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2022 Annual Report

The builders of global digital finance

www.digitalx.com

ASX:DCC

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LETTER FROM THE CHAIR

Dear Shareholders,

Thank you for your continued engagement as shareholders of DigitalX Limited.

Whilst the ecosystem in which the Company operates remains in its very early stages, few companies, if any, have achieved the longevity that the Company has achieved operating and evolving within an ever-changing framework as traditional markets try to understand the opportunities presented by the evolution of digital finance. It is for this reason that the Board, despite a disappointing financial result for the last financial year, remain optimistic about the possibilities heading into the next 12 months.

The appointment of Lisa Wade as the Company's new CEO in late 2021 is the highlight of the last financial year, with her extensive experience in both traditional finance and digital asset markets, enabling her to stand out from a pool of exceptional candidates for the role of CEO of DigitalX.

Our partnership with the Digital Finance CRC announced in November 2021 shows our commitment to participating in Australia's efforts to lead the world in these new financial frontiers. As shareholders in DigitalX you have front row seats to the future of finance and the integration of digital assets and new technologies into traditional finance and business systems, which some call 'Web3.0'. In a difficult investment market, our funds management team has also continued to find ways to grow our investment offering, with the DigitalX Bitcoin Fund becoming the first research-rated digital asset fund in Australia.

Finally, the acquisition of Sell My Shares has been a successful addition for the Company, not only in the performance of the business since the acquisition, but in the opportunity it has presented us to integrate the Sell My Shares platform with our inhouse built Drawbridge product to expand the product suite.

'Now, next and beyond'

The Company continues to focus its efforts using a 'now, next and beyond' mantra; focusing on what we are doing 'now' to continue to grow our immediate revenues from products like Sell My Shares, Drawbridge and from our funds management division. Building what is 'next' in terms of growing each of those business units to be more than what they each appear as traditional businesses or products; and finally looking at the 'beyond', where these products are market leaders in businesses and structures that may not yet be obvious to current users.

We have a collection of talented and visionary staff who are working as a collective to see DigitalX achieve the potential that the Board believes it is capable of. It is why we look forward with optimism to this new financial year and being able to show the outcomes of the work that the team has put in over the last few years to position DigitalX as a true leader in the future of digital finance.

Yours sincerely,

Toby Hicks

Non-Executive Chair

DIRECTORS' REPORT

Your Directors present their report together with the financial report on the consolidated entity (referred to hereafter as the **Group** or **Consolidated entity**) consisting of DigitalX Limited (**DigitalX** or the **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2022. Information contained within this report and the financial report is presented in Australian Dollars (\$AUD).

Directors

The following persons were Directors of DigitalX during the financial year and up to the date of this report, unless stated otherwise:

Mr Toby Hicks

Non-Executive Chairman

Term of Appointment

Appointed 10 July 2019

Status

Independent
Non-Executive

Current Directorships

None

Previous Directorships of Listed Entities within past 3 years

None

Mr Peter Rubinstein

Non-Executive Director

Term of Appointment

Appointed 15 September 2017

Status

Independent
Non-Executive

Current Directorships

Genetic Technologies Limited
Since 31 January 2018

Previous Directorships of Listed Entities within past 3 years

None

Experience

Mr Hicks is a Partner of Steinepreis Paganin Lawyers & Consultants with over 20 years' experience advising companies, both public and private, on matters relating to corporate governance, capital raisings, and mergers and acquisitions, as well as general commercial and strategic legal advice. He acts for a number of ASX listed companies.

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.

Mr Hicks spent 16 years as a Governor at the University of Notre Dame Australia and served for 14 years on the University's Finance, Audit and Risk Committee and 4 years on the Law School Advisory Board (Fremantle).

Interests in securities held as at the date of the report

- ✕ 8,350,792 fully paid ordinary shares; and
- ✕ 2,500,000 unlisted options exercisable at \$0.10 each expiring on 30 June 2024.

Experience

Mr Peter Rubinstein has over 20 years' experience in early stage technology commercialisation through to public listings on the ASX. He is a lawyer by training, having worked at one of the large national firms prior to moving in house at Montech, the commercial arm of Monash University.

Mr Rubinstein has had significant exposure to the creation, launch and management of a diverse range of technology companies including in biotech, digital payments and renewable energy.

Mr Rubinstein is also Chairman of EasyPark ANZ an early adopter in the "Smart City" opportunities for digital parking.

Interests in securities held as at the date of the report

- ✕ 36,334,372 fully paid ordinary shares;
- ✕ 1,000,000 unlisted options exercisable at \$0.22 each expiring on 10 December 2023;
- ✕ 1,500,000 unlisted options exercisable at \$0.25 each expiring on 10 December 2023; and
- ✕ 2,000,000 unlisted options exercisable at \$0.30 each expiring on 10 December 2023.

Mr Greg Dooley

Non-Executive Director

Term of Appointment

Appointed 3 August 2021

Status

Independent

Non-Executive

Current Directorships

None

Previous Directorships of Listed Entities within past 3 years

None

Mr Leigh Travers

Executive Director

Term of Appointment

Appointed 24 July 2016

Resigned 6 August 2021

Status

Non-independent

Executive

Current Directorships

None

Previous Directorships of Listed Entities within past 3 years

None

Experience

Mr Dooley is an experienced corporate executive and was formerly the Managing Director of leading international share registry company, Computershare Investor Services Pty Limited for 13 years before retiring in July 2020. During his time at Computershare Mr Dooley also served as Managing Director of the Computershare Fund Services division, which offered registry services for unlisted funds.

Mr Dooley holds a Bachelor of Economics from Macquarie University, a Diploma of Applied Finance and Investment and has completed the Australia Institute of Company Directors' Company Directors course.

Interests in securities held as at the date of the report

- ✕ 171,428 fully paid ordinary shares; and
- ✕ 2,500,000 unlisted options exercisable at \$0.10 each expiring on 30 June 2024.

Experience

Mr Leigh Travers has enjoyed a decade of building relationships in financial and technology markets through his experience with fintech and investment advisory companies. He is a current Director of Blockchain Australia, the industry body for blockchain businesses in Australia.

Mr Travers previously worked for seven years at Australian wealth management firm Euroz Securities as an Investment Advisor. His clients included high net worth, institutions and listed companies as he provided trading advice and assisted with company buybacks and sell downs and capital raising services.

Mr Travers holds a Bachelor of Commerce and Communications from the University of Western Australia and has completed a Fintech Certification from the Massachusetts Institute of Technology and Certificate in Blockchain Strategy from RMIT.

Company Secretary

Mr Joel Ives is an experienced Chartered Accountant (CAANZ) that provides CFO, Accounting, and Company Secretarial services for ASX listed and private companies across various industries.

Mr Ives currently acts as Company Secretary to Harvest Technology Ltd (ASX:HTG), Kuniko Limited (ASX:KNI), Green Technology Metals Limited, and Joint Company Secretary of OliveX Holdings Limited (NSX:OLX).

Mr Ives was appointed on 6 August 2021.

Ms Shannon Coates has over 20 years' experience in corporate law and compliance. She is currently named company secretary to a number of public unlisted and listed companies; having provided company secretarial and corporate advisory services to boards across a variety of industries, including financial services, manufacturing and technology both in Australia and internationally. Ms Coates is a qualified lawyer, Chartered Secretary and graduate of the AICD's Company Directors course. Ms Shannon Coates was appointed Company Secretary of DigitalX on 8 December 2016 and resigned on 6 August 2021.

OPERATING & FINANCIAL REVIEW

DigitalX continued to progress on its business strategy of growing its funds management division as well as developing applications utilising Distributed Ledger Technology (DLT), giving it a presence in both the financial and technology aspects of the Bitcoin and Blockchain industries. The Company has a unique skill set and experience within the industry and seeks to provide investors with exposure to both high-growth markets.

The highlights for the year-ended 30 June 2022 included:

Highlights

- ✘ Presentation to the Board of the updated long-term strategy for maximising revenue growth and shareholder value by accelerating Sell My Shares new product development, data validation and staking returns on digital asset treasury, new fund products with tokenised real world asset focus, and venture investments and incubation underpinned by a cost conscious and ESG focus. Implementation has commenced.
- ✘ Appointment of Lisa Wade, former Head of Digital Innovation and Sustainability at National Australia Bank, as the Company's new Chief Executive Officer.
- ✘ Successful acquisition and integration of leading online share execution business, Sell My Shares, to accelerate Drawbridge commercialisation and enable compliant employee share trading.
- ✘ Appointment of Greg Dooley, former Managing Director of Computershare Issue Services, as a Non-Executive Director.
- ✘ DigitalX Bitcoin Fund secured an Australian first with investment grade research rating.
- ✘ Execution of Partner Agreement with Digital Finance Cooperative Research Centre (DFCRC).
- ✘ Upgraded the Company's US listing on OTC Markets to the OTCQB.
- ✘ Adoption of World Economic Forum's ESG Framework.
- ✘ DigitalX recognised as a dual finalist in Fintech Australia Awards for regtech and wealth management.
- ✘ Reduction of carbon environmental impact by offsetting 60t of CO2 through innovative non fungible token (NFT) partnership with Metacarbon Inc.

Principal activities

During the financial year, the principal activities of the Group consisted of:

- Blockchain product development; and
- Funds under management.

Operating results

For the year ended 30 June 2022, the consolidated loss attributable to members of the Group after providing for income tax amounted to AUD\$2,839,468 (2021: Profit of AUD\$6,756,954). The prior period included a one-off revenue recognition item of \$8,335,434 for Human Protocol advisory and is the primary reason for the change in results year on year.

Total comprehensive loss of AUD\$15,734,861 (2021: Comprehensive Income of AUD\$21,645,351), primarily attributable to a decrease in the value of the Group's digital asset holdings from 30 June 2021 (Refer to Note D4 for further details) as digital asset prices fell as a result of heightened global uncertainty due to rising interest rates, record high inflation and uncertainty around global conflict, as seen across other global financial markets. Specifically, with in the digital asset markets we have also seen events like Terra Luna, Three Arrows Capital and Celsius all negatively impacting the market.

The Group is pleased to note an increase in its core revenue streams (excluding a one-off amount recognised in the prior year of \$8,335,434 for Human Protocol advisory) on the previous corresponding period (PCP) primarily through product revenue and the acquisition of Sell My Shares.

Excluding the one-off amount for Human Protocol in the prior year revenue core revenue grew by **130% year on year** primarily driven by the Group's product revenue (Drawbridge and Sell My Shares).

This is in line with the Group's strategy to diversify revenue streams from its different business lines.

The Group also had net assets of AUD\$27,083,463 (30 June 2021: net assets of AUD\$42,532,693).

The decrease for the period is primarily attributable to a decrease in the value of the Group's digital asset holdings from 30 June 2021 with the bitcoin price decreasing from A\$46,738 to A\$28,684. There was also an offsetting increase in intangible assets (goodwill) of \$1.88m from the acquisition of Sell My Shares.

Despite volatility in the digital asset markets the balance sheet remains strong heading into the new financial year.

PRODUCT DEVELOPMENT

DigitalX is growing a portfolio of digital finance products and services to transform the way investors and listed company customers originate, invest, and transact with their assets.

The Company's two core products - Drawbridge and Sell My Shares - are well positioned for growth opportunities arising from the adoption of distributed ledger technologies within major financial securities markets such as the ASX.

Additionally, the Company is actively investigating the development of new applications at the frontier of blockchain technology development through its partnership with the Digital Finance CRC. Early-stage concepts include the tokenisation of real-world assets, and the development of web3 infrastructure to support emerging internet economies such as distributed autonomous organisations (DAOs).

Drawbridge

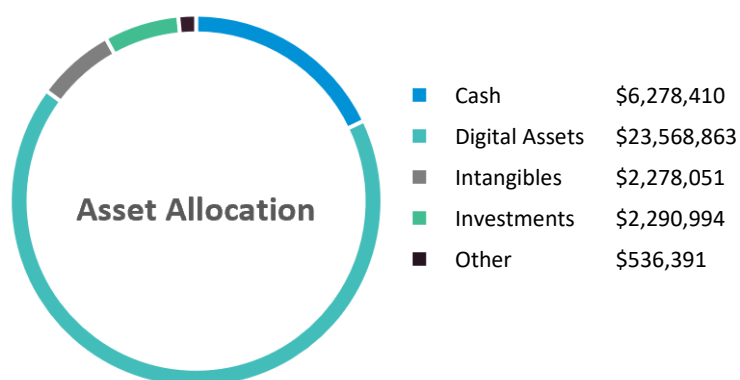
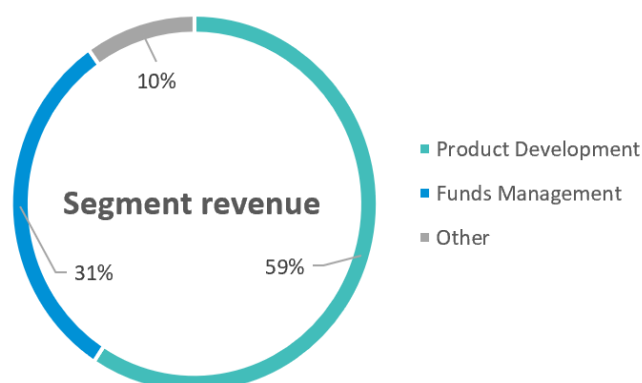


Drawbridge

Drawbridge experienced continued growth during the year in new listed company clients adopting the application to digitise compliance with their internal share trading policies.

During the period the strategic focus for Drawbridge was on the release of new features designed to service larger listed companies with greater employee numbers, as well as the execution of marketing strategies to acquire and build product awareness among target customers in the corporate governance profession.

Ongoing marketing strategies to acquire additional clients were successfully implemented over the period, with Drawbridge producing and participating in selected industry events, panel webinars, thought leadership content, digital advertising campaigns, and lead generation through free services designed for its target customer base of governance executives. Furthermore, Drawbridge continued to gain industry recognition during the year, receiving a feature in ASX Ltd's 2021 Annual Report as a highlighted DLT app.



The Drawbridge mobile app now provides directors and employees with a share trading feature, so that they can easily buy and sell shares subject to their internal trading policy. The feature was released after development work to integrate the app with Sell My Shares, the Company's recently acquired online trade execution business. As a result, Drawbridge users can now execute trades in-market upon receiving compliance approval. Importantly, this feature milestone was the first step in executing the product's monetisation strategy which is centred on driving transactional brokerage revenues beyond software as a service subscription fees.

Development work also progressed through design and planning discussions with ASX for becoming one of the first applications to integrate with Synifini - the ASX's distributed ledger technology platform. This will see the Drawbridge application utilise Synifini to host its cloud based DAML ledger, and enable future integration with other DAML based financial markets applications also within the Synifini ecosystem.

Sell My Shares



Sell My Shares is Australia's leading provider of online share sales for customers seeking to complete a one-off share sale without the hassle of opening an

ongoing brokerage account. Common customer use cases include finding and selling shares that are lost, acquired via IPO or demutualisation, or needing to be sold by executors of a deceased estate. The Company acquired the business in September 2021, for \$1.64m plus \$0.25m deferred consideration, because of its ability to be integrated with Drawbridge, as well as its strategic potential to benefit from the expected upside of increased digitisation within Australia's financial securities market via the CHESS replacement system.

The priority for the year was the successful completion of transitioning Sell My Shares' staff, systems, and office location to DigitalX. The move resulted in no negative impacts on customers and saw significant improvements in revenues.

On 20 April 2022 the Company announced that the escrow period for the Sell My Shares acquisition had completed, and **actual revenue was 17.9% higher compared to the acquisition's milestones** based on seasonally adjusted forecasts. Total share sales for the period was \$84.8m.

Following Sell My Shares' migration to DigitalX, the Company planned a development roadmap to grow the business through technology improvements and new service offerings to customers. Development prioritised focus on items with the highest near-term impact on revenue first, such as user experience improvements designed to increase customer conversion rates of existing visitors to the site. Improvements have been rolled out over the year including integration with Drawbridge, infrastructure upgrades and a new back-end system to allow the business to scale quicker. Product development continues with the Company expecting to launch new Sell My Shares products in Q1 and Q2 FY2023 focussed on share sale settlement enhancements and a platform for B2B sales.

The financial report for the period ended 30 June 2022 for Sell My Shares only includes results from 30 September 2021 onwards.

ASIC Regtech Grant

As part of expanding its Drawbridge application, the Company completed its regtech feasibility study in collaboration with ASIC following successful selection for Federal Government funding as previously announced. The study resulted in the discovery and development of a promising approach to efficiently identifying regulatory issues within large volumes of ASX company announcement text using machine learning techniques. Completion of the feasibility study means that DigitalX is one of five grant recipients now eligible for an additional two lots of funding for up to \$1m per recipient. If successful, the use of this grant funding will focus on the further development and commercialisation of the solution to potential customers and regulators such as ASIC. Successful grant recipients are expected to be announced by the Department of Industry within the third quarter of 2022.

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Blockchain node development to drive validation revenue

The June 2022 quarter also saw the development team begin testing the deployment and operation of nodes for two blockchain networks. An Ethereum node to generate interest-like returns on the Company's Ethereum (ETH) holdings is the first objective. Returns are generated through the process of staking, where nodes are rewarded for providing computational power to the blockchain validation process while being required to lock or stake a given amount of ETH. The first node was live by the end of July 2022.

The ongoing development of blockchain-based nodes is being used to underpin the Company's ability to be a provider and validator of data about real-world assets on-chain, which is foundational to the digitisation and unlocking of new real-world assets through tokenisation.

Digital Finance Cooperative Research Centre (CRC)

DIGITAL FINANCE CRC

Following the successful establishment of the Digital Finance CRC (**DFCRC**) in late 2021 with over \$60M of grant funding received by the DFCRC, the Company has begun its early-stage scoping activities in defining its project involvement and areas of research focus expected to commence early in 2022. The DFCRC held its inaugural AGM on 20 Dec 2021.

The DFCRC brings together leading university researchers in partnership with industry to solve real world problems using leading technologies. DigitalX has begun the recruitment process for hiring several PhD candidates to undertake research on industry initiatives in partnership with DigitalX, focused on digital governance and asset tokenisation as part of its role in the DFCRC.

Current areas of focus for DigitalX include risk and investment management strategies for realising a return from digital assets on corporate balance sheets, and how emerging digital organisational models such as decentralised autonomous organisations (DAOs) can be used for coordination of real-world investment decisions. Future proposals are expected to be developed later in the year for consideration in allocating funding to specific projects between industry partners such as DigitalX.

Additionally, the Company has welcomed its first PhD research student through the DFCRC, who commenced working full-time within the DigitalX team to research and develop initiatives in key focus areas such as asset tokenisation strategies and emerging crypto-native governance models such as Decentralised Autonomous Organisations (DAOs).

DIGITAL ASSET FUNDS MANAGEMENT



DigitalX is the investment manager of digital asset investment products for qualified investors to invest in digital assets through a familiar, secure and regulated structure. The Company operates two professionally managed wholesale funds, the DigitalX Bitcoin Fund and the DigitalX Digital Asset Fund, a diversified basket of leading digital assets. The DigitalX Funds solve the technical and risk management challenges of investing in this emerging asset class for high-net-worth and institutional investors.

The DigitalX Funds provide exposure to a growing, yet volatile asset class and are presented to investors from the perspective of a long term investment horizon. The funds under management of the division grew to a peak of \$40.4m over the period with \$4.4m of new capital inflows with the business posting funds under management of \$13.4m at year end. The pullback in funds under management is attributable to the fall in digital asset prices as a result of heightened global uncertainty due to rising interest rates, record high inflation and uncertainty around global conflict, as seen across other global financial markets.

During the period the Company's Bitcoin Fund (ISIN: AU60BQC79571) received an investment grade research rating from well-known and respected investment research house, SQM Research. The investment grade rating on the Company's Bitcoin Fund represents a significant milestone in that it was one of the first research-rated digital asset fund in Australia.

As part of the research rating process, the Fund was reviewed on a number of key areas including strategy, team, performance, governance and compliance, fees and expenses, liquidity, and risks. Following this external assessment of the Fund's credentials, the investment grade rating now provides institutional investors with increased confidence for investing in the Company's Bitcoin Fund.

During the year, the Company joined the Alternative Investment Management Association (**AIMA**) and presented at the AIMA Australia Annual Forum. In addition to this, the Company also joined the Financial Planners Association (**FPA**). These memberships provide further opportunities for the Company to promote and present the Company's fund products to its target market.



The Company's Bitcoin Fund and DigitalX Digital Asset Fund were also listed on the Mason Stevens distribution platform during the year further enhancing the distribution channels for the fund.

Over the period, the depth and experience of the funds management team was bolstered by the addition of new hires covering funds management, funds operation and digital asset research. The additional experience and expertise have enabled the strategy to evolve to a more active investment strategy which aligns with the increase in the maturity of the marketplace. The strategy enables the funds management team to deliver greater risk adjusted performance for investors and provide a further key differentiator to future competitors seeking to introduce passive digital asset investment products. The team was further bolstered by the appointment of Jeremy Balding as Head of Funds Management / Portfolio Manager subsequent to the end of the year. Jeremy joins the Company from Morgan Stanley where he spent over 18 years across various roles including most recently as Head of Electronic Trading.

CORPORATE

Strategy

As foreshadowed in the March 2022 Quarterly Report the Company worked on a strategy refresh following the appointment of new CEO, Lisa Wade, and using her extensive experience to build on the foundation of the existing business and strategy.

During the June quarter, the Board approved the strategy refresh incorporating the short-term strategic focus on maximising revenue growth and setting a long-term strategic vision for the business laying the foundation for growth in the next 5 years while generating shareholder value. The short-term strategic focus on maximising revenue centres around:

- Accelerating Sell My Shares new product development and revenue streams;
- Data validation and staking returns on digital asset treasury;
- Leveraging Drawbridge as the Web3 gateway for corporates;
- New fund products with a focus on tokenised real world assets;
- Venture investments and incubation; and
- Underpinning this strategy remains a core focus on ESG and cost consciousness.

Appointment of Chief Executive Officer

After an extensive executive search process, the Company appointed highly experienced finance industry executive Lisa Wade as the Company's new Chief Executive Officer.

Ms Wade has nearly 30 years of finance and financial markets experience working in organisations such as Citigroup, Bendigo Bank and most recently as Head of Digital Innovation and Sustainability at National Australia Bank (NAB). She has a strong background in blockchain project development, having recently led the Project Atom Central Bank Digital Currency project (CBDC), a collaborative research project between the Reserve Bank of Australia, CBA and Perpetual, and Project Carbon, a global strategic alliance tokenising voluntary carbon credits with ITAU, CIBC, Natwest and NAB. Ms Wade also has a strong background in funds management.

Prior to her current role, she gained extensive experience managing investment portfolios with a Clean Energy Fund and the ESCOR Group. She has also been a Director at Citigroup where she specialised in arbitrage and derivatives.

Ms Wade commenced in February 2022.

Appointment of Non-Executive Director

During the year the Company appointed Mr Greg Dooley as a Non-Executive Director. Mr Dooley is an experienced corporate executive and was formerly the Managing Director of leading international share registry company, Computershare Investor Services Pty Limited for 13 years before retiring in July 2020. During his time at Computershare Mr Dooley also served as Managing Director of the Computershare Fund Services division, which offered registry services for unlisted funds. Mr Dooley holds a Bachelor of Economics from Macquarie University, a Diploma of Applied Finance and Investment and has completed the Australia Institute of Company Directors' Company Directors course.

Conversion of treasury to XAUD

During the period the Company adopted leading stablecoin¹, XAUD², as part of its ongoing treasury & digital asset management solutions. The Company has converted an initial \$500,000 into XAUD. As the blockchain economy evolves, XAUD provides native integration and settlement in the Web3 ecosystem and the Company is excited to be a part of this evolution.

Existing stablecoin products have focused mostly on US dollars with recent reports suggesting total supply of US dollar stable coins exceeding \$180bn. The development of an Australian dollar stablecoin product provides the same level of functionality but without the foreign exchange risk of holding US dollars. The XAUD token is issued, managed, and secured using blockchain technology, specifically the Ethereum blockchain. The tokens are built to the Ethereum ERC-20 standard for ease of integration with existing industry platforms and applications, whilst harnessing the advantages of Blockchain such as speed, accessibility, security of ownership and transparency. The XAUD reserves are held cash, cash equivalents, Australian bank deposits, Treasury notes, APRA regulated Authorised Deposit-Taking Institution issued hybrids and corporate bonds issued in Australian Dollars with a minimum S&P credit rating of A-.

Environment, Social, and Governance (ESG) Framework

DigitalX is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people, planet and shared prosperity.

With this in mind, the Company has adopted the World Economic Forum (WEF) ESG framework and Management has set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

To ensure that DigitalX can measure, monitor, and report on its ESG disclosure progress, the Company engaged impact monitoring technology platform Social Suite to streamline the disclosure and ongoing ESG reporting process. The Company's goal is to demonstrate commitment and progress on making ESG disclosures, but more broadly, aims to progress a range of ESG benchmarks as set out by the WEF's ESG White Paper.

Additional information as well as the most up to date report are available on the Company's website <https://www.digitalx.com/esg>.

- The Company followed through on its work around beginning to offset its environmental impact of its corporate activities and bitcoin holding. During the year, the Company offset 60t of carbon dioxide through a unique partnership³ with Metacarbon Inc. whereby the carbon offsets are represented through a non-fungible token (NFT).
- In line with the strategy work and the purpose pillar of the WEF framework, the Company completed an exercise to review and re-define its core purpose. The results of this activity will be communicated in conjunction with the strategy refresh presentation noted above.
- The Company completed its annual board skills matrix update and review in line with the ASX Corporate Governance Principles and the board skills component of the WEF framework. As part of this work ESG factors have been incorporated into the matrix.
- The Company completed the implementation work for its new human resources (HR) system to allow the Company to accurately track, measure and report on the people components of its ESG strategy including better reporting around diversity and training.

¹ A stablecoin is a digital currency that is pegged to a "stable" reserve asset like the U.S. dollar, Australian dollar, or gold. Stablecoins are designed to reduce volatility relative to unpegged cryptocurrencies like Bitcoin.

² www.xaudtoken.io

³ <https://app.carbon-creatures.com/transparency/digitalx-koala>

- The Company completed its annual risk review in line with ASX Corporate Governance Principles and the risk component of the WEF framework. As part of this work ESG factors have been incorporated into the risk register and further uplift in the Company's risk management process have been approved including the appointment of a highly experienced and dedicated risk resource.
- The Company has begun to develop a methodology for quantifying the environmental impact of its bitcoin holding with the view to offsetting the carbon exposure with voluntary carbon offsets;
- Following recent key hires, the Company's gender diversity ratio has improved to 39%;
- Commenced purchasing voluntary offsets for any domestic and international air travel; and
- The Company has also undertaken significant work on its internal systems to track information required under ESG disclosures.

OTCQB Listing

During the year the Company upgraded its US listing with OTC Markets to the OTCQB. Upgrading to the OTCQB offers the Company the opportunity to further build visibility, expand liquidity and further diversify its shareholder base in the US which has shown a deep understanding of blockchain and blockchain related companies with companies like Coinbase (NASDAQ: COIN), Marathon Digital (NASDAQ: MARA), Riot Blockchain (NASDAQ: RIOT) and Microstrategy (NASDAQ: MSTR) all completing significant raisings, like DigitalX, during the last twelve months to further advance their blockchain related business or to acquire digital assets on balance sheet.

BAM and xbullion

Bullion Asset Management Pte Ltd (**BAM**), a Singapore based bullion technology business utilising blockchain technology and is a key investment for the Company as part of its blockchain venture strategy. DigitalX currently holds 16.9% of BAM.

Xbullion allows investors to acquire digitally transferable ownership of physical gold and silver bullion that is vaulted, audited and insured for a fraction of the cost of traditional measures. DigitalX was responsible for building the core technical infrastructure of xbullion which enabled the product to go live to the market.

During the year, BAM listed the gold (**xbullion**) and silver (**SILV**) token on additional tier one digital asset exchanges (including Bittrex) and raised additional capital from digital asset firm Cadenza Capital Management.

In addition to this, BAM entered into a joint venture with Leonie Hill Ai Pte Ltd for the development of an Australian dollar backed stablecoin (**XAUD**).

DigitalX Treasury Holdings & Investments

The DigitalX corporate treasury provides shareholder's exposure to a variety of digital asset and digital finance projects, which the Company has used its market expertise and skills in identifying, securing and managing on an ongoing basis in order to generate value.

As at 30 June 2022, the company held the following major treasury assets:

- Directly holding in Bitcoin and other digital assets (See Note D4)
- Investment in Bullion Asset Management (See Note D5)
- Investment in DigitalX BTC Fund and DigitalX Fund (See Note D5)
- Investment in Human Protocol (See Note D4)

Recovery actions

The Company notes 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. In February 2014, prior to the Company acquiring its Bitcoin mining business and re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Mt Gox Bitcoin Exchange

was shut down after it was hacked. As set out in the Company's Prospectus dated 12 May 2014 (2014 Prospectus), one of the subsidiaries acquired by the Company lost access to 351 Bitcoin as part of that hack.

The Company became aware that Mr Alex Karis, a former Director of the Company, had lodged a claim with the bankruptcy trustee of Mt Gox for the 351 Bitcoin in his own name, despite Mr Karis having entered into a deed (Deed) declaring that he holds the bitcoin on trust for the subsidiary of the Company (as referred to in Section 11.17 of the Company's 2014 Prospectus). This matter remains ongoing in the District Court of Massachusetts and the Company will update the market at the appropriate time.

The Company notes that Mr Karis had filed proceedings in the Federal Court of Australia seeking to have the Deed declared void, other related relief, and alleged debts he claims are owing to him by the Company. Follow the initial engagement with legal counsel, the Company still asserts that the Deed is binding on Mr Karis and that it does not owe the claimed debts. The Company intends to defend these proceeds to the fullest extent. By the end of the June quarter the matter was still awaiting direction from the Court on the case management process. The Company will provide updates to the market in relation to these matters as appropriate.

Environmental regulation

The Group is not subject to significant environmental regulation in respect of its operations.

Significant changes in the state of affairs

In addition to the matters noted above in the operating and financial review, the Group also announced the following significant changes and updates to the market during the financial year which contributed to the overall performance and position of the Group at the end of the financial year:

Date	Announcement	Impact ¹	Link ²
Dec 2021	Lisa Wade appointed as Chief Executive Officer	<u>OFR</u>	<u>Link</u>
Aug 2021	Greg Dooley appointed as Non-Executive Director	<u>OFR</u>	<u>Link</u>
Sept 2021	DigitalX acquires Sell My Shares	<u>Revenue</u> <u>Goodwill</u>	<u>Link</u>
Nov 2021	DigitalX entry into Digital Finance CRC	<u>OFR</u>	<u>Link</u>

¹ Refer to the relevant section of the Report for the impact of the change.

² Refer to ASX announcement for full details.

Dividends

No dividends have been paid or declared up to the date of this report. The Directors have not recommended the payment of a dividend in the current financial year.

Any future determination as to the payment of dividends by the Company (and the potential creation of a dividend policy for that purpose) will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business as well as other factors considered relevant by the Directors.

No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Risks

As a business operating in the digital asset ecosystem, the Company considers the risks and uncertainties associated with the digital assets and distributed ledger platforms largely related to technology, safekeeping of digital assets, fluctuation of asset prices, regulatory and compliance, and the continually evolving nature of the digital asset markets.

Key Risks	Impact	Mitigation
Price Risk of Digital Assets	The Group holds digital assets as a balance sheet asset and manages digital assets on behalf of clients through the funds management business. Price volatility of digital assets may cause impact to the Group's performance.	Price volatility is inherent to the digital asset markets. The Company's position has been as a long-term holder of bitcoin but as the market has begun to mature the Company has started to diversify into other digital asset holdings such as Ethereum. The Company will, during periods of heightened volatility, review its core positions from a acquisition or divestment perspective. The funds business will review the holdings monthly as part of the investment committee process and limits exposure to anyone asset to 40% inline with the investment memorandum.
Safeguarding of Digital Assets	Due to the emerging nature of digital assets, there is a heightened risk around the security and management of access to digital assets.	The Company and the Funds both utilise best in class custodians to manage the security and management of digital assets with the objective to maximise the amount held in cold storage. The Custodian also maintains its own insurance policy over digital asset balances which proportionally covers digital assets held in cold storage.
Blockchain technology	Blockchain technology is a new and nascent technology that continues to evolve from a technological perspective. The Company's funds and product development business both utilise blockchain technology.	The Company mitigates this risk through a number of different mechanisms such as, hiring staff experienced in digital assets and blockchain technology and supporting ongoing training and development, rigorous deployment processes for products and due diligence and testing on new blockchain technology service providers such as custodians, wallets, exchanges and smart contracting languages.
Regulatory regime around Digital Assets	Digital assets are an evolving asset class and the regulation regime around digital assets continues to change.	Where applicable, the Company maintains an Australian Financial Services Licence authorisations for dealing in digital assets and has done so since 2018. The Company continues to monitor ongoing changes in legislation for impacts on the business. Most recently, the Company responded to the Treasury Consultation paper on Crypto Asset Secondary Service Providers. During the year, as part of the ongoing evolution and uplift in risk practices, the Company also implemented a fortnightly financial service compliance meeting, in addition to its quarterly review, and appointed a Chief Risk Officer.
Impact of climate	The Company's current environmental impact is primarily through its physical office locations, travel and technology infrastructure and has limited exposure to physical assets such as plant, machinery and equipment. However, the environmental impact of digital assets continues to be a complex and evolving matter.	During the period the Company migrated its core technology infrastructure to a Tier 1 service provider with carbon neutral emissions from its data centres. The Group has also begun commencing offset the carbon emissions from its Bitcoin holding as disclosed in its ESG Baseline Report. Furthermore, the Company has also begun to diversify its digital asset portfolio to assets that utilise lower energy consensus mechanisms such as Ethereum's proof of stake.
Business continuity and cyber	As a technology business focussed on digital assets business continuity with respect to cyber and IT are an increasing risk in the current environment with the ongoing adoption of remote working and adoption of software as a service for key business applications.	To mitigate risks the Company has a cloud first approach to managing its technology infrastructure and applications reducing the reliance on physical office locations supported by the use of best practices suitable to the size and nature of the organisation (such as white labelled IP, multifactor authentication etc.). Further to this, each year staff undertake a cyber security refresher led by the Company's Chief Technology officer.

Events occurring after the reporting period

No other matter or circumstance has arisen since 30 June 2022 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.

Date of event	Details of event																				
29 August 2022	On 29 August 2022 the Company issued 3,075,000 ordinary shares, 10,000,000 options exercisable at \$0.05 and 15,640,000 exercisable at \$0.11.																				
29 September 2022	Due to the volatile nature and the materiality of the digital assets held, we disclose the value of material digital assets held by the Group, excluding the DigitalX Fund and DigitalX BTC Fund and unlisted digital assets, as at the close date of the 29 September.																				
	<table><tr><th>Coin Symbol</th><th>Coin Amount</th><th>\$AUD Price at 30 June</th><th>\$AUD Spot Price at 29 Sept</th><th>\$AUD Balance</th></tr><tr><td>BTC</td><td>212.86</td><td>\$28,684</td><td>\$30,074</td><td>\$6,401,551</td></tr><tr><td>HMT</td><td>12,500,000</td><td>\$0.665</td><td>\$0.0978</td><td>\$1,221,875</td></tr><tr><td>Total</td><td>-</td><td>-</td><td>-</td><td>\$7,623,426</td></tr></table>	Coin Symbol	Coin Amount	\$AUD Price at 30 June	\$AUD Spot Price at 29 Sept	\$AUD Balance	BTC	212.86	\$28,684	\$30,074	\$6,401,551	HMT	12,500,000	\$0.665	\$0.0978	\$1,221,875	Total	-	-	-	\$7,623,426
Coin Symbol	Coin Amount	\$AUD Price at 30 June	\$AUD Spot Price at 29 Sept	\$AUD Balance																	
BTC	212.86	\$28,684	\$30,074	\$6,401,551																	
HMT	12,500,000	\$0.665	\$0.0978	\$1,221,875																	
Total	-	-	-	\$7,623,426																	

REMUNERATION REPORT (AUDITED)

Message from the Board of Directors

The Directors present this Remuneration Report, which forms part of the Directors' Report for the financial year ended 30 June 2022.

The Directors note that Director and Executive remuneration continues to be an area that receives stakeholder focus and scrutiny, as such the Remuneration Report has been structured in an attempt to provide transparency and clarity to readers around the framework, policies and remuneration of DigitalX Limited's Directors and its Executives.

The Remuneration Report has been set out under the following main headings:

- A. Key Management Personnel
- B. Remuneration policy, including the relationship between remuneration policy and Company performance
- C. Key terms of employment contracts
- D. Remuneration of Directors and Executives
- E. Share options and performance rights granted to Directors
- F. Shareholdings of Directors
- G. Related party transactions
- H. Future remuneration developments
- I. Definitions

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

A. KEY MANAGEMENT PERSONNEL

The Key Management Personnel (KMP) of the Group consist of the Board and Executives. This is the case due to the size and scale of the Group's current operations. All the named persons held their current position for the whole or part of the financial year and since the end of the financial year unless otherwise stated.

KMP	Position	Status	Term as KMP
Toby Hicks	Chairman and Non-Executive Director	Non-Executive KMP	Full Year
Peter Rubenstein	Non-Executive Director	Non-Executive KMP	Full Year
Gregory Dooley	Non-Executive Director	Non-Executive KMP	From 3 August 2021
Leigh Travers	Executive Director	Executive KMP	Ceased 6 September 2021
Lisa Wade	Chief Executive Officer	Executive KMP	From 24 February 2022
Jonathon Carley	Chief Financial Officer	Executive KMP	Full Year
David Beros	Chief Product Officer	Executive KMP	Full Year

B. REMUNERATION POLICY

For the year ended 30 June 2022 the Board as a whole determined and reviewed compensation arrangements for the Executive Director and where applicable the Executive Team. The Board assessed the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality team. The objective of the Company's remuneration framework was to ensure reward for performance was competitive and appropriate to the results delivered.

The Board aims to ensure that executive rewards satisfied the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linked;
- Transparency; and
- Capital management.

ELEMENTS OF REMUNERATION

Base pay

Directors and Executives are offered a competitive base salary. Base pay for executives is reviewed annually by the Board to ensure that individual executive's pay is competitive with the market and is also reviewed upon promotion or additional responsibilities.

There is no guarantee of base pay increases fixed in any executive or Director contracts.

Commission

There is no entitlement to commissions-based remuneration.

Short term incentives (STI)

Chief Executive Officer

To align the remuneration of the CEO and the performance of the Company, the CEO was issued STI in the form of options under her Executive Services agreement. Further details are noted below and in Note F2.

Staff

For the purpose of incentivising and tying the rewarding of the Company's staff to the performance of the Company, the Board has determined that it may, at its discretion, issue shares or other similar instruments from time to time as a reward. There were no instruments issued during the financial year.

Long term incentives (LTI)

There were no LTI issued for the year ended 30 June 2022 other than those issued to the Chief Executive Officer as part of joining the Company.

Performance Metrics

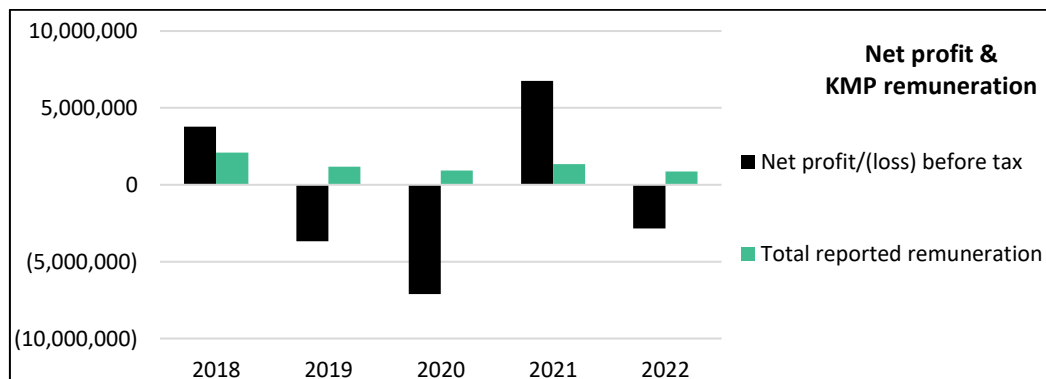
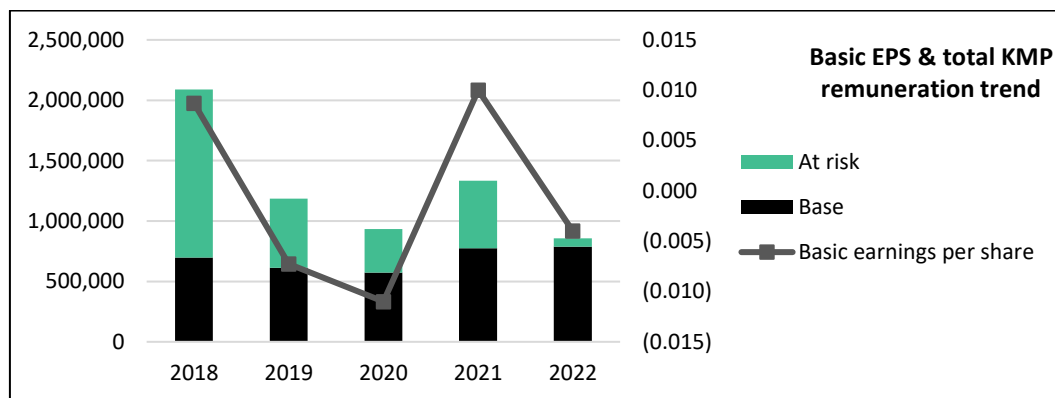
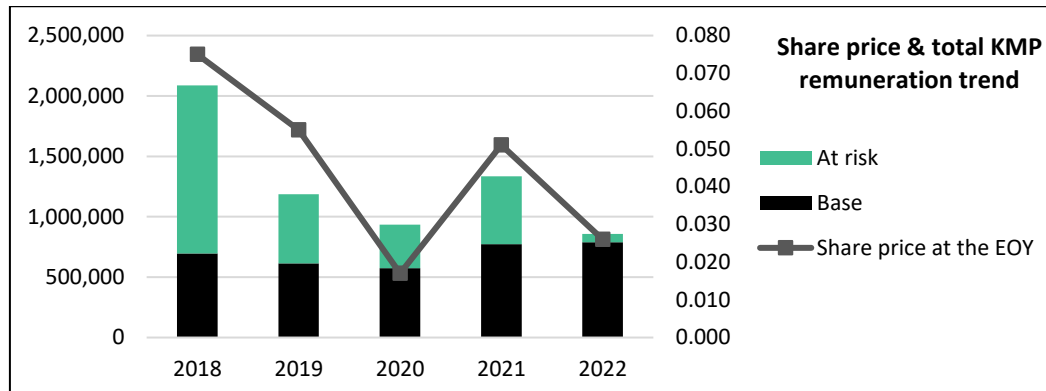
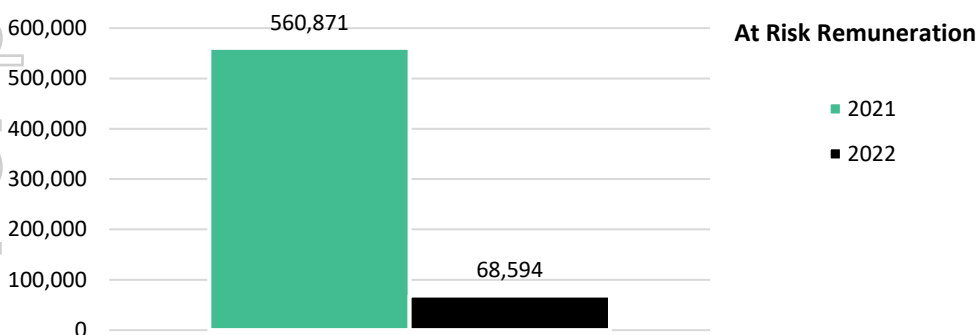
At 30 June 2022 there were no STI or LTI in place with performance metrics other than the service based conditions noted above.

RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

As noted in Sections A & B, the Board seeks to align the interests of the Executive Team with those of the shareholders when setting future short and long-term benefits. For the year ended 30 June 2022 the total remuneration is reflective of the remuneration strategy with adjustments made to reflect the current state of the Group and the change in performance from the previous year, this is evident from the relationship between:

- Total KMP reported remuneration decreased 43% from \$1,334,879 to \$856,560 primarily reflective of a decrease in vested performance-based remuneration. Total base remuneration (including other benefits) was up 1.8% from \$774,008 to \$787,965. At-risk remuneration was down 87.8% from \$560,871 to \$68,594 in line with the financial performance of the Company;
- The overall remuneration trend is also consistent with the share price performance and earnings per share (EPS) performance as evident in the graphs to the right;
- Decrease in vested at risk remuneration to \$190,000 (62%) in line with the initial grant of options to new director, Greg Dooley.

The Company is not yet at stage of its development where it considers benchmark returns against an ASX peer group (blockchain focussed) relevant based on limited inclusions and comparable data.



RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE – FIVE YEAR DATA TABLE

The table below includes the remuneration and performance data from the preceding five (5) financial years used to analyse the linkage between remuneration and performance in the section above.

	30 June 2018 \$AUD	30 June 2019 \$AUD	30 June 2020 \$AUD	30 June 2021 \$AUD	30 June 2022 \$AUD	
Revenue & other income from all operations	14,389,647	3,711,552	554,210	9,985,893	2,536,586	↓
Net profit/(loss) before tax	3,770,812	(3,666,683)	(7,108,771)	6,756,954	(2,839,468)	↓
Total reported in remuneration report	2,088,661	1,180,152	934,692	1,334,879	856,560	↓
Remuneration - Base	697,064	607,590	574,173	774,008	787,965	↑
Remuneration - At risk	1,391,597	572,562	360,519	560,871	68,594	↓
Basic earnings/(loss) per share	0.009	(0.007)	(0.011)	0.010	(0.004)	↓
Diluted earnings/(loss) per share	0.007	(0.007)	(0.011)	0.009	(0.004)	↓
Share Price at the start of year	0.036	0.075	0.055	0.017	0.051	-
Share price at the end of year	0.075	0.055	0.017	0.051	0.026	↓
Final dividend	-	-	-	-	-	-

C. KEY TERMS OF EMPLOYMENT CONTRACTS

Executives

Ms Lisa Wade

Chief Executive Officer

Under an Executive Services entered into between Ms Wade and DigitalX, Ms Wade is appointed as Chief Executive Officer, in effect from 24 February 2022. The employment will be ongoing until it is terminated in accordance with Ms Wade's Executive Services Agreement. The employment may be terminated by either party giving 6 months' written notice (although less than 6 months' notice is required by DigitalX in certain circumstances such as Ms Wade's illness, absence, material breaches or misconduct in which case Ms Wade will not be entitled to receive any payment in lieu or compensation as set out below). On termination of her employment and where DigitalX elects to make payment in lieu of notice, the Company must pay Ms Wade a payment equal to her salary for the remainder of the notice period. Ms Wade will be under restraint and non-solicitation clauses for up to 24 months after the termination of her employment.

Ms Wade's current salary is \$AUD300,000 per annum (exclusive of superannuation) subject to annual salary reviews and her reasonable expenses will also be paid by the Company.

Mr Jonathon Carley

Chief Operating & Chief Financial Officer

Under an amended Employment Agreement entered into between Mr Carley and DigitalX, Mr Carley was appointed as Chief Financial Officer, in effect from 1 July 2019. The employment will be ongoing until it is terminated in accordance with Mr Carley's Employment Agreement. The employment may be terminated by either party giving 1 months' written notice (although less than 1 months' notice is required by DigitalX in certain circumstances such as Mr Carley's illness, absence, material breaches or misconduct in which case Mr Carley will not be entitled to receive any payment in lieu or compensation as set out below). On termination of his employment and where DigitalX elects to make payment in lieu of notice, the Company must pay Mr Carley a payment equal to his salary for the remainder of the notice period. Mr Carley will be under restraint and non-solicitation clauses for up to 12 months after the termination of his employment.

Mr Carley's current salary is \$AUD220,000 per annum (exclusive of superannuation). Mr Carley is subject to annual salary reviews and his reasonable expenses will also be paid by the Company.

Mr David Beros

Chief Product Officer

Under an Employment Agreement entered into between Mr Beros and DigitalX, Mr Beros was appointed as Chief Product Officer, in effect from 1 July 2019. The employment will be ongoing until it is terminated in accordance with Mr Beros's Employment Agreement. The employment may be terminated by either party giving 1 months' written notice (although less than 1 months' notice is required by DigitalX in certain circumstances such as Mr Beros's illness, absence, material breaches or misconduct in which case Mr Beros will not be entitled to receive any payment in lieu or compensation as set out below). On termination of his employment and where DigitalX elects to make payment in lieu of notice, the Company must pay Mr Beros a payment equal to his salary for the remainder of the notice period. Mr Beros will be under restraint and non-solicitation clauses for up to 12 months after the termination of his employment.

Mr Beros' current salary is \$AUD220,000 per annum (exclusive of superannuation).

Under all of the Employment Agreements above, DigitalX, in its absolute discretion acting reasonably, can assign and transfer the employment to any of DigitalX's Related Bodies Corporate.

Non-Executive Directors

Non-Executive Directors remuneration arrangements include compensation in the form of annual Directors’ fees in accordance with their relevant service agreement. The Non-Executive Directors from time to time may receive incentive compensation in the form of share-based payments (as approved by Shareholders).

For the year ended 30 June 2022, all Non-Executive Directors received a base fee of \$AUD50,000 exclusive of entitlements, the Chairman is entitled to an addition \$AUD25,000 for fulfilling the duties of the Chair.

Amounts payable to Director controlled entities for services provided by Directors for the year ending 30 June 2022 is detailed in the following table of this report. The Group may carry out consulting activities with the Directors on an arm’s length basis in the normal course of business.

D. REMUNERATION OF DIRECTORS AND EXECUTIVES

The compensation for each Director and executive for the period is contained in the following table:

Year ended 30 June 2022

Name	Short-term employee benefits			Post-employment benefits	Share-based payment		Total	At Risk %
	Salary & Fees \$AUD	Director Fees \$AUD	Other Benefits \$AUD	Superannuation \$AUD	Shares \$AUD	Options and performance rights ¹ \$AUD	\$AUD	
Non-Executive Directors								
Toby Hicks	-	68,750	-	6,875	-	-	75,625	-
Peter Rubinstein	-	50,000	-	5,000	-	-	55,000	-
Greg Dooley	-	41,665	-	4,604	-	190,000 ²	236,269	80.4%
Executive Directors								
Leigh Travers ³	76,937	-	(43,961) ⁴	5,465	-	(148,029) ⁵	(109,587)	-
Other KMP								
Lisa Wade ⁶	101,538	-	8,018	7,201	-	26,623 ⁷	143,381	18.6%
Jonathon Carley	204,692	-	12,356	20,469	-	-	237,517	-
David Beros	189,385	-	10,031	18,938	-	-	218,355	-
Total	572,552	160,415	(13,555)	68,553	-	68,594	856,560	8.0%

¹ Refer to Sections E & F of the Remuneration Report for additional details.

² 100% of the total relates to share-based payment expense for options granted on Mr Dooley's appointment as a Non-Executive Director of the Company. The options are fully vested.

³ Mr Travers ceased to be an employee of the Company on 6 September 2021.

⁴ Balance relates to reversal of accrued annual and long service leave on ceasing employment with the Company. The total amount paid is reflected in salary and fees.

⁵ 100% of the total relates to share-based payment expense reversed on ceasing employment.

⁶ Ms Wade commenced as Chief Executive Officer on 24 February 2022.

⁷ The total relates to the share-based payment expense for options issued but not yet vested. Details on the option is disclosed in Note F2.

Year ended 30 June 2021

Name	Short-term employee benefits			Post-employment benefits	Share-based payment		Total	At Risk %
	Salary & Fees \$AUD	Director Fees \$AUD	Other Benefits \$AUD	Superannuation \$AUD	Shares \$AUD	Options and performance rights ¹ \$AUD	\$AUD	
Non-Executive Directors								
Toby Hicks	-	50,000 ²	-	4,750	-	186,252 ³	241,002	77.3%
Peter Rubinstein	-	50,000 ⁴	-	4,750	-	45,946 ⁵	100,696	45.6%
Executive Directors								
Leigh Travers	210,416 ⁶	-	14,435	19,167	-	198,190 ⁷	442,209	44.8%
Other KMP								
Jonathon Carley	193,788	-	11,119	18,410	41,983 ^{8,9}	-	265,301	15.8%
David Beros	175,385	-	5,125	16,662	88,500 ⁹	-	285,671	31.0%
Total	579,589	100,000	30,680	63,739	130,483	430,388	1,334,879	42.0%

¹ Refer to Sections E & F of the Remuneration Report for additional details.

² Included in this total is an amount of \$37,500 which related to Director's fees to be paid in shares in lieu of cash under a deed entered into by the Company and Mr Hicks on 23 April 2020. The fair value of the 850,792 shares received at the time of issuance was \$78,669.

³ 100% of the total relates to share-based payment expense for performance rights issued and vested.

⁴ Included in this total is an amount of \$37,500 which related to Director's fees to be paid in shares in lieu of cash under a deed entered into by the Company and Mr Rubinstein on 23 April 2020. The fair value of the 850,792 shares received at the time of issuance was \$78,669.

⁵ 100% of the total relates to share-based payment expense for performance rights issued and vested.

⁶ Included in this total is an amount of \$37,500 which related to salary to be paid in shares in lieu of cash under a deed entered into by the Company and Mr Travers on 23 April 2020. The fair value of the 832,146 shares received at the time of issuance was \$75,379.

⁷ Included in the total is \$149,347 relating to the share-based payment expense for performance rights issued and vested. The remaining amount \$48,843 relates to performance rights issued but not vested.

⁸ Included in the total is a reversal of prior period accrued of \$67,029 relating to a performance hurdle satisfied in a prior period for which shares were not issued until the current period.

⁹ 100% of the total relates to share-based payment expense for shares issued and vested.

E. SHARE OPTIONS AND PERFORMANCE RIGHTS GRANTED TO KEY MANAGEMENT PERSONNEL

Name	Options			
2022	Opening balance	Granted as compensation	Exercised during the period	Closing balance ¹
Toby Hicks	2,500,000	-	-	2,500,000
Peter Rubinstein	4,500,000	-	-	4,500,000
Greg Dooley	-	² 2,500,000	-	2,500,000
Lisa Wade	-	³ 6,046,729	-	6,046,729
Total	7,000,000	8,546,729	-	15,546,729

¹ 9,500,000 options are fully vested but remain unexercised at 30 June 2022.

² Mr Dooley was issued with 2,500,000 options on the terms and conditions set out in the 2021 notice of annual general meeting and approved at the Company's AGM on 25 November 2021. There were no performance hurdles attached to the issue and 100% of the options vested on the date of issue. Further details on the valuation are disclosed in Note F2.

³ Ms Wade was issued with 6,046,729 options on 11 April 2022 in accordance with the terms and conditions of her Executive Services Agreement. The options vest based on satisfaction of service conditions as set out in Note F2 along with further details on the valuation. At 30 June 2022 none of the options had vested.

Name	Performance Rights			
2022	Opening balance	Granted as compensation	Net other changes	Closing balance
Leigh Travers	9,000,000	-	¹ (9,000,000)	-
Total	9,000,000	-	(9,000,000)	-

¹ Net change is final balance at time of ceasing to be a KMP on 6 September 2021.

F. SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

Directors	Opening Balance 1 July 2021	Granted as compensation	Conversions & vesting	Net Other changes ¹	Closing balance 30 June 2022 ^A
Toby Hicks	8,350,792	-	-	-	8,350,792
Peter Rubinstein	36,334,372	-	-	-	36,334,372
Greg Dooley	-	-	-	171,428	171,428
Leigh Travers	15,191,120	-	-	² (15,191,120)	-
KMP					
Lisa Wade	-	-	-	-	-
David Beros	1,623,550	-	-	-	1,623,550
Jonathon Carley	1,836,634	-	-	(186,634)	1,650,000
Total	63,336,468	-	-	(15,206,326)	48,130,142

¹ Net changes include initial holdings, final holdings and on-market sales as reported to the market per the respective Appendix 3X, 3Y, and 3Z.

² Net change is final balance at time of ceasing to be a KMP on 6 September 2021.

G. RELATED PARTY TRANSACTIONS

Year ended 30 June 2022

- During the year, the Group paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD47,337 for legal services rendered on various matters. This amount relates to the period of the financial year that Mr Hicks was a Director of the Company.
- During the year, the Group paid GAD Consulting Pty Ltd AUD\$500, a company of which Greg Dooley is a director for consulting services rendered on various matters. This amount relates to the period of the financial year that Mr Dooley was a Director of the Company.

Year ended 30 June 2021

- During the year, the Group paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD39,613 for legal services rendered on various matters. This amount relates to the period of the financial year that Mr Hicks was a Director of the Company.

H. FUTURE REMUNERATION DEVELOPMENTS

The Directors note at last year's Annual General Meeting the Remuneration Report passed unanimously on a poll and there were no comments on the Remuneration Report. There are no future developments planned.

I. DEFINITIONS

Key management personnel

Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Remuneration of an officer or employee of a corporation

A benefit given to an officer or employee of a corporation is remuneration if and only if the benefit, were it received by a director of the corporation, would be remuneration of the director for the purposes of an accounting standard that deals with disclosure in companies' financial reports of information about directors' remuneration.

Remuneration committee

A committee of the board of directors of the company; and has functions relating to the remuneration of key management personnel for the company.

Remuneration consultant

A person:

- a) Who makes a remuneration recommendation under a contract for services with the company to whose key management personnel the recommendation relates; and
- b) Who is not an officer or employee of the company.

A remuneration recommendation

A recommendation about either or both of the following:

- a) For one or more members of the key management personnel for a company;
 - i. how much the remuneration should be;
 - ii. what elements the remuneration should have; or
- b) A recommendation or advice about a matter or of a kind prescribed by the regulations.

ASIC may by writing declare that s.9B(1) of the Corporations Act 2001 above does not apply to a specified recommendation or specified advice but may do so only if ASIC is satisfied that it would be unreasonable in the circumstances for the advice or recommendation to be a remuneration recommendation. The declaration has effect accordingly. The declaration is not a legislative instrument.

What is **not** a remuneration recommendation?

None of the following is a remuneration recommendation (even if it would otherwise be covered by subsection (1)):

- a) Advice about the operation of the law (including tax law);
- b) Advice about the operation of accounting principles (for example, about how options should be valued);
- c) Advice about the operation of actuarial principles and practice;
- d) The provision of facts;
- e) The provision of information of a general nature relevant to all employees of the company;
- f) A recommendation, or advice or information, of a kind prescribed by the regulations.

AGM

Means an annual general meeting of a company that section 250N requires to be held.

END OF AUDITED REMUNERATION REPORT

Directors' meetings

Given the size and scale of operations of the Company, the full Board undertook the responsibilities of the Audit and Risk Committee, Remuneration Committee and Nomination Committee.

The Directors attendances at Board meetings held during the financial year were:

Director	Board Meetings	
	Number eligible to attend	Number attended
Toby Hicks	13	13
Peter Rubinstein	13	13
Greg Dooley	12	12
Leigh Travers	1	1

Shares under option and warrant

As at the date of this report, there are 45,686,729 options and 55,839,003 warrants to subscribe for unissued ordinary shares in the Company, comprising:

Date options granted	Vesting Date	Option class	Exercise price of options	Expiry date of options	Number of shares under option
Options					
10 December 2018	10 December 2018	Unlisted	\$0.22	10 December 2023	2,000,000
10 December 2018	10 December 2018	Unlisted	\$0.25	10 December 2023	3,000,000
10 December 2018	10 December 2018	Unlisted	\$0.30	10 December 2023	4,000,000
11 July 2019	11 July 2019	Unlisted	\$0.10	30 June 2024	2,500,000
6 December 2021	6 December 2021	Unlisted	\$0.10	30 June 2024	2,500,000
11 April 2022	-	Unlisted	\$0.091	11 April 2027	1,415,094
11 April 2022	-	Unlisted	\$0.118	11 April 2027	1,470,588
11 April 2022	-	Unlisted	\$0.153	11 April 2027	1,530,612
11 April 2022	-	Unlisted	\$0.199	11 April 2027	1,630,435
29 August 2022	-	Unlisted	\$0.11	29 August 2025	15,640,000
29 August 2022	-	Unlisted	\$0.05	9 September 2023	10,000,000
Warrants					
9 March 2021	9 March 2021	Unlisted	\$0.10	9 March 2024	48,981,582
9 March 2021	9 March 2021	Unlisted	\$0.1125	9 March 2024	6,857,421

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or any other body corporate or registered scheme.

Shares issued on exercise of options

During the financial year, and to the date of this report, the Company issued 2,768,382 Ordinary Shares, on exercise of options.

Date	Details	Issue Price A\$	Number of Shares
10 November 2021	Unlisted	0.0847	2,768,382

Shares under convertible notes

As at the date of this report, there are no convertible notes issued that are convertible to ordinary shares in the Company.

Shares issued on conversion of convertible notes

During the financial year there were no shares issued on conversion of Convertible notes.

Indemnification of officers and auditors

During the financial period, the Company paid a premium in respect of a contract ensuring the Directors, secretary and officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has executed a Deed of Protection for each of the Directors. The Company has not otherwise, during or since the financial period, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

Amounts of \$AUD10,480 were paid to the auditor for non-audit, tax compliance services provided during the period. No amounts are payable as at the date of this report. Full details of amounts paid to the auditor, BDO Audit (WA) Pty Ltd, are set out in Note C3.

The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as noted above, did not compromise the auditor independence requirements of the Corporations Act 2001 none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Auditor's independence declaration

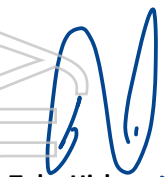
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 30.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

The Directors' Report is signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Board of Directors.



Toby Hicks

Chair

Perth, 30 September 2022

DIRECTORS' DECLARATION

In the opinion of the Directors of DigitalX Limited (the '**Company**')

- (a) The financial statements, notes and the additional disclosures of the consolidated entity set out on pages 34 to 81 are in accordance with the Corporations Act 2001 including:
- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the period then ended; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards, as stated in Note B1 to the financial statements.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2022.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the Directors.

Toby Hicks

Chair

Perth, 30 September 2022

AUDITOR'S INDEPENDENCE DECLARATION



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5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF DIGITALX LIMITED

As lead auditor of DigitalX Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DigitalX Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2022

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

AUDITOR'S REPORT



Accounting for Digital Assets

Key audit matter	How the matter was addressed in our audit
DigitalX have holdings in a number of digital assets currently held as intangible assets as disclosed in Note D4 of the financial report. There is no specific accounting standard which addresses the accounting treatment for digital assets and as a result significant judgement is applied to ensure these digital assets are accounted for in accordance with the Australian Accounting Standards. This was determined to be a key audit matter as it has required significant judgement in determining the recognition and presentation of the digital assets and confirming existence at reporting date.	Our audit procedures included, but were not limited to: • Understanding the control environment through which digital assets are held; • Assessing management's recognition and presentation of the digital assets as intangible assets against accounting principles; • Confirming the number of digital assets held to third party support and assessing their related control environment, where applicable; • Confirming existence and control of the digital assets held at year-end; • Agreeing inputs used to determine the digital assets fair value to external market information; and • Assessing the adequacy of the disclosures in Note D4 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

AUDITOR'S REPORT



Accounting for Digital Assets

Key audit matter	How the matter was addressed in our audit
DigitalX have holdings in a number of digital assets currently held as intangible assets as disclosed in Note D4 of the financial report. There is no specific accounting standard which addresses the accounting treatment for digital assets and as a result significant judgement is applied to ensure these digital assets are accounted for in accordance with the Australian Accounting Standards. This was determined to be a key audit matter as it has required significant judgement in determining the recognition and presentation of the digital assets and confirming existence at reporting date.	Our audit procedures included, but were not limited to: • Understanding the control environment through which digital assets are held; • Assessing management's recognition and presentation of the digital assets as intangible assets against accounting principles; • Confirming the number of digital assets held to third party support and assessing their related control environment, where applicable; • Confirming existence and control of the digital assets held at year-end; • Agreeing inputs used to determine the digital assets fair value to external market information; and • Assessing the adequacy of the disclosures in Note D4 to the financial report.

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The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

AUDITOR'S REPORT



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 25 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of DigitalX Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Phillip Murdoch
Director

Perth, 30 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Revenue from operations	C2	2,318,132	9,709,745
Other Income	C2	218,454	276,148
Professional and consultancy fees	C3	(1,107,740)	(687,522)
Corporate expenses		(218,323)	(75,771)
Advertising, media and investor relations		(647,939)	(271,419)
Employee benefit expenses		(2,262,112)	(1,414,723)
Share based payments – employee benefits		(56,547)	(662,936)
Depreciation		(322,976)	(337,477)
Realised and unrealised foreign exchange losses		(4,472)	129,159
Fair value movement of financial assets		56,424	433,670
Finance costs		(169,723)	(100,270)
Other expenses	C3	(984,143)	(716,430)
(Increase)/decrease in net assets attributable to unit holders	D6	341,497	474,780
Profit/(Loss) before tax		(2,839,468)	6,756,954
Income tax benefit/(expense)		-	-
Profit/(Loss) for the period		(2,839,468)	6,756,954

The above statement should be read in conjunction with the accompanying notes.

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

	Note	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Profit/(Loss) for the period		(2,839,468)	6,756,954
Other comprehensive income for the period			
<i>Items that may be reclassified to profit or loss</i>			
Fair value increase/(decrease) in digital asset holdings		(12,895,148)	14,930,755
Exchange differences on translation of operations		(245)	(42,359)
Other comprehensive income/(loss) for the period, net of tax		(12,895,393)	14,888,397
Total comprehensive income/(loss) for the period		(15,734,861)	21,645,351
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(15,734,861)	21,645,351
		(15,734,861)	21,645,351
Profit/(Loss) per share attributable to the ordinary equity holders of the parent:			
Basic earnings/(loss) per share	C5		
Earnings per share from continuing operations		(0.004)	0.01
Total		(0.004)	0.01
Diluted earnings/(loss) per share (cents)	C5		
Earnings per share from continuing operations		(0.004)	0.009
Total		(0.004)	0.009

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2022 \$AUD	30 June 2021 \$AUD
CURRENT ASSETS			
Cash and cash equivalents	D3	6,278,410	10,369,645
Trade and other receivables	C2	293,412	158,825
Digital assets	D4	23,568,863	32,479,969
Contract assets		-	8,335,434
Other current assets		201,884	104,021
Total Current Assets		30,342,569	51,447,894
NON-CURRENT ASSETS			
Investments	D5	2,290,994	2,471,036
Property, plant and equipment	E1	41,095	148,339
Right to use asset	E2	119,642	239,283
Intangible assets	E3	2,278,051	268,772
Total Non-Current Assets		4,729,782	3,127,430
TOTAL ASSETS		35,072,351	54,575,324
CURRENT LIABILITIES			
Trade and other payables	C3	1,556,555	742,515
Lease liabilities	E2	176,421	126,168
Distributions payable to unit holders	D6	43,522	2,740,471
Net assets attributable to unit holders	D6	6,211,747	8,257,054
Total Current Liabilities		7,988,245	11,866,208
NON-CURRENT LIABILITIES			
Lease liabilities	E2	-	176,421
Deferred tax liabilities		643	-
Total Current Liabilities		643	176,421
TOTAL LIABILITIES		7,988,888	12,042,629
NET ASSETS		27,083,463	42,532,693
EQUITY			
Contributed equity	F1	59,028,586	58,796,111
Reserves	F2	5,128,053	17,970,289
Retained losses		(37,073,176)	(34,233,707)
TOTAL EQUITY		27,083,463	42,532,693

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Cash flows from operating activities			
Receipts from customers		2,230,619	1,260,078
Payments to suppliers and employees		(4,992,185)	(3,289,965)
Other income		38,079	212,963
Other expenses		(68,039)	-
Net cash used in operating activities		(2,791,526)	(1,816,924)
Cash flows from investing activities			
Payment for intellectual property		(159,342)	(283,522)
Acquisition of property, plant and equipment		(27,269)	(18,374)
Acquisition of business		(1,890,000)	-
Payment for investments		-	(1,071,863)
Repayment of Convertible Note		250,000	-
Net payment for digital assets in funds		(2,285,617)	(5,050,519)
Net cash used in investing activities		(4,112,228)	(6,424,278)
Cash flows from financing activities			
Proceeds from issue of equity securities		-	9,154,085
Proceeds from conversion of options		234,842	-
Net proceeds from issue of units in fund		4,355,524	6,349,173
Distributions payable from the fund		(1,613,588)	-
Payments for share issue costs		-	(842,963)
Principal elements of lease payments		(146,712)	(164,933)
Net cash (used in)/provided by financing activities		2,830,066	14,495,361
Net increase/(decrease) in cash and cash equivalents		(4,073,688)	6,254,159
Cash and cash equivalents at beginning of period		10,369,645	3,975,690
Foreign exchange movement in cash		(17,547)	139,796
Cash and cash equivalents at end of period	D3	6,278,410	10,369,645

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Reconciliation of operating cash flows to net profit

	Note	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Profit/(loss) after income tax		(2,839,468)	6,756,954
<i>Non-cash flows in profit/(loss)</i>			
Shares received in lieu of cash	-	-	(214,866)
Non-cash interest received (staking)		(75,625)	-
Depreciation	E1	203,335	199,636
Employee share issue	F1 & F2	56,547	662,936
Fair value adjustment of investments		(56,424)	(433,670)
Finance costs		26,819	47,259
Amortisation of right of use asset under AASB16	E2	119,641	185,821
Increase in net assets attributable to unit holders	D6	(341,497)	(474,780)
Other non-cash (income)/expenses including foreign exchange		(340,305)	(393,969)
		(3,246,976)	6,335,321
<i>Change in assets and liabilities, net the effects of purchase of subsidiaries</i>			
Decrease/(increase) in trade and other receivables	C2	(134,587)	(38,636)
Decrease/(increase) in contract asset	C2	-	(8,335,434)
Decrease/(increase) in contract asset		(97,865)	-
(Decrease)/increase in trade payables and accruals	C3	687,902	237,261
(Decrease)/increase in contract liabilities	C3	-	(15,437)
(Decrease)/increase in tax payable	C4	-	-
Net cash provided by/(used in) operating activities		(2,791,526)	(1,816,924)

Non-cash investing and financing activities

In addition to the above, the Group also had the following non-cash investing and financing activities that impacted on the Statement of Profit and Loss and Other Comprehensive Income and the Statement of Financial Position.

Current year

- Shares issued on conversion of options – [Note F1](#).
- Movement in prices of digital assets – [Note D4](#).

Prior Year

- Shares issued in lieu of cash for services performed for Bullion Asset Management.
- Shares issued on conversion of options – [Note F1](#).
- Movement in prices of digital assets – [Note D4](#).
- Shares issued to advisor for capital raising – [Note F2](#).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Group	Contributed Equity \$AUD	Reserves ¹ \$AUD	Retained Earnings/(Losses) \$AUD	Total \$AUD
Balance at 30 June 2021	58,796,112	17,970,289	(34,233,707)	42,532,694
Profit/(Loss) for the year	-	-	(2,839,468)	(2,839,468)
Other comprehensive income	-	(12,895,393)	-	(12,895,393)
Total comprehensive income/(loss) for the period	-	(12,895,393)	(2,839,468)	(15,734,861)
Shares issued during the period ²	234,482	-	-	234,482
Share issue costs	(2,007)	-	-	(2,007)
Share based payment expense	-	53,157	-	53,157
Balance at 30 June 2022	59,028,586	5,128,053	(37,073,175)	27,083,463

¹ Refer to Note F2 for reconciliation of reserve balances.

² Refer to Note F1 for details of shares issued during the year.

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Consolidated Group	Contributed Equity \$AUD	Reserves ¹ \$AUD	Retained Earnings/(Losses) \$AUD	Total \$AUD
Balance at 30 June 2020	50,489,288	2,227,053	(40,990,661)	11,725,680
Profit/(Loss) for the year	-	-	6,756,954	6,756,954
Other comprehensive income	-	14,888,397	-	14,888,397
Total comprehensive income for the period	-	14,888,397	6,756,954	21,645,351
Shares issued during the period ²	9,473,216	-	-	9,473,216
Share issue costs	(1,166,392)	-	-	(1,166,392)
Share based payment expense	-	854,839	-	854,839
Balance at 30 June 2021	58,796,112	17,970,289	(34,233,707)	42,532,694

¹ Refer to Note F2 for reconciliation of reserve balances.² Refer to Note F1 for details of shares issued during the financial year.

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2022

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 C5)
- D. Capital & risk management (D1 to D6)
- E. Financial position (E1 to E3)
- F. Equity (F1 to F2)
- G. Group structure (G1 to G3)
- H. Other disclosures (H1 to H4)

[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.

- Note C2 – Revenue recognition
- Note D4 – Digital assets
- Note D4 – Fair value of digital assets
- Note G1 – Consolidation of DigitalX Funds
- Note E3 – Business combination and goodwill

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.

- Note F2 – Valuation of share-based payments
- Note D4 – Valuation of unlisted and low volume trading digital assets

KEY AUDIT MATTER

Item is a key audit matter referenced in the Auditor's Report on Page 31.

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]**CORPORATE INFORMATION**

The consolidated historical financial statements of DigitalX Limited and its controlled entities (collectively, the **Consolidated Entity or Group**) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 30 September 2022.

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.

The nature of the operations and principal activities of the Group are described in the Directors' Report. Information on the Group's structure is provided in Note G1. Information on other related party relationships is provided in Note H1.

The Company's Corporate Governance Statement for the 2022 financial year can be accessed at:

<https://DigitalX.com/corporate-governance/>.

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 financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. All amounts are presented in Australia Dollars, unless otherwise noted.

Compliance with IFRS

The consolidated financial report of the Group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

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

Comparative information

Comparative balances for the year ending 30 June 2022 have been presented consistently.

Going concern

At the date of this report the Consolidated Entity's has a strong working capital position and its cash flow forecast indicates that it expects to be able to meet its minimum commitments and working capital requirements for the twelve-month period from the date of signing the financial report. The Group also notes subsequent to the end of the financial year that its working capital has increased materially due to the increase in the price of its digital assets.

Presentation and functional currency

The consolidated financial report is presented in Australian 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 Australian dollars ('\$AUD'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Due to the nature of these activities for all entities in the Group the functional currency has been determined to be \$AUD.

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

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

Current and non-current classification

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.

[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 45)

C2 Revenue & Receivables (Page 48)

C3 Expenses, Payables & Other Payables (Page 50)

C4 Income Tax (Page 51)

C5 Earnings Per Share (Page 54)

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 2022 the Group operated three segments, Blockchain consulting and development, Asset Management and Other. In the previous corresponding period (period ended 30 June 2021) the Group operated three segments, Blockchain consulting and development, Asset Management and Other.

Segment description

PRODUCT DEVELOPMENT (PD)

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

ASSET MANAGEMENT (AM)

The asset management division was setup in 2018 to give high net worth and institutional investors access to a portfolio of digital assets. DigitalX operates two funds focussed on digital assets, the DigitalX Fund (www.digitalx.fund) and the DigitalX BTC Fund.

OTHER

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

SEGMENT PERFORMANCE

Segment reporting (\$AUD)	PRODUCT DEVELOPMENT		ASSET MANAGEMENT ²		OTHER		TOTAL	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Results								
Segment revenue	1,373,620	8,655,500	717,227	862,969	227,285	191,276	2,318,132	9,709,745
Intersegment revenue	-	-	-	-	-	-	-	-
Revenue from external customers	1,373,620	8,655,500	717,227	862,969	227,285	191,276	2,318,132	9,709,745
Revenue recognition timing – point in time	1,373,620	-	-	-	-	-	1,373,620	-
Revenue recognition timing – over time	-	8,655,500	717,227	862,969	227,285	191,276	944,512	9,709,745
Segment result	(649,794)	8,137,513	(484,083)	204,417	(1,554,388)	(1,622,010)	(2,688,265)	6,719,920
Income tax expense/(benefit)	-	-	-	-	-	-	-	-
Segment result after tax	(649,794)	8,137,513	(484,083)	204,417	(1,554,388)	(1,622,010)	(2,688,265)	6,719,920
Reconciliation to profit/loss after tax							(2,688,265)	6,719,920
Interest							(169,723)	(100,270)
Depreciation							(322,976)	(337,477)
Amortisation & impairment							-	-
Taxation							-	-
Decrease in net assets attributable to unit holders							341,497	474,780
Profit/(loss) after income tax							(2,839,468)	6,756,954

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 Asset 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.

SEGMENT POSITION

	PRODUCT DEVELOPMENT		ASSET MANAGEMENT		OTHER		TOTAL	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Segment reporting (\$AUD)								
Assets								
Segment assets	3,385,151	8,706,490	1,513,769	955,867	30,173,431	44,912,966	35,072,351	54,575,322
Total assets	3,385,151	8,706,490	1,513,769	955,867	30,173,431	44,912,966	35,072,351	54,575,322
Liabilities								
Segment liabilities	(75,186)	(22,935)	(69,650)	(74,735)	(7,844,052)	(11,944,959)	(7,988,888)	(12,042,629)
Total liabilities	(75,186)	(22,935)	(69,650)	(74,735)	(7,844,052)	(11,944,959)	(7,988,888)	(12,042,629)

C2 - REVENUE & RECEIVABLES

Policy - Revenue recognition

Revenue is recognised when the benefit from the service provided is received by the Customer and 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

Revenue from advisory services is recognised 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.

Transaction Price – Digital Assets

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).

The Group measures advisory revenue including the receipt of digital assets at the fair value of consideration received.

B. Consulting

Revenue from consulting services for a fixed fee or time and material is recognised when or as the Group transfers control of the assets to the customer. Revenue is recognised over time as the work is performed as costs are generally incurred uniformly as the work progresses and are considered to be proportionate to the entity's performance.

C. Funds Management

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

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

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

D. Licensing

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

E. Brokerage

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

F. Contract Asset

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to the amount of consideration are unconditional, in which case the Group recognises a receivable.

G. Contract Liability

When a customer pays consideration before performance obligation is satisfied, the Group presents the contract as a contract liability.

H. Trade and other receivables

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.

I. Interest revenue

Interest income is recognised on a time proportion basis that takes into account the effective yield on the financial asset.

Revenue

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Advisory	-	8,384,002
Consulting	16,420	269,498
Asset Management Fees	717,631	862,969
Licensing	216,587	191,276
Product revenue	2,950	2,000
Brokerage	1,364,545	-
Total revenue	2,318,132	9,709,745

Contract Asset

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Contact Asset ¹	-	8,335,434

¹ Contract asset relates to Human Protocol agreement as announced to the market on 29 June 2021. During the period this amount was reclassified from a contract asset to a digital asset once the entitlement to the tokens occurred. Refer to Note D2 for balance.

Trade and other receivables

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Trade receivables (gross) ¹	191,660	82,073
Loss allowance	-	-
Trade receivables – Net	191,660	82,073

¹ 27,561 is past due but not impaired.

Other receivables

Deposits	101,752	76,751
Other	-	-
Total trade and other receivables	293,412	158,825

Other Income

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Interest received	113,704	90,242
Other income	104,750	185,906
Total other income	218,454	276,148

C3 - EXPENSES, PAYABLES & OTHER PAYABLES**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

Legal fees

Consulting and funds management expenses

Tax consulting fees

Audit fees

Total professional and consultancy fees

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
269,359	49,510
713,459	525,768
40,519	31,873
84,403	80,371
1,107,740	687,522

(B) Other expenses

Regulatory, licensing and compliance

Occupancy

Other expenses

Total other expenses

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
678,619	440,849
169,028	167,933
136,496	107,649
984,143	716,431

(C) Current liabilities – trade & other payables

Trade payables
Accrued expenses
Employee entitlements
Statutory payables
Fund applications
Total trade & other payables

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
495,486	467,049
360,862	242,800
373,403	-
126,774	32,666
200,000	-
1,556,555	742,515

(D) Remuneration of Auditors

Remuneration of the auditors of the Company for:

BDO Audit (WA) Pty Ltd

Audit and review of financial reports
Non-audit services – tax compliance

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
84,403	80,371
10,480	14,743
94,883	95,114

C4 - INCOME TAX**Policy - Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income or tax loss based on the applicable income tax rate for each jurisdiction.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business

combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would

follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax consolidation

The Company and its wholly-owned Australian tax resident entities are part of a tax-consolidated group under Australian taxation law. The head entity within the tax-consolidated group is DigitalX Limited. Digital CC Holdings joined the DigitalX Limited tax consolidation group on 26 May 2014.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial reports of the members of the tax-consolidated group using the 'separate taxpayer within group's approach, by reference to the carrying amounts in the separate financial reports of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the wholly-owned entities are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (or receivable) to (or from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts. The head entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is

probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised.

Estimates & Judgement – Taxation

Income taxes

The Group operates in a newly emerging industry and the application of taxation laws in Australia, the United States, Hong Kong and previously Iceland (the principal countries in which the Group currently operates) in relation to the Group's activities may change from time to time. Changes in the taxation laws or in assessments or interpretation or decisions in respect of, but not limited to the following, may have a significant impact on the Group's results:

- Jurisdiction in which and rates at which income is taxed;
- Jurisdiction in which and rates at which expenses are deductible;
- The nature of income taxes levied, for example whether taxes are assessed on the revenue account or on the capital account;
- Requirements to file tax returns; and
- The availability of credit for taxes paid in other jurisdictions, for example through the operation of double taxation treaties.

In recognition of the limited trading and tax history of the Group, management do not consider there is sufficient evidence of probability of the ability to utilise temporary differences and tax losses and hence no deferred tax asset has been recognised as at 30 June 2022 in relation to these assets. The Group will continue to assess the performance and may in the future recognise some or all of these assets.

The Group has taken the approach to calculate income tax expense on the basis that all revenue and expenses attributable to its operations are taxable in Australia and all revenue and expenses attributable to its trading operations are taxable in the United States in addition to certain employee costs incurred in the United States plus an appropriate mark-up.

A. Income tax expense

Current tax expense / (benefit)

Deferred tax expense / (benefit)

Total income tax (benefit) in profit or loss

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
-	-
-	-
-	-

B. Numerical reconciliation of tax expense to prima facie tax payable

Year ended	Year ended
------------	------------

	30 June 2022 \$AUD	30 June 2021 \$AUD
Profit/(Loss) before tax from continuing operations	(2,839,468)	6,756,954
Profit/(Loss) before tax from discontinued operations	-	-
Profit/(Loss) before tax	(2,839,468)	6,756,954
Tax at the Group's statutory income tax rate of Australia: 27.5% (2021: 27.5%)	(780,854)	1,858,162
Tax effect of amounts which are not deductible or assessable (taxable) in calculating taxable income:		
Non-deductible share-based payment	15,550	171,995
Fair value adjustment of investments	(14,998)	(119,259)
Other	(14,192)	(16,346)
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,697	26,576
Unrealised gain on foreign exchange	-	-
Effect of timing expenses that are not deductible	(62,412)	(34,313)
Deferred tax assets not recognised ¹	853,208	85,861
Distribution to trust beneficiaries	-	-
Previously unrecognised tax losses now recouped to reduce tax expense	-	(1,972,675)
Income tax expense/(benefit)	-	-
Income tax expense/(benefit) is attributable to:		
Profit/(Loss) from continuing operations	-	-
Profit/(Loss) from discontinued operations	-	-
	-	-

¹ Amount relates to tax losses incurred in US operations that cannot be applied to profits generated in Australia or entities outside the tax consolidated group.

C. Current tax assets and liabilities

Current tax liability	-	-
Income tax payable	-	-
Total current tax liability	-	-

D. Deferred tax assets and liabilities

As at 30 June 2022 the Group has tax losses available to be applied in the future periods in the United States and Australia estimated to be \$AUD7.9 million and \$USD4.8 million respectively. The losses in respect of the Group's operations in Hong Kong are immaterial. In addition, the Group has gross capital losses in Australia estimated at \$AUD1.54 million at 30 June 2022. There is an unrecognised deferred tax liability on the fair value adjustments for digital assets which is offset by an unrecognised deferred tax asset for carry forward losses.

The Group reviews the recoverability of tax losses each reporting period by reviewing the continuity of ownership test (COT) or Same Business Test (SBT) and no adjustments have been made for the year ended 30 June 2022. Other than those noted above and tax losses there are no other material temporary differences.

E. Other tax information

The tax rate used for the reconciliation above is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law for entities with gross consolidated turnover of less than \$AUD25,000,000.

Franking Account	-	-
Amounts recognised directly in equity	-	-

Future Developments

No material future developments.

C5 - EARNINGS PER SHARE (EPS)**Earnings per share***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 2022 \$AUD	Year ended 30 June 2021 \$AUD
Basic earnings/(loss) per share		
From continuing operations	(0.004)	0.01
Total	(0.004)	0.01

Diluted earnings/(loss) per share

From continuing operations	(0.004)	0.01
Total	(0.004)	0.01

The earnings/(loss) used in the calculation of basic and diluted loss per share are as follows:

From continued operations	(2,839,468)	6,756,954
From discontinued operations	-	-

Weighted average number of ordinary shares on issue during the period used in the calculation of basic EPS**Adjustments for calculation of diluted EPS**

Options	31,046,729	25,268,382
Performance rights	-	9,000,000
Convertible notes	55,839,003	55,839,003

Weighted average number of ordinary shares on issue during the period used in the calculation of diluted EPS

741,435,286	652,503,531
828,321,018	742,610,916

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 manages its capital assets including the positions at year end as well as outlining the risks arising from market, price, liquidity and credit exposures. Finally, the section covers how the Group manages its equity position and movements during the year.

The section includes the following disclosures:

- D1 Capital management (Page 56)
- D2 Financial risk management (Page 56)
- D3 Cash and cash equivalents (Page 60)
- D4 Digital assets (Page 61)
- D5 Investments (Page 63)
- D6 Net assets attributable to unit holders (Page 64)

D1 - CAPITAL MANAGEMENT

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

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

D2 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Policy - Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost;
- financial assets at fair value through profit or loss (FVTPL);
- debt instruments at fair value through other comprehensive income (FVOCI); and
- equity instruments at fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- The entity's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs,

finance income or other financial items, except for the allowance for expected credit loss which is presented within other expenses.

a) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

b) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a business model other than "hold to collect" or "hold to collect and sell" are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

This includes digital assets classified as financial assets in accordance with Note D4.

c) Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

d) Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

AASB 9's impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

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.

Financial assets at fair value through other comprehensive income

The Group recognises 12 months expected credit losses for financial assets at FVOCI. As most of these instruments have a high credit rating, the likelihood of default is deemed small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Risk Management

The Group's activities expose it to a variety of financial risks including but not limited to:

- Foreign exchange risk;
- Liquidity risk;
- Interest rate risk;
- Credit risk; and
- Digital asset price risk.

The Group's and the Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risks to which it is

exposed. The method used is sensitivity analysis for each of foreign exchange risk, liquidity risk and interest rate risk.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings.

The Group holds the following financial assets and financial liabilities:

Financial Assets

Cash and cash equivalents^{AC}

Investments^{FV}

Trade receivables^{AC}

Financial liabilities

Trade and other payables^{AC}

Finance Liabilities^{AC}

Net assets attributable to unit holders^{AC}

AC – Amortised Cost

FV – Fair value through profit or loss

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
6,278,410	10,369,645
2,290,994	2,471,036
191,660	158,825
8,761,064	12,999,506
495,486	742,515
176,421	302,589
6,211,747	8,257,054
6,883,654	9,302,158

Foreign exchange risk

The Group and the parent entity operate internationally, and during the period were exposed to foreign exchange risk arising from currency exposures, primarily with respect to the USD/AUD dollar rates.

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management regularly monitors exposure to foreign exchange risk, but do not have a current hedging policy in place. It is intended that this policy will be continuously assessed in line with funding requirements for each of the investment opportunities.

As of 30 June 2022, the Group had exposure to foreign currency risk within its recognised assets and liabilities. The cash and cash equivalents held \$USD19,390 (2021: \$USD5,986) in bank accounts. The Group has no derivative liabilities in \$USD (2021: \$nil) and nil \$USD in finance liabilities (2021: \$USD nil).

Group sensitivity – Foreign exchange risk

Based upon the financial instruments held as at 30 June 2022, had the Australian dollar weakened/strengthened 10% against the US dollar with all other variables held constant, the following impact on profit and or loss is noted:

Fluctuation	
+10%	-10%
\$AUD	\$AUD
(303)	303
(340)	340

Impact on profit of loss – 2022

Impact on profit or loss – 2021

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group deposit funds at both short-term fixed and floating rates of interest.

The Group's exposure to interest rates on financial assets and liabilities is detailed in the liquidity risk management section of this note.

Interest rate sensitivity

A change in interest rates would not have a material impact on the profit and equity for the current and previous periods of the Group or the Parent entity.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who oversee a liquidity risk management framework for the management of the Group's funding and liquidity management requirements.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring there are appropriate plans in place to finance these future cash flows.

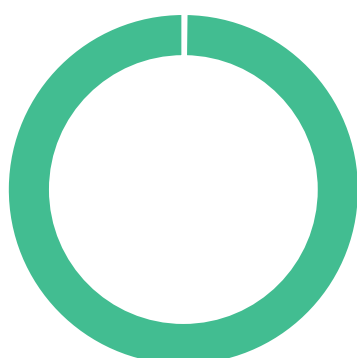
	Weighted average effective interest rate %	Less than 1 month Interest bearing - variable \$AUD	1 to 3 months Interest bearing - variable \$AUS	More than 3 months Interest bearing \$AUD	Less than 1 month Non-interest bearing \$AUD	1 to 3 months Non-interest bearing \$AUD	More than 3 months Non-interest bearing \$AUD
2022							
Cash and cash equivalents	-	-	-	-	6,278,410	-	-
Other receivables	-	-	-	101,751	191,660	-	-
Other payables	-	-	-	-	495,486	-	-
Finance liability	8.8	-	-	176,421	-	-	-
2021							
Cash and cash equivalents	-	-	-	-	10,369,645	-	-
Convertible note	10	-	249,600	-	-	-	-
Other receivables	-	-	-	76,751	82,073	-	-
Other payables	-	-	-	-	(742,515)	-	-
Finance liability	8.8	-	-	(252,337)	-	-	-

The liquidity and interest rate risk table above has been drawn up based on the undiscounted cash flow (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Group can be required to pay financial liabilities. Amounts for financial assets include interest earned on those assets except where it is anticipated cash will occur in a different period. The table excludes the value for the unit holder liability on the basis there is no maturity date.

Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is managed on a group basis. For banks and financial institutions, the Group aims to hold deposit with independently rated parties with a rating of 'A2' or above based on Moody's ratings. From time to time the Group may hold deposits with unrated institutions (i.e. exchanges) after trading in digital assets. The Group's credit risk exposure is set out below. Due to the nature of the customers the Group engages with ratings are not commonplace. Credit risk is therefore factored into the transaction price for services often in the form of bonus tokens or a discount to public token sale rate. At 30 June 2022 no customers had a published credit rating.

Credit risk by rating



- A1
- A2
- Unrated

Rating	\$AUD
A1	5,610
A2	265,486
Unrated (with no prior defaults)	6,007,314
Total	6,278,410

Fair value measurement

The Group measures financial instruments and non-financial assets at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the

lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 above.

At 30 June 2022 all assets carried at fair value are deemed to be level 1 based on observable prices in an active market with the exception of:

- Investment in Bullion Asset Management – Note D5
- Unlisted Digital Assets – Note D4

Fair value estimation

The Directors consider that the carrying amount of financial assets and financial liabilities, as recorded in the financial statements, represent or approximate their respective fair values.

D3 CASH AND CASH EQUIVALENTS

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 D4).

Cash at bank

Cash deposits at call¹

Total cash and cash equivalents

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Cash at bank	5,778,410	10,369,645
Cash deposits at call ¹	500,000	-
Total cash and cash equivalents	6,278,410	10,369,645

¹Cash deposits at call include cash balances on exchanges. The balance also includes \$500,000 of XAUD tokens which is an AUD stablecoin backed by cash reserves. The Company considers this to be a cash equivalent on the basis that it is highly liquid and readily convertible to cash inline with the terms of sale and also by virtue of the XAUD token being able to be used for settlement of goods and services.

D4 - DIGITAL ASSETS

Digital Assets

Digital assets are assets such as Bitcoin and Ethereum, which use an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. Digital Assets are an emerging technology and asset class, and as such there are no specific accounting standards that cover the treatment, rather digital assets are assessed by applying existing accounting standards in conjunction with guidance released by the accounting standard setting bodies such as the IASB.

Management consider it appropriate to group digital assets into a single balance in the Consolidated Financial Statements and providing users with a reconciliation by category in the notes to the Financial Statements.

For the purpose of fair value disclosures, the 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.

Digital Assets – Accounted for using inventory methodology

For digital assets that meet the criteria of AASB102: Inventory, 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.

Digital Assets – Accounted for using intangible asset methodology

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

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

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

Digital Assets – Accounted for using financial asset methodology

Refer to Note D2 for financial asset accounting policy and treatment.

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 2022 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 deliberations)
- Financial asset method (used where the digital asset meets the criteria of a financial asset – See Note D2)

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

(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, Bitgo, 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. Refer to the table below for the break-down of fair value levels.

(A) Reconciliation of Digital Assets

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Bitcoin ^{1,2}	17,506,895	28,297,002
Other listed digital assets ^{1,3}	5,642,503	3,590,681
Non-listed digital assets ⁴	419,465	592,286
Total Digital Assets	23,568,863	32,479,969

(B) Reconciliation by Class

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Intangible asset method	23,568,863	32,478,065
Financial asset method	-	1,904
Total Digital Assets	23,568,863	32,479,969

¹ Digital assets were measured at fair value using at 30 June 2022. Refer to Note H1 for prices at the date of this report.

² The amount includes \$AUD11,318,349 held by the DigitalX BTC Fund and DigitalX Fund.

³ Includes all tokens that are not bitcoin that are listed on an exchange. The amount includes \$AUD2,099,236 held by the DigitalX Fund.

⁴ Includes all tokens not listed on an exchange.

(C) Movements by Class

	Intangible Asset	Financial Asset	Total
Opening Balance 1 July 2021	32,478,065	1,904	32,479,969
Net trading activity ¹	2,285,617	-	2,285,617
Reclassification ²	8,335,434		8,335,434
Revaluation	(19,530,253)	(1,904)	(19,532,157)
Impairment	-	-	-
Closing Balance	23,568,863	-	23,568,863

¹ Net trading activity is the net purchase and sale of digital assets and includes monthly rebalance for the DigitalX Fund and DigitalX BTC Fund.

² Amount relates to Human Protocol which was previously classified as a contract asset at 30 June 2021.

(C) Digital Assets by Fair Value Hierarchy

Level	Description	\$AUD
Level 1	Level 1 fair value digital assets are those assets that are actively traded on a digital asset exchange or decentralised exchange for which there is an active market with sufficient volume.	\$23,149,398
Level 2	Level 2 fair value digital assets are those assets measured at fair value but the market prices are not actively quoted and determined using a market matrix approach (AASB13.B7). This is most common for digital assets where an active trading pair does not exist with a FIAT currency but may exist for a trading pair such as Ethereum or Bitcoin which can then be measured using the level 1 input.	\$419,465
Level 3	Level 3 fair value digital assets are those assets carried at fair value where fair value has been determined by reference to the entity's own data and financial data provided by the project such as comparable projects, financial forecasts and equity transactions.	-

D5 – 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.

Investment in Bullion Asset Management Pte Ltd (BAM) ^A
Convertible note receivable
Investment in DigitalX Funds ^B

A. Investment in BAM

Opening balance

Additional investment
Additional shares received in lieu of services
Fair value movement through profit or loss

B. Investment in DigitalX Funds

The Group has provided seed capital to the DigitalX Fund (a unit trust) and DigitalX BTC Fund (a unit trust) for the purpose of investing in and generating returns digital assets.

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
2,290,994	2,221,436
-	249,600
-	-
2,290,994	2,471,036

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
2,221,436	1,251,036
-	321,863
-	214,867
69,558	433,670
2,290,994	2,221,436

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 and there has been no changes to the Group's assessment for the year ended 30 June 2022.

The net asset value (NAV) of the Group's units in the funds at 30 June 2022 were \$AUD0.6483 (2021: \$1.37) and \$AUD2.6539 respectively.

At 30 June 2022, DigitalX's holding in the DigitalX BTC fund and DigitalX Fund was 60.31% and 34.73% respectively.

D6 - NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

	30 June 2022 \$AUD	30 June 2021 \$AUD
Opening Balance	8,257,054	670,910
Profit/(Loss) for the period attributable to non-controlling interests	(341,497)	(447,884)
Other comprehensive income attributable to non-controlling interests	(5,975,227)	4,244,533
Distributions payable ^A	(43,523)	(1,767,898)
Gain/(loss) on change in ownership	154,154	(454,055)
Net change in units on issue	4,160,786	6,011,451
Closing Balance	6,211,747	8,257,054

^A In accordance with the trust deed for the DigitalX BTC Fund and DigitalX Fund if there is taxable income at 30 June 2022 it must be distributed to the unit holders. At 30 June 2022, the balances below were payable.

	Total (\$AUD)
Distribution payable to unit holders	28,406
Distribution payable to DigitalX	15,117
Total	43,522

[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 66)
- E2 Non-current assets – Right of use asset (Page 67)
- E3 Non-current assets - Intangible assets (Page 68)

E1 - PROPERTY, PLANT AND 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.

Property Plant & Equipment

Cost

Accumulated depreciation

Net Carrying amount

Reconciliation

Carrying amount at beginning of period

Additions

Disposals

Depreciation charge for the period

Net carrying amount at end of period

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 2022 \$AUD	Year ended 30 June 2021 \$AUD
Cost	566,166	528,766
Accumulated depreciation	(525,071)	(380,427)
Net Carrying amount	41,095	148,339
<i>Reconciliation</i>		
Carrying amount at beginning of period	148,339	330,681
Additions	37,400	17,294
Disposals	-	-
Depreciation charge for the period	(144,644)	(199,636)
Net carrying amount at end of period	41,095	148,339

E2 - NON-CURRENT ASSETS – RIGHT OF USE**(A) Change of accounting policy**

On 1 July 2019, the Group adopted the new leasing standard, *AASB16: Leases*, which replaced the existing standard, *AASB117: Leases*.

Under the new standard, leases are no longer classified as operating leases or finances leases as they had been previously under AASB 117.

In applying AASB16 from 1 July 2019 the Group has adopted the new standard retrospectively but has not restated comparatives for the 2018 or 2019 reporting comparatives, as permitted under the transitional provisions of the new standard.

The reclassifications and impact of the new standard are therefore recognised in the opening statement of financial position on 1 July 2019.

Right of use asset

Accumulated amortisation

Net Carrying amount*Reconciliation*

Carrying amount at beginning of period

Partial de-recognition of lease – net

Depreciation charge for the period

Net carrying amount at end of period

Carrying amount at beginning of period

Interest expense

Lease payments

Partial de-recognition of lease – net

Net carrying amount at end of period

Current

Non-Current

(B) Adjustments recognised on adoption of AASB16

At the time of the change, the Group only had one lease classified as an operating lease, being the lease for the Blockchain Centre entered in to in July 2018 for a term of 5 years, that was required to be recognised:

(C) Lease liability

The lease liabilities were recognised at the present value of remaining lease payments, discounted using the Group's incremental borrowing rate (8.8%) at the time of the adoption.

30 June 2022 \$AUD	30 June 2021 \$AUD
598,208	598,208
(478,566)	(358,924)
(119,642)	239,283

239,283	424,241
-	863
(119,641)	(185,821)
119,642	239,283

30 June 2022 \$AUD	30 June 2021 \$AUD
302,589	489,402
20,544	32,870
(146,712)	(164,138)
-	(55,545)
176,421	302,589
176,421	126,169
-	176,421
-	302,589

E3 - NON-CURRENT ASSETS - INTANGIBLE ASSETS**Internally generated intangible assets - Research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Capitalisation of development costs

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. The total cost capitalised on the project at 30 June 2022 is \$AUD3,369,369.

An intangible asset arising from the development phase of an internal project shall be recognised if, and only if, an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Company has evaluated the criteria required to be satisfied for an intangible asset arising from the development phase of an internal project to be recognised and concluded that all conditions required to recognise an intangible asset generated from development of an internal project have been demonstrated.

The Company has evaluated the future economic benefit by modelling the expected future cash flows to estimate a value of the asset.

Cost
Accumulated Amortisation
Provision for impairment
Net Carrying amount

30 June 2022	30 June 2021
\$AUD	\$AUD
5,257,673	3,197,565
(58,691)	-
(2,920,930)	(2,928,793)
2,278,051	268,772

■ Additions for the year primarily relate costs capitalised for the development of the Drawbridge regtech product and the goodwill recognised on the acquisition of Sell My Shares.

	Development at Cost	Goodwill	Total
	\$AUD	\$AUD	\$AUD
Cost	3,369,369	1,888,304	5,257,673
Impairment	(2,920,930)	-	(2,920,930)
Accumulated amortisation	(58,691)	-	(58,691)
	389,747	1,888,304	2,278,051
Opening Balance	239,283	-	239,283
Additions	171,804	1,888,304	2,060,108
Amortisation	(58,691)	-	(58,691)
Closing Balance	352,396	1,888,304	2,240,700

Goodwill

The total balance of goodwill relates to the acquisition of Sell My Shares, as set out below, during the 2022 financial year. Despite being acquired during the 2022 financial year the goodwill has been tested at reporting date based on a value in use calculation. The calculations use cash flow projections based a five-year period using management estimates. For the value in use calculation the key assumption used by management include a 20% revenue growth (consistent with actual outperformance of targets during the deferred consideration period and management's expectation for future growth based on integration with Drawbridge and product expansion underway at 30 June 2022), 20% net profit (consistent with actual performance for the financial year ending 30 June 2022 and management's assumption profitability will be maintained) and a pre-tax discount rate of 11.3% (based on comparable ASX listed financial service companies).

Acquisition of Sell My Shares

On 30 September 2021, the Company acquired 100% of the business assets of Sell My Shares for consideration of AUD\$1,640,000 upfront plus \$250,000 in deferred consideration subject to revenue and expenditures-based milestones. The strategic acquisition was completed to accelerate Drawbridge commercialisation and enable compliant employee share trading. The acquisition has been earning accretive.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Details of the purchase consideration and net assets acquired are set out below:

Purchase Consideration

	\$AUD
Cash consideration	1,640,000
Contingent consideration	250,000
Total purchase consideration	1,890,000

	Fair Value (\$AUD)
Property, Plant and Equipment	10,000
Other current assets	4,538
Intangible assets (website and domains)	29,960
Employee entitlements	(42,158)
Net deferred tax	(643)
Net identifiable assets acquired	1,697
Goodwill	1,888,304
Total	1,890,000

(i) Goodwill

Goodwill is attributable to the strong and sustained profitability of the Sell My Shares business in the one-off share sale market over a sustained period of time. There are also synergies with the Company's existing Drawbridge product to facilitate compliant employee share trading.

(ii) Contingent Consideration

A cash payment up to A\$250,000 is to be paid 6 months following settlement for the satisfaction of monthly revenue targets and satisfaction of expense ratio (total revenue divided by advertising spend).

For any particular month the performance targets are not satisfied the Deferred Consideration will be decreased on a pro-rata basis for the percentage of underperformance. Fair value of the consideration at 30 June 2022 was nil as the milestone was met during the period and paid.

(iii) Revenue and Profit Contribution

The acquired business contributed revenue to the Group of \$1,364,545 and profit of \$271,109 for the period 30 September to 30 June 2022.

(iv) Acquisition Related Costs

There were immaterial acquisition related costs (legal fees) for the transaction. These are included in the profit or loss.

[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 72)

F2 Reserves (Page 73)

F1 – CONTRIBUTED EQUITY**(a) Issued and paid up Capital**

Fully paid ordinary shares – 742,444,039
(2021: 739,675,657)

Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
59,028,586	58,796,111

(b) Movement in Ordinary Share Capital

Date	Details ¹	Number of Shares	Issue Price A\$	\$AUD
30-Jun-21	Closing Balance	739,675,657		58,796,111
10-Nov-21	Issued of shares on conversion of options	2,768,382	0.0847	234,482
11-Nov-21	Share issues costs	-	-	(2,008)
30-Jun-22	Closing Balance	742,444,039		59,028,586

Date	Details	Number of Shares	Issue Price A\$	\$AUD
30-Jun-20	Closing Balance	605,628,549		50,489,288
1-Sep-20	Issue of Shares on exercise of options	5,251,852	0.0324	170,160
1-Sep-20	Issue of shares to employees	1,136,634	0.0440	50,012
3-Sep-20	Share issue costs			(2,582)
10-Sep-20	Issue of Shares on exercise of options	2,561,728	0.0324	83,000
11-Sep-20	Share issue costs			(1,922)
21-Sep-20	Issue of Shares on exercise of options	2,600,000	0.0324	84,240
22-Sep-20	Share Issue costs			(1,922)
4-Dec-20	Issue of shares to directors in lieu of fees	2,029,914	0.0480	97,436
7-Dec-20	Share Issue costs			(2,465)
9-Mar-21	Issue of shares from capital raising	97,963,164	0.0900	8,816,685
9-Mar-21	Share issue costs			(791,232)
9-Mar-21	Share issue costs - Warrants to issued to Corporate Advisor			(336,014)
10-Mar-21	Share issue costs			(20,832)
22-Mar-21	Issue of shares on conversion of performance rights	19,500,000	0.0900	-
23-Mar-21	Share issue costs			(7,094)
21-May-21	Issue of shares to directors in lieu of fees	503,816	0.0480	24,183
21-May-21	Issue of shares to employees	2,500,000	0.0590	147,500
24-May-21	Share issue costs			(2,329)
30-Jun-21	Closing Balance	739,675,657		58,796,110

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

² Refer to Note H1 for any issues subsequent to the end of the reporting period

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.
Asset Revaluation Reserve	Reserve is established to record the fair value movement in digital assets.

	Note	Option premium and share-based payment reserve ¹	Convertible Note Reserve	Asset Revaluation Reserve	Foreign Exchange Reserve
30 June 2021		2,957,307	91,051	14,930,755	(12,215)
Share based payment expense		53,157	-	-	-
Conversion of foreign operations		-	-	-	245
Revaluation of digital assets		-	-	(12,895,148)	-
30 June 2022		3,013,854	91,051	2,035,607	(12,460)

	Note	Option premium and share-based payment reserve ¹	Convertible Note Reserve	Asset Revaluation Reserve	Foreign Exchange Reserve
30 June 2020		2,105,857	91,051	-	30,144
Share based payment expense		¹ 854,839	-	-	-
Conversion of foreign operations		-	-	-	(42,359)
Revaluation of digital assets		-	-	14,930,756	-
30 June 2021		2,960,697	91,051	14,930,756	(12,215)

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

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

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 Non-Executive Director

Item	Tranche 1
Volatility (%)	103.14%
Risk-free interest rate (%) – range	1.03%
Expected life of option (years)	3
Exercise price per terms & conditions	\$AUD0.10
Underlying security spot price	\$AUD0.084
Valuation date	6/12/2021
Expiry date	30 June 2024
Valuation per option	\$AUD0.076
Number of options issued	2,500,000
Vesting condition	Immediate
Valuation methodology	Black-Scholes

Options issued to Chief Executive Officer

Item	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Volatility (%)	112.60%	112.60%	112.60%	112.60%
Risk-free interest rate (%) – range	2.63%	2.63%	2.63%	2.63%
Expected life of option (years)	5	5	5	5
Exercise price per terms & conditions	\$0.091	\$0.118	\$0.153	\$0.199
Underlying security spot price	\$0.075	\$0.075	\$0.075	\$0.075
Valuation date	4 April 2022	4 April 2022	4 April 2022	4 April 2022
Expiry date	11 April 2027	11 April 2027	11 April 2027	11 April 2027
Valuation per option	\$0.059	\$0.057	\$0.054	\$0.052
Number of options issued	1,415,094	1,470,588	1,530,612	1,630,435
Vesting condition	Service based	Service based	Service based	Service based
Valuation Methodology	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

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. There were no performance rights issued during the period,

Options and performance rights on issue or owed as at 30 June 2022

Date options granted	Vesting Date	Option class	Exercise price of options	Expiry date of options	Number of shares under option
Options					
10 December 2018	10 December 2018	Unlisted	\$0.22	10 December 2023	2,000,000
10 December 2018	10 December 2018	Unlisted	\$0.25	10 December 2023	3,000,000
10 December 2018	10 December 2018	Unlisted	\$0.30	10 December 2023	4,000,000
11 July 2019	11 July 2019	Unlisted	\$0.10	30 June 2024	2,500,000
6 December 2021	6 December 2021	Unlisted	\$0.10	30 June 2024	2,500,000
11 April 2022	-	Unlisted	\$0.091	11 April 2027	1,415,094
11 April 2022	-	Unlisted	\$0.118	11 April 2027	1,470,588
11 April 2022	-	Unlisted	\$0.153	11 April 2027	1,530,612
11 April 2022	-	Unlisted	\$0.199	11 April 2027	1,630,435
Warrants					
9 March 2021	9 March 2021	Unlisted	\$0.10	9 March 2024	48,981,582
9 March 2021	9 March 2021	Unlisted	\$0.1125	9 March 2024	6,857,421

[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 2022	% of Shares Held 2021
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 2022	% of Shares Held 2021
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	34.73%	41%
DigitalX Bitcoin Fund Unit Trust	Australia	60.31%	60%
DigitalX Asset Management Pty Ltd	Australia	100%	100%
Sell My Shares Pty Ltd	Australia	100%	-

Year ended 30 June 2022

There were no changes to the controlled entities during the year ended 30 June 2022 except for those noted below:

Sell My Shares Pty Ltd was incorporated to acquire the business assets of Sell My Shares as set out in Note E3.

Year ended 30 June 2021

There were no changes to the controlled entities during the year ended 30 June 2021 except for those noted below:

- DigitalX New Tech Fund Inc. (de-registered through normal course of business);
- DigitalX (BVI) Limited (de-registered through normal course of business); and
- Digital Asset Administration Cayman Limited (de-registered through normal course of business).

G3 - PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Summary Note B1 for a summary of the significant accounting policies relating to the Group.

Parent entity financial information

The financial information for the parent entity, DigitalX Limited, disclosed below has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of DigitalX Limited.

Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Tax consolidation legislation

DigitalX Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, DigitalX Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, DigitalX Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate DigitalX Limited for any current tax payable assumed and are compensated by DigitalX Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to DigitalX Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial period. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(a) Summary of financial information

	30 June 2022 \$AUD	30 June 2021 \$AUD
Financial position		
Assets		
Current assets	13,979,814	28,307,422
Non-Current assets	14,256,058	14,256,058
Total Assets	28,235,872	42,563,480
Liabilities		
Current liabilities	(1,262,397)	(868,740)
Non-current liabilities	-	-
Total liabilities	(1,262,397)	(868,740)
Equity		
Contributed Equity	110,687,599	110,455,124
Retained earnings/(losses)	(95,022,815)	(92,501,033)
Reserves		
- Share based payment	8,775,389	8,718,842
- Intangible asset reserve	2,442,250	14,930,755
- Convertible note	91,052	91,051
Total equity	26,973,475	41,694,740
Financial performance		
Profit/(loss) for the year and other comprehensive income/(loss)	(2,521,782)	21,801,836
Total comprehensive income/(loss)	(14,953,740)	21,801,836

(b) Commitments and Contingent Liabilities of the parent

The parent entity did not have any contingent liabilities or commitments, as at 30 June 2022 other than those disclosed below in Note H2.

(c) Guarantees entered into the parent entity

There were no guarantees entered into by the parent entity other than those disclosed in Note H2.

[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 Related Party Transactions (Page 80)
- H2 Commitments and contingents (Page 80)
- H3 New Accounting Standards and Interpretations (Page 81)
- H4 Post balance date events (Page 81)

H1 - RELATED PARTY TRANSACTIONS**(a) Subsidiaries**

Interests in subsidiaries are set out in Note G2. Balances and transaction between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

(b) Transactions with Key Management Personnel

	Year ended 30 June 2022 \$AUD	Year ended 30 June 2021 \$AUD
Short term employee benefits		
Salaries and fees	572,552	579,590
Director fees	160,415	100,000
Other benefits	(13,555)	30,680
Post-Employment Benefits		
Superannuation	68,553	63,739
Share-based payments		
Shares granted	-	130,483
Options and performance rights ¹	68,594	430,388
Total Remuneration	856,560	1,334,879

¹ Refer to Note F2 for details of the events relating to performance rights and options effecting key management personnel.

(c) Transactions with Director related entities**Year ended 30 June 2022**

- During the year, the Group paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD47,337 for legal services rendered on various matters. This amount relates to the period of the financial year that Mr Hicks was a Director of the Company.
- During the year, the Group paid GAD Consulting Pty Ltd AUD\$500, a company of which Greg Dooley is a director for consulting services rendered on various matters. This amount relates to the period of the financial year that Mr Dooley was a Director of the Company.

Year ended 30 June 2021

- During the year, the Group paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD39,613 for legal services rendered on various matters. This amount relates to the period of the financial year that Mr Hicks was a Director of the Company.

H2 – COMMITMENTS AND CONTINGENCIES**Commitments of the Group**

During the 2018 financial year entered into a 5-year lease for premises at 66 Kings Park Road, West Perth, WA ("The Blockchain Centre"). At 30 June the amount due within 12 months was \$176,421 and the committed between 12 months and 5 years was nil. There were no commitments greater than 5 years.

The Group did not have any commitments (other than those set out in note D2 & D5) and above, as at 30 June 2022 (2021: Nil).

Guarantees entered into by the Group

There were no guarantees entered into by the Group as at 30 June 2022 other than for the lease noted above (2021: Nil).

Contingent Liabilities of the Group

The Group did not have any contingent liabilities as at 30 June 2022 (2021: Nil).

H3 - NEW ACCOUNTING STANDARDS AND INTERPRETATIONS**Standards and Interpretations in issue not yet adopted**

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

H4 - EVENTS AFTER THE REPORTING DATE

No other matter or circumstance has arisen since 30 June 2022 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.

Date of event	Details of event																				
29 August 2022	On 29 August 2022 the Company issued 3,075,000 ordinary shares, 10,000,000 options exercisable at \$0.05 and 15,640,000 exercisable at \$0.11.																				
29 September 2022	Due to the volatile nature and the materiality of the digital assets held, we disclose the value of material digital assets held by the Group, excluding the DigitalX Fund and DigitalX BTC Fund and unlisted digital assets, as at the close date of the 29 September.																				
	<table><tr><th>Coin Symbol</th><th>Coin Amount</th><th>\$AUD Price at 30 June</th><th>\$AUD Spot Price at 29 Sept</th><th>\$AUD Balance</th></tr><tr><td>BTC</td><td>212.86</td><td>\$28,684</td><td>\$30,074</td><td>\$6,401,551</td></tr><tr><td>HMT</td><td>12,500,000</td><td>\$0.665</td><td>\$0.0978</td><td>\$1,221,875</td></tr><tr><td>Total</td><td>-</td><td>-</td><td>-</td><td>\$7,623,426</td></tr></table>	Coin Symbol	Coin Amount	\$AUD Price at 30 June	\$AUD Spot Price at 29 Sept	\$AUD Balance	BTC	212.86	\$28,684	\$30,074	\$6,401,551	HMT	12,500,000	\$0.665	\$0.0978	\$1,221,875	Total	-	-	-	\$7,623,426
Coin Symbol	Coin Amount	\$AUD Price at 30 June	\$AUD Spot Price at 29 Sept	\$AUD Balance																	
BTC	212.86	\$28,684	\$30,074	\$6,401,551																	
HMT	12,500,000	\$0.665	\$0.0978	\$1,221,875																	
Total	-	-	-	\$7,623,426																	

There were no other reportable subsequent events.

CORPORATE DIRECTORY

Directors

Toby Hicks

Non-Executive Chairman

Greg Dooley

Non-Executive Director

Peter Rubinstein

Non-Executive Director

Company Secretary

Joel Ives

ABN

59 009 575 035

Registered Office and Principal Place of Business

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66 Kings Park Road

West Perth WA 6005

Tel: +61 (8) 9322 1587

Auditor

BDO Audit (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth WA 6005

Tel: +61 (8) 6382 4600

Fax: +61 (8) 6382 4601

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

AUSTRALIAN SECURITIES EXCHANGE INFORMATION

The following information is current as at 27 September 2022.

EXCHANGE LISTING

DigitalX Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is DCC.

DISTRIBUTION OF SHAREHOLDERS

The number of shareholders, by size of holding, are:

Range	Number of Holders	Number of Shares
1–1,000	231	46,319
1,001–5,000	2,274	6,755,364
5,001–10,000	1,657	13,210,783
10,001–100,000	3,511	125,446,060
100,001 and over	879	600,060,513
Total		745,519,039

UNMARKETABLE PARCELS

Holdings of less than a marketable parcel of ordinary shares:

Holders: 4,944

Shares: 15,152

UNQUOTED SECURITIES

For each class of unquoted securities, if a person holds 20% or more of the securities in a class, the name of the holder and number of securities held is disclosed.

UNLISTED OPTIONS

Unlisted Options exercisable at \$0.22 each on or before 10 December 2023

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	2 ¹⁻²	2,000,000
Total	2	2,000,000

¹ Irwin Biotech Nominees Pty Ltd holds 1,000,000 Options comprising 50% of this class.

² Blockchain Global Ltd holds 1,000,000 Options comprising 50% of this class.

Unlisted Options exercisable at \$0.25 each on or before 10 December 2023

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	2 ¹⁻²	3,000,000
Total	2	3,000,000

¹ Irwin Biotech Nominees Pty Ltd holds 1,500,000 Options comprising 50% of this class.

² Blockchain Global Ltd holds 1,500,000 Options comprising 50% of this class.

Unlisted Options exercisable at \$0.30 each on or before 10 December 2023

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	2 ¹⁻²	4,000,000
Total	2	4,000,000

¹ Irwin Biotech Nominees Pty Ltd holds 2,000,000 Options comprising 50% of this class.

² Blockchain Global Ltd holds 2,000,000 Options comprising 50% of this class.

Unlisted Options exercisable at \$0.05 each on or before 9 September 2023

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1 ¹	10,000,000
Total	1	10,000,000

¹ Matthew Robert Harry holds 10,000,000 options comprising 100% of this class. Vesting of this class is subject to the funds management division reaching AU\$100m in funds under management.

Unlisted Options exercisable at \$0.10 each on or before 30 June 2024

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1	2,500,000
Total	1	2,500,000

¹ Emboodhu Pty Ltd <TA and EL Hicks Family A/C> holds 2,500,000 options comprising 100% of this class.

Unlisted Options exercisable at \$0.10 each on or before 30 June 2024

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1	2,500,000
Total	1	2,500,000

² Greg Dooley holds 2,500,000 options comprising 100% of this class.

Unlisted Options exercisable at \$0.10 each on or before 18 December 2024

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	2	1,000,000
Total	2	1,000,000

¹ Shaw and Partners Limited holds 500,000 options comprising 50% of this class.² Pareto Nominees Pty Ltd holds 500,000 options comprising 50% of this class.

WARRANTS

Unlisted warrants exercisable at \$0.10 each on or before 8 March 2024

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	3	48,981,582
Total	3	46,981,582

¹ Armistice Capital Master Fund Ltd holds 33,725,006 warrants comprising 68.9% of this class.² Lind Global Macro Fund LP holds 9,423,243 warrants comprising 19.2% of this class.³ Iroquois Master Fund Ltd holds 5,833,333 warrants comprising 11.9% of this class.

Unlisted Options exercisable at \$0.1125 each on or before 30 June 2024

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	1	68,574
100,001 and over	3	6,788,847
Total	4	6,857,421

¹ H.C. Wainwright & Co (or its staff and nominees) hold 6,857,421 comprising 100% of this class.

Unlisted Options exercisable at \$0.091 each on or before 11 April 2027

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1	1,415,094
Total	1	1,415,094

¹ Lisa Wade holds 1,415,094 options comprising 100% of this class.

Unlisted Options exercisable at \$0.118 each on or before 11 April 2027

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1	1,470,588
Total	1	1,470,588

¹ Lisa Wade holds 1,470,588 options comprising 100% of this class.

Unlisted Options exercisable at \$0.153 each on or before 11 April 2027

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1	1,530,612
Total	1	1,530,612

¹ Lisa Wade holds 1,530,612 options comprising 100% of this class.

Unlisted Options exercisable at \$0.199 each on or before 11 April 2027

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	1	1,630,435
Total	1	1,630,435

¹ Lisa Wade holds 1,630,435 options comprising 100% of this class.

Unlisted Options exercisable at \$0.11 each on before 29 August 2025

Range	Number of Holders	Number of Options
1–1,000	-	-
1,001–5,000	-	-
5,001–10,000	-	-
10,001–100,000	-	-
100,001 and over	14	15,640,000
Total	14	15,640,000

¹ 100% of this class are held by staff.

LISTING OF 20 LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of quoted ordinary shares are:

Name	Number of Shares	Percentage of Shares
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	65,906,165	8.84
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	21,478,799	2.88
NRB INTERNATIONAL LLC	21,223,785	2.85
CITICORP NOMINEES PTY LIMITED	17,063,012	2.29
ATCHO SUPER PTY LTD <ATCHESON SUPER FUND A/C>	12,000,000	1.61
IRWIN BIOTECH NOMINEES PTY LTD	11,196,296	1.50
IRWIN BIOTECH NOMINEES P/L <BIOA A/C>	8,626,348	1.16
ACL INVESTMENT AUSTRALIA PTY LTD <ACL FAMILY A/C>	8,397,221	1.13
EMBOODHU PTY LTD <TA AND EL HICKS FAMILY A/C>	8,194,444	1.10
VALUEADMIN COM PTY LTD	7,200,000	0.97
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,975,336	0.94
BNP PARIBAS NOMS PTY LTD <DRP>	6,894,460	0.92
MR HING WA CHAN	6,555,817	0.88
MR RICHARD JAMES ANSELL	5,919,905	0.79
BRIXTON CAPITAL PTY LTD	5,127,618	0.69
MJ & A LIND PTY LTD <LIND FAMILY S/F A/C>	5,057,586	0.68
OZSTUDY GROUP PTY LTD	5,030,766	0.67
SHELLEY PROPERTIES PTY LIMITED <BUTCHER SUPER FUND A/C>	4,913,207	0.66
MR BASIL MICOS	4,161,964	0.56
MR DUNCAN JOHN HEAZLEWOOD + MRS JANE LOUISE HEAZLEWOOD	4,070,000	0.55
TOTAL	235,992,729	31.65

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

There were no substantial shareholders holding 5% or more of the voting shares in the Company as at 27 September 2022.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. No voting rights are attached to Options.

ON MARKET BUY BACK

There is no current on-market buy-back.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the 2022 financial year can be accessed at:

<https://digitalx.com/investor-centre>

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