

Appendix 4C

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

Name of entity

DigitalX Limited

ABN

59 009 575 035

Quarter ended ("current quarter")

30-September-2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	741	741
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(221)	(221)
(d) leased assets	(48)	(48)
(e) staff costs	(781)	(781)
(f) administration and corporate costs	(1,038)	(1,038)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	24
1.5 Interest and other costs of finance paid	(7)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,330)	(1,330)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(768)	(768)
(e) intellectual property	-	-
(f) other non-current assets	(104)	(104)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	1,537	1,537
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposit)	-	-
2.6	Net cash from / (used in) investing activities	665	665

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other:		
	(a) Applications/Redemptions/Distributions from Funds ¹	(1,349)	(1,349)
	(b) Repayment of Lease Liabilities	(16)	(16)
3.10	Net cash from / (used in) financing activities	(1,365)	(1,365)

Note 1: Includes \$84k of distributions from the DigitalX Bitcoin Fund.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,054	6,054
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,330)	(1,330)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	665	665
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,365)	(1,365)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period²	4,024	4,024

Note 2: The Group holds Bitcoin, listed digital assets and units in managed funds not included above, which are considered highly liquid and are readily convertible to cash when required.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,022	5,284
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) ³	2	770
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,024	6,054

Note 3: Funds held within an investment cash holding account, readily convertible to cash.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 ⁴	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note 4: Amounts paid to related parties includes Non-Executive Director salaries & superannuation, and related party legal & consulting fees.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> N/A </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,330)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,024
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,024
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.03
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 October 2024

Authorised by: The Board of Directors of DigitalX Limited

 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

ASX ANNOUNCEMENT 25 OCTOBER 2024 SEPTEMBER 2024 QUARTERLY REPORT

DigitalX Limited (ASX:DCC, OTCQB:DGGXF) (“DigitalX” or “the Company”) is pleased to provide an update on its activities for the quarter ended 30 September 2024, along with its Appendix 4C cash flow report.

HIGHLIGHTS

- **DigitalX Bitcoin ETF** - On 9 July 2024, the Company was pleased to announce the successful approval of its DigitalX spot Bitcoin ETF for quotation on the Australian Securities Exchange.

As at the conclusion of the reporting period, the DigitalX Bitcoin ETF held net assets of up to \$1,855,604.05, with 90,387 units on issue.

- **Fund performance** - The DigitalX Bitcoin Fund increased 0.3% over the quarter and the DigitalX Fund decreased 6.6%. This takes their respective year to date performance to 49.9% and 23.8% respectively.

DigitalX Asset Management was pleased to announce that the DigitalX Bitcoin Fund was ranked the 3rd top-performing APAC-based cryptocurrency hedge fund in H1 2024 by Preqin.

- **SMS Revenue execution** - Sell My Shares continues to perform strongly, generating \$676k in revenue over the quarter.

The month of July produced the highest monthly revenue figure on record of \$306k for SMS.

- **Undertakes internal review** – following the FY24 financial result, the Board has undertaken an internal review focussed on increasing the Company’s financial performance in the coming financial year.

¹ Source: Preqin Insights, as at September 2024. <https://www.preqin.com/insights/research/quarterly-updates/q2-2024-apac>

Commenting on the Quarter, DigitalX Interim Chief Executive Officer Greg Dooley said:

"I commenced as Interim CEO towards the end of the quarter. Under the direction of the Board, my initial focus has been to review the business performance, get to know the staff in more detail and understand their roles and how they can contribute to the overall success of DigitalX.

As a result of these initial meetings I have created a list of short term priorities aimed at getting DigitalX on a path to long term profitability. Simultaneously, I have been working with the Board to commence the process to identify the permanent CEO, likely to commence early 2025. The Board's view remains that the Company's fundamentals remain sound, and that the focus must be operating the Company in a way that sees the Company achieving sustained profitability and value appreciation for shareholders."

FINANCIAL REVIEW

DigitalX had cash, listed digital assets and unlisted investments (liquid and illiquid) of AU\$38.98m in value as at 30 September 2024.

Name	Value (\$AUD)
Australian Dollars	\$4,024,824
Bitcoin ¹	\$10,478,237
Fund units ²	\$23,718,744
Other liquid investments ³	\$497,969
Bricklet property investments	\$268,420
Total	AUD\$38,988,194

¹⁻³Total Bitcoin in Treasury at 30 September 2024 was 114.8999 and ETH 128.967.

² Includes total units in the DigitalX Bitcoin Fund, DigitalX Fund and RWAX Fund based on their respective NAV's at 30 September 2024.

³ Total excludes amounts for tokens pending listing and/or for which an active market is not observable.

Cash and assets for the quarter decreased by approximately \$2.6m from the previous Quarter with Digital Assets for the period including fund units decreasing \$0.35m and cash \$2.02m. Of the decrease in cash, \$768k was from investing in non-cash investments in the RWAX fund. Net cash outflows through operations for the quarter was \$1.33m compared to the June 2024 quarter outflows of \$1.084m. The \$246k difference in operating net outflows was primarily driven by a decrease in cash receipts of \$246k compared to the previous quarter. The previous quarter included \$271k in performance fees and \$211k from the R&D rebate relating to the financial year ended 30 June 2022.

Net cash inflows through investing activities was \$665k made up of \$768k outflow for Investments made in the RWAX fund, \$0.1m ETF setup costs offset by \$1.54m inflows from sales of digital assets in the DigitalX Fund and the DigitalX Bitcoin Fund to facilitate fund running costs and redemptions. Cash outflows from financing activities was \$1.34m

primarily due to net redemptions in the DigitalX Bitcoin Fund and DigitalX Fund. Total revenue for the quarter decreased by \$245k to \$1.22m noting the prior quarter included \$211k in R&D rebates.

Further detail is contained in the accompanying Appendix 4C report for quarter ended 30 September 2024.

One of the key focuses is on optimising operating costs while continuing to work on growing revenues and working towards a cash flow positive state.

In accordance with ASX Listing Rule 4.7C.3, \$88k was paid to related parties or their associates during the quarter (prior quarter \$62k), including Non-Executive Director remuneration and legal fees paid to Steinepreis Paganin (of which DigitalX Chair Mr Toby Hicks is a Partner).

BUSINESS REVIEW

DigitalX Bitcoin ETF (ASX: BTXX)

On 9 July 2024, the Company was pleased to announce the successful approval of its DigitalX spot Bitcoin ETF ("BTXX") for quotation on the Australian Securities Exchange ("ASX"). The DigitalX spot Bitcoin ETF is one of the first spot Bitcoin ETFs quoted on the ASX, and has been established by DigitalX in partnership with K2 Assessment Management ("KAM") acting as the Responsible Entity and 3iQ, a global digital asset investment company.

The DigitalX Bitcoin ETF will operate under the ASX ticker BTXX, and provide a simple, liquid and regulated structure for investors to gain exposure to the emerging digital asset sector without the requirement to hold a digital wallet.

As at the conclusion of the reporting period, the DigitalX Bitcoin ETF held net assets of up to \$1,855,604.05, with 90,387 units on issue, with little marketing and sales activity following the launch.

DIGITALX ASSET MANAGEMENT

Name	Value (\$USD) as at 30 September 2024
Bitcoin	\$63,749
Ethereum	\$2,611

Source: CoinGecko, as at 30 September 2024. <https://www.coingecko.com/>

The DigitalX Bitcoin Fund ("DXBF") increased 0.3% over the quarter and the DigitalX Fund ("DXF") decreased 6.6%. This takes their respective year to date performance to 49.9% and 23.8% respectively. By comparison, the S&P Cryptocurrency Top 10 Equal Weight Index (AUD) decreased 7.9% over the quarter, while AUD gold rose 9.2% and the All Ordinaries Index increased 6.6% over the 3 month period. DigitalX Asset Managements total funds under management for the quarter, including the business's three wholesale funds and its ASX-listed Bitcoin ETF, increased by 4.62% to \$38.2M.

During the quarter DigitalX Asset Management was pleased to announce that the DigitalX Bitcoin Fund was ranked the 3rd top-performing APAC-based cryptocurrency hedge fund in H1 2024 by Preqin. The DigitalX Bitcoin Fund and our DigitalX Digital Asset Fund were also ranked the 2nd and 5th top-performing APAC-based cryptocurrency hedge funds in Q1 2024 by Preqin.

The DigitalX Bitcoin Fund also managed to secure a ranking as the number two best performing fund by independent research house SQM Research over a 1 year period.

DigitalX Asset Management was also pleased to announce that the DigitalX Bitcoin Fund was awarded Highly Commended at the Financial Newswire Fund Manager of the Year Awards 2024.

Source: SQM Research, as at September 2024. <https://sqmresearch.com.au/funds/>

Source: Preqin Insights, as at September 2024. <https://www.preqin.com/insights/research/quarterly-updates/q2-2024-apac>

DigitalX Real World Asset Tokenisation Fund

Since launching the RWAx Fund in June of 2023, the Company continues to focus on securing cornerstone investors, identifying distribution channels and improving the operational efficiency of the investment selection process.

Since seeding the RWAx Fund the NAV has grown 0.82% in the quarter. Discussions are ongoing to expand this Australian-first funds management product, both domestically and internationally to investors.

SELL MY SHARES

Revenue Generation

Sell My Shares continues to perform strongly, generating \$676k in revenue over the quarter. This was a decrease of (4.2%) from the previous quarter. Although there was a decrease in revenue quarter on quarter, July produced the highest monthly revenue figure on record with SMS recording \$306k in the month of July alone.

PRODUCT DEVELOPMENT

The product team actively advanced the capabilities of both the DigitalX Fund and RWAX Fund over the quarter, while also refining and upgrading the tools that support the Sell My Shares business.

CORPORATE

Treasury

The value of the Company's digital asset treasury holdings (including fund units) decreased by \$0.35m or 1.01% over the three-month period, from \$35.05m at the end of June 2024 to \$34.69m at the close of the September 2024 quarter.

Mt Gox

On the 9th of July 2024, the Company was notified that its application for summary judgement in this matter was not granted, however Mr Alex Karis has been ordered to provide security for the Company's costs of the proceeding for the period until completion of discovery and court-directed mediation in the amount of \$150,000 by payment to the Court within 28 days of the date of the orders, and his claim against the Company is stayed until payment of that security.

Background - DigitalX is pursuing legal action to secure the rights to Bitcoin that has been recovered by the liquidators of historical crypto exchange, Mt Gox. Mt Gox began payments to investors in January and that is expected to roll out over coming months. In its September 2023 Quarterly Report, the Company noted that the determination of the Company's Bitcoin summary judgement is still reserved, with no time frame provided by the Court and no subsequent mediation date set. As at the date of this report, there is still no decision on the summary judgement from the Australian Federal Court.

- Ends-



Authorised by the Board of DigitalX Limited.

For further information, please contact:

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About DigitalX Limited (ASX:DCC)

DigitalX is a technology and investment company focused on growing the blockchain economy through its digital asset funds management business, digital fintech and regtech products, and blockchain ventures.

DigitalX's product team designs and develops blockchain technology applications for business and enterprise organisations.

Through its asset management division, DigitalX provides low-cost traditional asset management products for qualified investors looking to gain exposure to the growing alternative asset class of digital assets, including Bitcoin.

DigitalX is currently commercialising Drawbridge, the Company's first regtech solution which is supporting listed companies to better manage their compliance and corporate governance policies. With Drawbridge, companies can manage employee and director share trading approvals in order to safeguard their reputations.

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