exercise of options	4,357,500	0.08	158,686
14-Nov-17	Issue of Shares on exercise of options	17,000,000	0.0324	232,166
14-Nov-17	Shares Issued on conversion of 10 Convertible Notes	3,703,704	0.027	29,316
17-Nov-17	Issue of Shares on exercise of options	405,000	0.08	25,700
17-Nov-17	Issue of Shares on exercise of Incentive options	11,308,519	0.0324	547,073
23-Nov-17	Issue of Shares to Directors	2,000,000	0.2	304,840
24-Nov-17	Issue of Shares on exercise of options	375,000	0.08	11,379
24-Nov-17	Issue of Shares on exercise of Incentive options	6,700,000	0.0324	244,958
24-Nov-17	Issue of Shares on exercise of Incentive options	2,000,000	0.0324	52,274
1-Dec-17	Issue of Shares on exercise of options	700,000	0.08	45,557
1-Dec-17	Issue of Shares on vesting of Tranche 3 of Performance Rights	1,000,000	0.215	162,626
12-Dec-17	Issue of Shares on exercise of options	160,000	0.08	10,375
12-Dec-17	Issue of Employee Incentive Shares	1,300,000	0.24	235,030
22-Dec-17	Issue of Shares on exercise of options	685,000	0.08	44,800
22-Dec-17	Share Issue costs	-	-	(1,615)
9-Jan-18	Issue of Shares on exercise of options	35,000	0.08	2,190
9-Jan-18	Issue of Shares on exercise of options	246,914	0.0324	6,256
19-Jan-18	Issue of Shares on exercise of options	4,220,000	0.08	269,307
25-Jan-18	Issue of Shares on exercise of options	595,000	0.08	37,971
25-Jan-18	Share Issue costs	-	-	(17,674)
2-Feb-18	Issue of Shares on exercise of options	215,000	0.08	13,578
16-Feb-18	Issue of Shares on exercise of options	517,500	0.08	32,683
1-Mar-18	Issue of Shares on exercise of options	1,000,000	-	-
14-Mar-18	Issue of Shares on exercise of options	246,914	0.0324	6,164
11-Apr-18	Issue of Shares on exercise of options	925,925	0.0324	23,114
30-Jun-18	Closing Balance	486,865,628		30,431,588

Rights Attaching to Shares

The rights attaching to fully paid ordinary shares arise from a combination of the Company's constitution, statute and general law. Fully paid ordinary shares carry one vote per share and carry a right to dividend.

Dividends

There are no dividends paid or declared during the period.

F2 - RESERVES

Nature of reserves

Option premium and share-based payment 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 Exchange 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.
Non-controlling interest	This reserve is used to record transactions with non-controlling interests that do not result in a loss of control.

	Note	Option premium and share-based payment reserve ¹	Convertible Note Reserve	Foreign Exchange Reserve	Non-Controlling Interest
30 June 2018		785,240	62,680	(15,887)	514,600
Share based payment expense		399,439	-	-	-
Share options issued ²		116,081	-	-	-
Conversion of options & rights		-	-	-	-
Equity portion of convertible note		-	-	-	-
Early conversion of convertible note		-	-	-	-
Conversion of foreign operations		-	-	37,307	-
NCI share of profit or loss	P&L	-	-	-	46,548
NCI net units issued in Unit Trust ³		-	-	-	49,843
NCI share in translation difference		-	-	-	(18,181)
30 June 2019		1,300,760	62,680	21,420	592,810

¹ Ordinary share issues treated as share-based payments that have no vesting conditions are recognised directly in equity.

² Options issued to advisor, recognised as share issue costs in the Consolidated Statement of Changes in Equity.

³ Balance is the net amount inclusive of issues, redemptions and changes in interest in the DigitalX Fund.

	Note	Option premium and share-based payment reserve ¹	Convertible Note Reserve	Foreign Exchange Reserve	Non-Controlling Interest
30 June 2017		396,194	-	-	-
Share based payment expense		350,294	-	-	-
Share options issued		414,506	-	-	-
Conversion of options & rights		(375,754)	-	-	-
Equity portion of convertible note		-	78,465	-	-
Early conversion of convertible note		-	(15,785)	-	-
Conversion of foreign operations		-	-	(15,887)	-
NCI share of profit or loss	P&L	-	-	-	(152,613)
NCI units issued in Unit Trust	G2	-	-	-	653,887
NCI share in translation difference		-	-	-	13,326
30 June 2018		785,240	62,680	(15,887)	514,600

Share based payments

Employees and consultants of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions, for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Valuation of options and performance rights

The fair value of the share options and performance rights at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following tables list the inputs to the model used for valuation of the options:

Options issued to Directors

Item	Tranche 1	Tranche 2	Tranche 3
Volatility (%)	134.81%	134.81%	134.81%
Risk-free interest rate (%) – range	2.33%	2.33%	2.33%
Expected life of option (years)	5	5	5
Exercise price per terms & conditions	\$0.22	\$0.25	\$0.30
Underlying security spot price	\$0.06	\$0.06	\$0.06
Valuation date	22 Nov 2018	22 Nov 2018	22 Nov 2018
Expiry date	10 Dec 2023	10 Dec 2023	10 Dec 2023
Valuation per option	\$0.046	\$0.046	\$0.045

Options issued to Advisors

Item	
Volatility (%)	159.20%
Risk-free interest rate (%) – range	1.18%
Expected life of option (years)	3
Exercise price per terms & conditions	\$0.0847
Underlying security spot price	\$0.074
Valuation date	17 May 2019
Expiry date	16 May 2022
Valuation per option	\$0.061

Valuation of performance rights

The fair value of performance rights with market-based conditions at grant date are determined using a Monte-Carlo simulation method that takes into account the market conditions, the term of the vesting period, the share price at grant date and expected volatility of the underlying share across a number of simulations.

Item	Tranche 2	Tranche 3
Market based condition – Share price target over 5 days	\$0.25	\$0.30
Volatility (%)	134.81%	134.81%
Expected vesting period	5	5
Underlying security spot price	\$0.06	\$0.06
Valuation date	22 Nov 2018	22 Nov 2018
Expiry date	10 Dec 2023	10 Dec 2023
Valuation per right	\$0.04	\$0.04

Performance rights with non-market conditions are measured by reference to the share price at grant date \$0.06 and then adjusted for the probability of the number of instruments expected to vest.

30 June 2018

	Date of Issuance - Inputs
Item	14 Sep 2017
Volatility (%) (see below)	119.96%
Risk-free interest rate (%) – range	1.78%
Expected life of option (years)	2
Exercise price per terms & conditions	\$0.0324
Underlying security spot price	\$0.074
Valuation date	14 Sep 2017
Expiry date	14 Sep 2019
Valuation per option	\$0.0561

G - GROUP STRUCTURE

The section below includes information regarding the Group organisational structure and information related to the parent entity as required by the Corporations Act 2001.

G1 - PRINCIPLES OF CONSOLIDATION

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of DigitalX Limited (Company or Parent Entity) as at period end and the results of all subsidiaries for the period then ended. DigitalX Limited and its subsidiaries together are referred to as the Group or the Consolidated Entity.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

G2 - CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note G1. All controlled entities are included in the consolidated annual final report. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event a winding up of any controlled entity. The period end of the controlled entities is the same as that of the parent entity, except for the US companies listed below which use 31 December year end.

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2019	% of Shares Held 2018
Digital CC Management Pty Ltd	Australia	100%	100%
Digital CC Trading Pty Ltd	Australia	100%	100%
Digital CC IP Pty Ltd	Australia	100%	100%
Digital CC Limited	Hong Kong	100%	100%
Digital CC IP Limited	Hong Kong	100%	100%

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2019	% of Shares Held 2018
Digital CC Holdings USA Inc	United States	100%	100%
Digital CC USA LLC	United States	100%	100%
Digital CC USA Services LLC	United States	100%	100%
Digital CC Ventures Pty Ltd	Australia	100%	100%
Pass Petroleum Pty Ltd	Australia	100%	100%
Airpocket International Pty Ltd	Australia	100%	100%
AirPocket LLC	United States	100%	100%
DigitalX Funds Management Pty Ltd	Australia	73%	73%
DigitalX Fund Unit Trust	Australia	46%	46%
DigitalX Asset Management Pty Ltd	Australia	100%	-
DigitalX New Tech Fund Inc.	Panama	100%	-
DigitalX (BVI) Limited	British Virgin Isles	100%	-
Digital Asset Administration Cayman Limited	British Virgin Isles	100%	-

Year ended 30 June 2019

There were no changes to the controlled entities during the year ended 30 June 2019 except for those noted below:

- DigitalX Asset Management Pty Ltd;
- DigitalX (BVI) Limited;
- Digital Asset Administration; and
- DigitalX New Tech Fund Inc.

All of the entities above were incorporated as part of the ongoing development and execution of the Group's asset management strategy. The results for the entities above are immaterial for the period.

Year ended 30 June 2018

Investment in DigitalX Funds Management Pty Ltd

On 16 February 2018, the Group incorporated a new subsidiary, DigitalX Funds Management Pty Ltd, to act as the fund manager for the DigitalX Fund and any future funds the Group may launch. The Group holds a 73% interest and has deemed it has control. The results for DigitalX Funds Management Pty Ltd are immaterial for the period.

Investment in DigitalX Fund (DigitalX Fund Unit Trust)

On the 26 April 2018, the Group provided seed capital to the DigitalX Fund (a unit trust) for the purpose of investing in and generating returns digital assets. At 30 June 2018, the Group has an interest in the fund of 46%, however, as DigitalX also provides fund management services for the fund it is deemed that the Group meets the definition of control under AASB10: Consolidated Financial Statements and as a result, the fund has been included in the Group's consolidated financial statements. The Group will continue to assess its position with respect to control of the fund at each reporting period.

H - OTHER DISCLOSURES

The section below includes information regarding other disclosures relevant to users of the financial statement in understanding other transactions and the impact of future standards or events that may impact the Group.

The section includes the following disclosures:

H1 Events after reporting date (Page 38)

H1 - EVENTS AFTER THE REPORTING DATE

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected the group's operations, results or state of affairs, or may do so in future years other than those set out below. There were no other reportable subsequent events.

Date of event	Details of event																				
1 July 2019	On 1 July 2019, 24,691,358 shares were issued at a price of \$AUD0.0324 on conversion of 24,691,358 options.																				
4 July 2019	On 4 July 2019, Mr Stephen Roberts resigned as a director of the company.																				
8 July 2019	On 8 July 2019, Mr Sam Lee resigned as a director of the company.																				
11 July 2019	<p>On 11 July 2019, Mr Toby Hick was appointed as a director and non-executive chairman of the company.</p> <p>Mr Hicks has been a corporate lawyer advising public companies for over 15 years and is presently a Partner of Steinepreis Paganin. He is a former Governor of the University of Notre Dame Australia, a position he held for 16 years. He was a member of the University’s Audit and Finance Committee for 14 years and was a member of the Law School Advisory Board.</p> <p>Mr Hicks has a strong understanding of the regulatory regime around the Company’s core Blockchain business and has been advising in this space for a number of years. He has also lectured on corporate governance and compliance in Western Australia.</p> <p>He was formerly a Director of the Company from August 2016 to September 2018. Mr Hicks holds a Bachelor of Business (Management) and a Bachelor of Laws as well as a Graduate Diploma in Company Secretarial Practice from the Governance Institute and is a Chartered Secretary.</p> <p>As part of his appointment to the Board, Mr Hicks (or his nominee) will be issued with 7.5 million performance rights, automatically capable of conversion on the Company’s shares trading on ASX achieving a volume weighted average trading price of not less than \$0.09 for not less than 15 consecutive trading days within three years from the date of issue, and 2.5 million options exercisable at \$0.10 on or before 30 June 2024 (Incentive Securities). Mr Hicks’ Incentive Securities will be issued under the Company’s available placement capacity under ASX Listing Rule 7.1.</p>																				
11 July 2019	<p>On 11 July the company issued 7,500,000 performance rights which subject to the Company Shares trading on ASX achieving a volume weighted average trading price of not less than \$0.09 for not less than 15 consecutive trading days within three years from the date of issue, the Performance Rights will automatically be capable of conversion into Shares within 6 months.</p> <p>The Group also issued unlisted options exercisable at \$0.10 each on or before 30 June 2024.</p>																				
	<p>Due to the volatile nature and the materiality of the digital assets held, we disclose the value of digital assets held by the Group, excluding the DigitalX Fund and unlisted digital assets, as at the close date of the 28 August</p> <table><tr><th>Coin Symbol</th><th>Coin Amount</th><th>\$USD Spot Price at 30 June</th><th>\$USD Spot Price at 28 August</th><th>\$USD Balance</th></tr><tr><td>BTC</td><td>431</td><td>\$10,817.16</td><td>\$9,737.32</td><td>\$4,196,785</td></tr><tr><td>Altcoins</td><td>-</td><td>-</td><td>-</td><td>\$57,917</td></tr><tr><td>Total</td><td>-</td><td>-</td><td>-</td><td>\$4,254,702</td></tr></table>	Coin Symbol	Coin Amount	\$USD Spot Price at 30 June	\$USD Spot Price at 28 August	\$USD Balance	BTC	431	\$10,817.16	\$9,737.32	\$4,196,785	Altcoins	-	-	-	\$57,917	Total	-	-	-	\$4,254,702
Coin Symbol	Coin Amount	\$USD Spot Price at 30 June	\$USD Spot Price at 28 August	\$USD Balance																	
BTC	431	\$10,817.16	\$9,737.32	\$4,196,785																	
Altcoins	-	-	-	\$57,917																	
Total	-	-	-	\$4,254,702																	

CORPORATE DIRECTORY

Directors

Toby Hicks

Non-Executive Chairman

Leigh Travers

Executive Director

Peter Rubinstein

Non-Executive Director

Company Secretary

Shannon Coates

ABN

59 009 575 035

Registered Office and Principal Place of Business

Suite 1, Level 2

66 Kings Park Road

West Perth WA 6005

Tel: +61 (8) 9322 1587

Auditor

Grant Thornton Audit Pty Ltd

Level 43, 152-158 St Georges Terrace

PERTH WA 6000

Tel: +61 (8) 9480 2000

Fax +61 (8) 9322 7787

Stock Exchange Listing

DigitalX Limited shares are listed on the Australian Securities Exchange (ASX Code: DCC)

Share Registry

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

Perth WA 6000

GPO Box D182

Perth WA 6840

Telephone: +61 (8) 9323 2000

Facsimile: +61 (8) 9323 2096

Email: perth.services@computershare.com.au

[Website www.digitalx.com](http://www.digitalx.com)