

DIGITALX

# 2024 Annual Report

The builders of global digital finance

[digitalx.com](https://digitalx.com)

ASX:DCC

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# Letter from the Chairman

Dear Shareholders,

The results for Financial Year 2024 are disappointing. Amongst a return to strong digital asset prices and in a year where our two cornerstone funds were ranked in the top 3 performing funds in Australia, the financial year loss is simply disappointing. Notwithstanding that, the Company maintains a strong balance sheet and the fundamental building blocks to turn the financial result around.

The Company's two fundamental businesses, funds management and the Sell My Shares business, both performed well, with Sell My Shares continuing to break month-on-month records for transactions and revenues. As highlighted above, the Company's Bitcoin wholesale Fund and the wholesale Digital Asset Fund both performed extremely well, ranking as leading performers in the Australian market. However, growing new funds under management continued to be a challenge.

The Company's biggest move in Financial Year 2024 came to fruition in early July 2024, after the end of the Financial Year, with the listing of the Company's spot Bitcoin ETF on the Australian Securities Exchange. This was a truly remarkable achievement for the Company, to be the first Australian-based company to list a Bitcoin ETF on the ASX, and it speaks to the depth of knowledge and talent within the Company's ranks. Labeled 'the People's ETF', the Bitcoin ETF is the first opportunity Australian retail investors have had to gain direct exposure to Bitcoin on the ASX (other than buying DCC shares) without buying and holding the Bitcoin themselves. Heading into the new Financial Year, the Bitcoin ETF will form the cornerstone of our funds management business.

The digital asset space continues to evolve slowly, but it is clear that concepts and processes that are the centerpiece of digital asset technologies are slowly gaining traction and, importantly, understanding amongst the broader community. Real world asset tokenization continues to be a concept spoken about enthusiastically amongst the digital asset community, however it has been slower in its adoption in traditional investment markets. Notwithstanding that, DigitalX remains ready to be a first mover as this space continues to develop.

With the lessons from 2024 behind us, and with a very strong balance sheet underpinning our business, the Company's focus in the coming financial year will be on diligent cost control to ensure that as we continue to work on growing our revenues, the Company chooses the correct path back to break even and profitability for the benefit of all shareholders.

On behalf of the Board, I would like to thank shareholders for their continued support in 2024.

Sincerely

Toby Hicks

**Non-Executive Chair**

# Interim CEO Report

As Interim CEO since September 2024, my primary focus has been on understanding the required changes necessary in the business to reach profitability as quickly as possible. During the initial phase, I conducted a thorough analysis of the staff's activities and meticulously reviewed the FY25 budget

Based on this analysis, I have identified several short-term objectives critical for directing the business toward sustained profitability and summarised below.

1. Improve Sales capability
2. Assess the possible merger of the Bitcoin Fund into BTXX
3. Tighten SMS control environment and improve operational efficiency
4. Enhance product roadmap for Drawbridge
5. Launch global distribution and retail channels for the Real World Asset Tokenisation (RWAX) fund
6. Optimise and redirect marketing budget to focus on sales channels for BTXX and the active strategy DigitalX Fund
7. Explore low-risk opportunities to generate revenue from the Bitcoin held on the balance sheet
8. Ensure robust expense management processes in place.

I am actively monitoring progress on each of these short-term goals, whilst collaborating with the Board to identify and appoint a permanent CEO for DigitalX.

Regards

Greg Dooley

**Non-Executive Director and Interim CEO**

# Directors

The Company's 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 2024. Information contained within this report and the financial report is presented in Australian Dollars (\$AUD).

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



**Mr Peter Rubinstein**  
Non-Executive Director



**Mr Greg Dooley**  
Non-Executive Director

## **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

### **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**

- 9,002,965 fully paid ordinary shares.

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**Mr Peter Rubinstein**

Non-Executive Director

**Term of Appointment**

Appointed 10 July 2019

**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 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: biotech, digital payments and renewable energy.

Mr Rubinstein is also Chairman of EasyPark ANZ - an early adopter of the "Smart City" opportunities for digital parking, which recently launched in the city of Perth. He is also Chairman of Genetic Technologies Limited - a world leader in Genomics for assessment of risk of serious disease.

**Interests in securities held as at the date of the report**

- 37,847,777 fully paid ordinary shares.

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**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

## 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

- 1,773,601 fully paid ordinary shares.

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## Company Secretary

Mark Licciardo was appointed Company Secretary on 1 December 2023.

Mark was the founder and Managing Director of Mertons Corporate Services, and following Mertons' acquisition by Acclime, is Managing Director, Listed Company Services for Acclime Australia. Acclime provides a range of professional services including company secretarial and corporate governance consulting to ASX listed and unlisted public and private companies. He is also a former Company Secretary of ASX listed companies Transurban Group and Australian Foundation Investment Company Limited.

Mark holds a Bachelor of Business Degree (Accounting) and a Graduate Diploma in Company Secretarial Practice, is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia, and The Chartered Governance Institute.

# Highlights

## Corporate

- Treasury holdings (including cash and fund units) increased by \$19.1m or 88.7% over the 12 month period to \$40.6m.
- The value of the Company's 114.9 direct Bitcoin holdings (excluding fund units) increased by 61.6% to \$10.8m.
- In Mid-December 2023, DigitalX launched a Share Purchase Plan at \$0.046, which raised a total of \$1,885,108.10.
- In mid-March 2024, the Company launched a Private Placement at \$0.067, which raised a total of \$5,300,000.
- As part of the use of proceeds from both raises, the Company purchased up to \$1 million worth of units in its DigitalX Digital Asset Fund. An additional \$1 million was invested to seed the Company's Real World Asset Tokenisation Fund.
- The Company was pleased to announce the launch of its brand-new educational platform, the DigitalX Ed Hub in June 2024.

## Funds

- The total revenue earned from management and performance fees over the 12 month period amounted to \$756,198, a 188.1% increase (2023: \$262,516).
- Both the Company's flagship funds, the DigitalX Bitcoin Fund and the DigitalX Fund, increased 101.8% and 88.9% respectively during the 12 month reporting period ended June 2024.
- In January 2024, the Australian Financial Review reported that the DigitalX Bitcoin Fund and the DigitalX Fund were ranked the 1st and 3rd best performing Australian funds over 2023 by Morningstar.
- The DigitalX Bitcoin Fund retained its rating from prestigious research house SQM Research over the reporting period.
- On 12 January 2024, the application for DigitalX's Bitcoin ETF was lodged with the ASX by the fund's Responsible Entity, K2 Asset Management.

## Sell My Shares

- Sell My Shares continues to perform strongly, generating \$2.5m in revenue over FY24. This is the highest 12 month revenue figure on record and represented an increase of 26.1% (2023 \$1.98m).
- Sell My Shares continued its growing revenue trend over the period, completing over 10,000 trades.



- Sell My Shares in October 2023 transitioned to a new AFSL provider and executing broker to take advantage of operating efficiencies resulting in improved margins
- Total volume of Sell My Shares transactions hit \$360 million since acquisition in October 2021.

#### **Partnerships**

- On 13 November 2023 DigitalX was pleased to announce it had entered into a strategic partnership in the form of a non-binding Memorandum of Understanding with Canadian-regulated digital asset fund manager 3iQ.
- DigitalX announced that it would be working alongside ASX-listed K2 Asset Management to act as the Responsible Entity for its DigitalX Bitcoin ETF, leveraging their many years of experience in managing ASX-listed ETFs.
- On 14 May 2024 DigitalX announced that it had signed a distribution agreement with 3iQ Corp to promote and grow 3iQs QMAP product in the Asia-Pacific Region.

# Operating and financial review

DigitalX continued its strategic focus on growing revenues through its established business units, reducing costs and inefficiencies, and driving shareholder returns.

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

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

## Operating Results

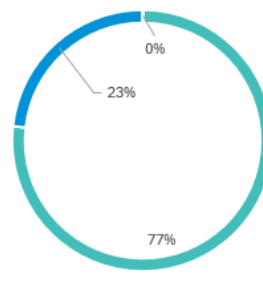
For the year ended 30 June 2024, the consolidated loss attributable to members of the consolidated entity before providing for income tax amounted to AUD\$4,792,901 (2023: loss of AUD\$7,584,749). Total comprehensive income for the year was AUD\$6,184,026, a significant improvement from the previous year's comprehensive loss of AUD\$3,415,538. This improvement is primarily attributable to an increase in the fair value of digital assets. The consolidated entity increased its revenue by \$987,282 or 44% from operations in 2024 to AUD\$3,255,469 (2023: AUD\$2,268,187), with the Sell My Share Business increasing its revenue by \$517,720 or 26% and the funds business \$493,682 or 188%. Diluted earnings per share also improved to -0.61 cents (2023: -1.02). The consolidated entity's net assets increased substantially to AUD\$37,028,273 (2023: AUD\$23,937,582), an increase of 55% and net tangible assets per share increased by 38% to 4.03 cents per share (2023: 2.92 cents per share).

Asset Allocation



|                                   |               |
|-----------------------------------|---------------|
| Cash                              | \$ 6,054,713  |
| Digital Assets                    | \$ 48,874,582 |
| Intangibles (including ROU asset) | \$ 2,386,190  |
| Investments                       | \$ 497,720    |
| Other                             | \$ 800,630    |

Segment revenue



|                     |
|---------------------|
| Product Development |
| Funds Management    |
| Other               |

### **Likely developments and expected results of operations**

Looking forward, DigitalX is well placed to capitalise on its strengthened financial position and continue its efforts of driving revenue growth through its digital assets funds management business via its wholesale and new Bitcoin ETF (BTXX) retail channel, Sell my Shares Business and Web 3.0 channels. With a continued focus on educating the market on digital assets, focus on optimising operating costs and driving shareholder value.

Refer to the Operating and Financial Review and the CEO Outlook, which form part of the Directors report, for further detail on company performance and further detail on the company's strategic direction.

# Corporate

## Treasury

The Company's digital asset treasury holdings (including fund units) increased by \$19.1 million or 88.7% over the 12 month period, from \$22.5 million at the end of June 2023 to \$40.6 million at 30 June 2024. The increase in value can be attributed to the appreciation in the price of Bitcoin and broader digital assets, namely due to increased demand from retail and institutional investors following the US Securities and Exchange Commission's approval of US-based spot Bitcoin ETFs in early January 2024.

The price of Bitcoin increased 106.3% over the 12 month period to AU\$94,052, while the value of the Company's Bitcoin holdings increased by 61.6%. The discrepancy in performance of the Company's treasury holdings was due in large part to DigitalX management selling down a portion of its Bitcoin holdings held in Treasury (~23%) in September 2023. As at 30 June 2024, DigitalX Limited held 114.9 BTC in its treasury (not including fund units).

## Private Placement

In mid-March 2024, the Company launched a Private Placement to raise \$3,000,000 (before costs). Having generated significant interest and receiving strong support from new and existing institutional and sophisticated investors, the Company raised a total of \$5,300,000 under the Placement. The Company issued 79,104,479 new DCC Ordinary Shares at a price of \$0.067 per share, with 89,104,479 attached options exercisable at \$0.10 which expire 30 September 2024. The Issue Price represented a discount of 19.2% to the closing Share Price of \$0.083 on 13 March 2024.

## Share Purchase Plan

In mid-December 2023, the Company launched a Share Purchase Plan to raise up to \$2.5 million. The Plan entitled Eligible Shareholders, irrespective of the size of their shareholding in DigitalX, to purchase up to \$30,000 worth of Shares at an issue price of \$0.046 per Share. As at the closing date of 25 January 2024, the Company was pleased to announce that it raised a total of \$1,885,108.10, with 40,980,513 new DCC Ordinary Shares issued to eligible applicants. Each of the Company's Directors elected to subscribe for their full entitlement under the SPP.

## **Use of Proceeds from Company Raises**

As part of the use of proceeds from both raises, the Company purchased \$1 million worth of units in its DigitalX Digital Asset Fund and an additional \$1 million was invested to seed the Company's DigitalX Real World Asset Tokenisation Fund (RWAX). The balance of funds raised is being used for working capital.

## **Environment, Social and Governance (ESG)**

The ESG Dashboard (provided by ESG technology partner, Socialsuite) provides a snapshot of DigitalX's progress to 30 June 2024. The Company recognises the impact of its activities and is committed to implementing ESG awareness across its activities. The business has a number of assessments to be carried out by SocialSuite over the coming quarter.

## **Mt Gox**

DigitalX is pursuing legal action to secure the rights to Bitcoin that has been recovered by the liquidators of historical crypto exchange, Mt Gox. During the reporting period, the Company was awaiting the decision of the Federal Court of Australia on the Company's summary judgment application in this matter. Following the end of the reporting period, the Court released its decision, which was announced on 9 July 2024. [announcement link](#)

## **DigitalX Education Hub**

The Company was pleased to announce the launch of the [DigitalX Ed Hub](#) over the final quarter. The DigitalX Ed Hub is the Company's brand new educational platform designed to empower and educate investors about the dynamic world of digital assets.

The initiative was led by the Company's recognition of the importance of providing robust educational resources to support informed investment decisions.

# Business Unit Performance

## DigitalX Asset Management

| Name     | Value (\$USD) as at 30 June 2024 |
|----------|----------------------------------|
| Bitcoin  | \$60,931                         |
| Ethereum | \$3,375                          |

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

With the recently approved US-based spot Bitcoin ETFs posting assets under management of up to ~US\$53.5 billion in under 6 months, the price of Bitcoin managed to surpass US\$73,000 during March 2024, achieving a new all time high. At the conclusion of the period, funds under management increased to \$37.6 million, representing a period-on-period increase of 86.2% due to the continued volatility in digital asset prices continuing into the 2024 financial year.

Both the Company's flagship Funds in the DigitalX Bitcoin Fund ("DXBF") and the DigitalX Fund ("DXF") increased 101.8% and 88.9% during the 12 month reporting period ended June 2024. By comparison, the S&P Cryptocurrency Top 10 Equal Weight Index (AUD) increased 82.4%, AUD gold rose 21.3%, and the All Ordinaries Index increased 8.3% over the 12 month period ended 30 June 2024.

In January 2024, the Australian Financial Review reported that the DigitalX Bitcoin Fund and the DigitalX Fund were ranked the 1st and 3rd best performing Australian funds over 2023 by Morningstar. The DigitalX Bitcoin Fund returned 149.0%, while the DigitalX Fund returned 116.1% over the calendar year ending 31 December 2023.

During the reporting period, DigitalX Asset Management was pleased to announce that the DigitalX Fund and DigitalX Bitcoin Fund were ranked 3rd and 4th among the top-performing APAC cryptocurrency hedge funds for Q4 2023 by Preqin, and 3rd and 5th for H2 2023. In Q1 2024, the DigitalX Bitcoin Fund and DigitalX Fund maintained strong performance, ranking 2nd and 5th respectively. Additionally, the DigitalX Bitcoin Fund concluded the H1 period ending 30 June 2024 as the 3rd top-performing fund.

The Company was pleased to have the DigitalX Bitcoin Fund retain its rating from prestigious research house SQM

Research over the reporting period. The DigitalX Bitcoin Fund managed to maintain its ranking as the number one performing fund by independent research house SQM Research over both a 1 year and 3 year annualised period, as at the conclusion of June 2024. All DigitalX Fund assets are secured with an institutional grade custodian with insurance.

As part of the DigitalX Fund Quarterly Performance Fee announcement released to market on 12 April 2024, as at the Quarter ending March 2024 the DigitalX Fund earned a quarterly performance fee of \$271,883. As per the DigitalX Fund IM this fee is accrued monthly and locked in when quarterly performance surpasses the high water mark. With the addition of the performance fee, the total revenue earned from management and performance fees over the 12 month period amounted to \$756,198, a 188.1% increase from FY23's \$262,516.

DigitalX continues to demonstrate that it offers a safe pair of hands for investors seeking exposure to digital assets. Digital asset management presents new risks and requires a distinctly unique set of skills, such as new investment processes, understanding of digital wallets, secure asset storage, and methods of valuing assets via real-time on-chain data. All DigitalX fund assets are secured with an institutional grade custodian with insurance.

### **DigitalX Bitcoin ETF (ASX: BTXX)**

On 12 January 2024, the application for DigitalX's Bitcoin ETF was lodged with the ASX by the fund's Responsible Entity, K2 Asset Management. The application follows the Company's November Quarterly announcement that stated that DigitalX intends to be launching a spot Bitcoin ETF on the ASX. This was in partnership with K2 Asset Management (an ASX-listed diversified financial services firm with \$4 billion in assets under management) and 3iQ (Canadian digital asset manager with 10+ years investment experience).

Subsequent to the conclusion of the period, DigitalX Asset management successfully launched its flagship spot Bitcoin ETF on the Australian Securities Exchange (ASX). The ETF commenced trading on the ASX on 12 July 2024.

### **DigitalX Real World Asset Tokenisation Fund (RWAx)**

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

Incorporating feedback from various investment groups and financial institutions, the Fund has been able to create a portfolio with enhanced returns and liquidity to meet 30-day redemptions, and has now been seeded with \$1m. Discussions are ongoing to expand this Australian-first funds management product to offer investors exposure to multiple pools of digital tokens backed by different classes of traditional assets, distributed domestically and internationally to investors.

## **Sell My Shares**

Sell My Shares continues to perform strongly, generating \$2.5 million in revenue over FY24 (2023: \$1.98 million). This is the highest 12 month revenue figure on record with SMS recording a great result in the 2024 financial year, increasing 26.1% from FY23.

Sell My Shares continued its growing revenue trend over the period, completing over 10,000 trades (2023: 8,400). Total volume of Sell My Shares transactions was greater than \$360 million since acquisition in October 2021. Overall, the strategic initiatives executed by current management have been the primary reason for the increase to Sell My Shares revenue. A referral link to our partner, Raiz, has also gone live via the Sell My Shares website and email correspondence with customers, which generates income through a commission arrangement.

As part of the Company's new strategic initiatives, Sell My Shares transitioned in October 2023 its AFSL provider and executing broker. The transition has resulted in improved margins of >10%.

## **Product Development**

### **Investment Process Automation - DigitalX Playlist**

The team continued work on encoding the portfolio composition component of the investment process, which is called the DigitalX "Playlist". The team is exploring and prototyping decentralised alternatives to traditional methods of portfolio construction, sourcing and analysis of asset data. The development is being conducted internally and with partners, including the Digital Finance CRC (DFCRC). This approach presents opportunities for comparative assessment, synergies, and differentiation across DigitalX product offerings. It may also provide additional revenue opportunities that are complementary to traditional Funds Under Management models.

### **Digital Distribution Channels**

The product team continues assisting with identifying and prototyping distribution options for the Company's RWAX Fund. This is to support scaling customer access for the target customer segments and asset classes selected by the Funds business. During the quarter this included creating a roadmap of opportunities and requirements to be able to facilitate offshore and onshore distribution platforms.

### **Retail Support**

The team continued to support the DigitalX Bitcoin ETF launch with project processes and tooling. In addition, the product team is participating in a process review of the SMS business with a view to enhancing SMS's tooling.



# Strategic Partnerships

On 13 November 2023, DigitalX announced that it had entered into a strategic partnership in the form of a non-binding Memorandum of Understanding (“MoU”) with Canadian-regulated digital asset fund manager 3iQ to work on the distribution of its digital asset investments products and to investigate and undertake the work to launch a spot Bitcoin ETF on the ASX.

Following ongoing discussions, DigitalX and 3iQ identified the desire to work together to develop and distribute their digital asset investment solutions in Australia and internationally. The MoU enables DigitalX and 3iQ to leverage each other's digital asset investment expertise and global distribution networks for its existing products, as well as collaborate on future fund product development. This aligned with the Company's 14 May 2024 announcement which stated that DigitalX and 3iQ had signed a distribution agreement to promote and grow 3iQs QMAP product in the Asia-Pacific Region.

The Agreement details that DigitalX will receive a referral fee for introducing potential investors to 3iQ's QMAP platform, with the intention of generating revenue for the Product within the territory of Australia and the broader Asia-Pacific (APAC) region, excluding Japan.

During the period, DigitalX also announced that it would be working alongside ASX-listed K2 Asset Management to act as the Responsible Entity for the DigitalX Bitcoin ETF, leveraging their many years of experience in managing ASX-listed ETFs, compliance systems, and Australian financial services licence requirements.

On 5 April 2024, DigitalX announced via its social media channels, an exclusive partnership with Liquidity. The partnership allows Liquidity members the ability to invest directly through the platform into DigitalX's own wholesale fund products, including the DigitalX Fund and DigitalX Bitcoin Fund.



The directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of DigitalX Limited (referred to hereafter as 'DigitalX' or the 'company') and the entities it controlled at the end of, or during, the year ended 30 June 2024. Information contained within this report and the financial statements is presented in Australian Dollars (\$AUD).

### **Directors**

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

|                  |                        |
|------------------|------------------------|
| Toby Hicks       | Non-Executive Chair    |
| Peter Rubinstein | Non-Executive Director |
| Greg Dooley      | Non-Executive Director |

### **Principal activities**

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

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

### **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.

References made to the DigitalX Bitcoin Fund, DigitalX Digital Asset Fund and DigitalX Real World Assets Tokenisation Fund ('RWAX') (previously known as the DigitalX Asset Reference Token Fund) will be herein collectively referred to as the 'funds'.



## Key Risks

## Impact

## Mitigation

Price risk of digital assets

The consolidated entity 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 consolidated entity'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 an acquisition or divestment perspective. The funds business will review the holdings monthly as part of the investment committee process and limits exposure to any one asset to 40% in line 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 a best-in-class custodian (Bitgo) 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 prior 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.



| Key Risks                     | Impact                                                                                                                                                                                                                                                                                                                     | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. | <p>During the period the company migrated its core technology infrastructure to a Tier 1 service provider with carbon neutral emissions from its data centres.</p> <p>The consolidated entity has also begun commencing offset the carbon emissions from its Bitcoin holding as disclosed in its ESG Baseline Report.</p> <p>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.</p> |
| 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.                                                          |

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

**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 2024.

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's directors and its executives.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

**Principles used to determine the nature and amount of remuneration**

For the year ended 30 June 2024, the Board of Directors ('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.



### 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 performance rights during the financial year under her executive services agreement.

### Long term incentives (LTI)

There were no LTI issued for the year ended 30 June 2024.

### Performance metrics

At 30 June 2024, the following STI were in place with performance metrics:

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

At 30 June 2024, there were no LTI in place with performance metrics.

### Relationship between the remuneration policy and company performance

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 2024 the total remuneration is reflective of the remuneration strategy with adjustments made to reflect the current state of the consolidated entity and the change in performance from the previous year, this is evident from the relationship between:



- Total KMP reported remuneration decreased 28.0% from \$948,977 to \$683,303, primarily reflective of reduced number of KMP in the current year. This reduction in KMP aligns with the company's strategic decision to streamline the executive team and improve operational efficiency. This is reflected in the reduction in operating expenditure (excluding fund management expenses and non-cash items) relative to income, which saw a 17% improvement over the same period. Total base remuneration (including other benefits) was down 27.9% from \$761,480 to \$549,189, aligned with the above reduction in KMP. At-risk remuneration was down 28.5% from \$187,496 to \$134,113, in line with the share-based compensation granted during the financial year, which reduced in line with the reduction in members of KMP.
- Decrease in vested at-risk remuneration to \$66,398 from \$95,328 (30.3% decrease from the prior year) reflects the company's performance against key performance indicators (KPIs) such as achievement of a cash flow positive run rate, funds under management hurdles and improvement in the employee net promoter ('eNPS') score. This decrease demonstrates the direct link between the company's performance and the remuneration outcomes for the Executive Team, ensuring that remuneration is aligned with the shareholders' interests.

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

#### **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). The maximum aggregate directors fee pool limit is \$350,000 which was approved on 21 November 2019.

For the year ended 30 June 2024, all non-executive directors received a base fee of \$AUD50,000 exclusive of entitlements, the chairman is entitled to an additional \$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 2024 is detailed in the 'Details of remuneration' table of this report. The consolidated entity may carry out consulting activities with the directors on an arm's length basis in the normal course of business.

#### **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.

#### **Use of remuneration consultants**

During the financial year ended 30 June 2024, the consolidated entity, did not engage the services of a remuneration consultant.

#### **Details of remuneration**

##### **Key Management Personnel**

The Key Management Personnel ('KMP') of the consolidated entity consist of the Board and Executives. This is the case due to the size and scale of the consolidated entity'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.

| <b>KMP</b>                            | <b>Position</b>                     | <b>Status</b>     | <b>Term as KMP</b> |
|---------------------------------------|-------------------------------------|-------------------|--------------------|
| Toby Hicks                            | Chairman and Non-Executive Director | Non-Executive KMP | Full Year          |
| Peter Rubinstein                      | Non-Executive Director              | Non-Executive KMP | Full Year          |
| Greg Dooley                           | Non-Executive Director              | Non-Executive KMP | Full Year          |
| Lisa Wade (resigned 3 September 2024) | Chief Executive Officer             | Executive KMP     | Full Year          |

#### **Amounts of remuneration**

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.



|                                        | Short-term benefits  |               |                | Post-employment benefits | Long-term benefits | Share-based payments                        |                 |         |
|----------------------------------------|----------------------|---------------|----------------|--------------------------|--------------------|---------------------------------------------|-----------------|---------|
|                                        | Cash salary and fees | Director fees | Other benefits | Super-annuation          | Long service leave | Options and performance rights <sup>1</sup> | Ordinary shares | Total   |
|                                        | \$                   | \$            | \$             | \$                       | \$                 | \$                                          | \$              | \$      |
| <b>2024</b>                            |                      |               |                |                          |                    |                                             |                 |         |
| <i>Non-Executive Directors:</i>        |                      |               |                |                          |                    |                                             |                 |         |
| Toby Hicks                             | -                    | 75,000        | -              | 8,250                    | -                  | -                                           | -               | 83,250  |
| Peter Rubinstein                       | -                    | 50,000        | -              | 5,500                    | -                  | -                                           | -               | 55,500  |
| Greg Dooley                            | -                    | 49,980        | -              | 5,500                    | -                  | -                                           | -               | 55,480  |
| <i>Other Key Management Personnel:</i> |                      |               |                |                          |                    |                                             |                 |         |
| Lisa Wade <sup>2, 3</sup>              | 353,691              | -             | -              | 1,269                    | -                  | 96,513                                      | 37,600          | 489,073 |
|                                        | 353,691              | 174,980       | -              | 20,519                   | -                  | 96,513                                      | 37,600          | 683,303 |

<sup>1</sup> Refer to 'Share options and performance rights granted to key management personnel' and 'Shareholdings of key management personnel' for additional details.

<sup>2</sup> On 25 July 2023, Ms Wade's contract was varied from an Executive Services Agreement, to a Contractor Agreement. Therefore, superannuation paid above is reflective of statutory superannuation paid during Ms Wade's tenure under the Executive Services Agreement for the current financial year.

<sup>3</sup> Resigned 3 September 2024.

|                                        | Short-term benefits  |               |                | Post-employment benefits | Long-term benefits | Share-based payments           | Short-term benefits |         |
|----------------------------------------|----------------------|---------------|----------------|--------------------------|--------------------|--------------------------------|---------------------|---------|
|                                        | Cash salary and fees | Director fees | Other benefits | Super-annuation          | Long service leave | Options and performance rights | Cash bonus          | Total   |
|                                        | \$                   | \$            | \$             | \$                       | \$                 | \$                             | \$                  | \$      |
| <b>2023</b>                            |                      |               |                |                          |                    |                                |                     |         |
| <i>Non-Executive Directors:</i>        |                      |               |                |                          |                    |                                |                     |         |
| Toby Hicks                             | -                    | 68,750        | -              | 7,219                    | -                  | -                              | -                   | 75,969  |
| Peter Rubinstein                       | -                    | 45,833        | -              | 4,813                    | -                  | -                              | -                   | 50,646  |
| Greg Dooley                            | -                    | 54,153        | -              | 4,813                    | -                  | -                              | -                   | 58,966  |
| <i>Other Key Management Personnel:</i> |                      |               |                |                          |                    |                                |                     |         |
| Lisa Wade                              | 300,000              | -             | 20,942         | 25,292                   | -                  | 127,196                        | 11,538              | 484,968 |
| Jonathon Carley                        | 123,679              | -             | (36,880)       | 9,773                    | -                  | 20,150                         | -                   | 116,722 |
| David Beres                            | 142,020              | -             | (24,030)       | 15,104                   | -                  | 20,150                         | 8,462               | 161,706 |
|                                        | 565,699              | 168,736       | (39,968)       | 67,014                   | -                  | 167,496                        | 20,000              | 948,977 |



|  | 30 June 2024 | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 |
|--|--------------|--------------|--------------|--------------|--------------|
|  | \$AUD        | \$AUD        | \$AUD        | \$AUD        | \$AUD        |

|                                          |             |             |             |           |             |
|------------------------------------------|-------------|-------------|-------------|-----------|-------------|
| Revenue and other income from operations | 3,609,833   | 2,293,767   | 2,536,586   | 9,985,893 | 554,210     |
| Net profit/(loss) before tax             | (4,792,901) | (7,584,749) | (2,839,468) | 6,756,954 | (7,108,771) |
| Total reported in remuneration report    | 683,303     | 948,977     | 856,560     | 1,334,879 | 934,692     |
| Remuneration - base                      | 549,190     | 761,481     | 787,965     | 774,008   | 574,173     |
| Remuneration - at risk                   | 96,513      | 167,496     | 68,594      | 560,871   | 360,519     |

|  | 30 June 2024 | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 |
|--|--------------|--------------|--------------|--------------|--------------|
|  | Cents        | Cents        | Cents        | Cents        | Cents        |

|                                   |         |         |         |       |         |
|-----------------------------------|---------|---------|---------|-------|---------|
| Basic earnings/(loss) per share   | (0.610) | (1.020) | (0.380) | 1.000 | (0.800) |
| Diluted earnings/(loss) per share | (0.610) | (1.020) | (0.380) | 1.000 | (0.800) |
| Share price at the start of year  | 4.100   | 2.600   | 4.900   | 1.700 | 5.500   |
| Share price at the end of year    | 4.100   | 4.100   | 2.600   | 4.900 | 1.700   |

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                            | Fixed remuneration |      | At risk - STI |      | At risk - LTI |      |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
|                                 | 2024               | 2023 | 2024          | 2023 | 2024          | 2023 |
| <b>Non-Executive Directors:</b> |                    |      |               |      |               |      |
| Toby Hicks                      | 100%               | 100% | -             | -    | -             | -    |
| Peter Rubinstein                | 100%               | 100% | -             | -    | -             | -    |
| Greg Dooley                     | 100%               | 100% | -             | -    | -             | -    |

**Other Key Management Personnel:**

|                                                    |     |     |     |     |   |   |
|----------------------------------------------------|-----|-----|-----|-----|---|---|
| Lisa Wade (resigned 3 September 2024)              | 73% | 71% | 27% | 29% | - | - |
| Jonathon Carley (ceased as KMP on 31 October 2022) | -   | 83% | -   | 17% | - | - |
| David Beros (ceased as KMP on 3 February 2023)     | -   | 82% | -   | 18% | - | - |

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

|                      |                                                                                                                                                                                                                                                                                                                                     |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                | Ms Lisa Wade (resigned 3 September 2024)                                                                                                                                                                                                                                                                                            |
| Title:               | Chief Executive Officer                                                                                                                                                                                                                                                                                                             |
| Agreement commenced: | 24 February 2022 (amended 25 July 2023)                                                                                                                                                                                                                                                                                             |
| Term of agreement:   | The employment will be ongoing until it is terminated in accordance with Ms Wade's Contractor Agreement (the 'Agreement'). The Agreement may be terminated by either party giving 3 months' written notice. Ms Wade will be under restraint and non-solicitation clauses for up to 6 months after the termination of the Agreement. |
| Details:             | On 25 July 2023, Ms Wade's contract was varied from an Executive Services Agreement, to a Contractor Agreement. Below covers the key details prior to and post the date of the contract variation.                                                                                                                                  |

**From 25 July 2023:** Ms Wade's salary is \$AUD330,000 per annum (exclusive of GST) and her reasonable expenses, will also be paid by the company. The company is not responsible for superannuation contributions on behalf of Ms Wade.

**24 February 2022 to 24 July 2023:** Ms Wade's 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.

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





Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### **Share-based compensation**

#### *Issue of shares*

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

| Name                                     | Shares  | Date            | Issue price | Fair value<br>\$ |
|------------------------------------------|---------|-----------------|-------------|------------------|
| Lisa Wade<br>(resigned 3 September 2024) | 800,000 | 2 February 2024 | \$0.047     | 37,000           |

Shares granted as part of remuneration were not subject to performance conditions and were awarded at the discretion of the Board for the year ended 30 June 2024.

#### *Options*

Details of options over ordinary shares granted and vested for directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

| Name       | Number of<br>options<br>granted | Grant date   | Vesting date<br>and<br>exercisable<br>date | Expiry date   | Exercise<br>price | Fair value<br>per option<br>at grant<br>date | % vested<br>% | Max value<br>yet to vest<br>\$ |
|------------|---------------------------------|--------------|--------------------------------------------|---------------|-------------------|----------------------------------------------|---------------|--------------------------------|
| Lisa Wade* | 1,415,094                       | 4 April 2022 | 4 April 2024                               | 11 April 2027 | \$0.091           | \$0.059                                      | 100.00%       | -                              |
| Lisa Wade* | 1,470,588                       | 4 April 2022 | 4 April 2025                               | 11 April 2027 | \$0.118           | \$0.057                                      | 77.46%        | 18,892                         |
| Lisa Wade* | 1,530,612                       | 4 April 2022 | 4 April 2026                               | 11 April 2027 | \$0.153           | \$0.054                                      | 57.57%        | 35,073                         |
| Lisa Wade* | 1,630,435                       | 4 April 2022 | 4 April 2027                               | 11 April 2027 | \$0.199           | \$0.052                                      | 45.80%        | 45,952                         |

\*Resigned 3 September 2024.

Options granted carry no dividend or voting rights.

#### *Performance rights*

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name                      | Number of<br>rights granted | Grant date       | Vesting date | Expiry date  | Fair value<br>per right at<br>grant date* | % vested<br>% | Max value<br>yet to vest<br>\$ |
|---------------------------|-----------------------------|------------------|--------------|--------------|-------------------------------------------|---------------|--------------------------------|
| Lisa Wade <sup>1, 2</sup> | 2,410,713                   | 17 November 2023 | 30 June 2024 | 15 July 2024 | \$0.048                                   | -             | 115,714                        |
| Lisa Wade <sup>1, 2</sup> | 2,410,713                   | 17 November 2023 | 30 June 2024 | 15 July 2024 | \$0.048                                   | -             | 115,714                        |
| Lisa Wade <sup>1, 2</sup> | 535,714                     | 17 November 2023 | 30 June 2024 | 15 July 2024 | \$0.048                                   | -             | 25,714                         |

<sup>1</sup> Rights did not vest at 30 June 2024, therefore nil expense has been recorded as a vesting charge during the year ended 30 June 2024.

<sup>2</sup> Resigned 3 September 2024.

\* The value at grant date is calculated in accordance with AASB 2 Share-based Payment for performance rights granted during the year as part of remuneration. No performance rights granted were exercised during the financial year.

Performance rights granted carry no dividend or voting rights.



|                                       | Options and<br>rights*<br>\$ | Total opportunity<br>Ordinary<br>shares<br>\$ | Cash<br>\$ | Expected to be<br>Awarded<br>% | Forfeited<br>% |
|---------------------------------------|------------------------------|-----------------------------------------------|------------|--------------------------------|----------------|
| 2024                                  |                              |                                               |            |                                |                |
| Lisa Wade (resigned 3 September 2024) | 353,656                      | 37,600                                        | -          | 34%                            | 66%            |

\* The value at grant date is calculated in accordance with AASB 2 *Share-based Payment* for performance rights granted during the year as part of remuneration. No performance rights granted were exercised during the financial year.

### Additional disclosures relating to key management personnel

#### Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                       | Balance at<br>the start of<br>the year | Received<br>as part of<br>remuneration | Additions | Net other<br>changes | Balance at<br>the end of<br>the year |
|---------------------------------------|----------------------------------------|----------------------------------------|-----------|----------------------|--------------------------------------|
| <b>30 June 2024</b>                   |                                        |                                        |           |                      |                                      |
| <i>Ordinary shares</i>                |                                        |                                        |           |                      |                                      |
| Toby Hicks                            | 8,350,792                              | -                                      | 652,173   | -                    | 9,002,965                            |
| Peter Rubinstein                      | 37,195,604                             | -                                      | 652,173   | -                    | 37,847,777                           |
| Greg Dooley                           | 871,428                                | -                                      | 652,173   | -                    | 1,523,601                            |
| Lisa Wade (resigned 3 September 2024) | 500,000                                | 800,000                                | -         | -                    | 1,300,000                            |
| Total                                 | 46,917,824                             | 800,000                                | 1,956,519 | -                    | 49,674,343                           |

#### Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                       | Balance at<br>the start of<br>the year | Granted | Exercised | Expired/<br>forfeited/<br>other | Balance at<br>the end of<br>the year |
|---------------------------------------|----------------------------------------|---------|-----------|---------------------------------|--------------------------------------|
| <b>30 June 2024</b>                   |                                        |         |           |                                 |                                      |
| <i>Options over ordinary shares</i>   |                                        |         |           |                                 |                                      |
| Toby Hicks                            | 2,500,000                              | -       | -         | (2,500,000)                     | -                                    |
| Peter Rubinstein                      | 4,500,000                              | -       | -         | (4,500,000)                     | -                                    |
| Greg Dooley                           | 2,500,000                              | -       | -         | (2,500,000)                     | -                                    |
| Lisa Wade (resigned 3 September 2024) | 6,046,729                              | -       | -         | -                               | 6,046,729                            |
| Total                                 | 15,546,729                             | -       | -         | (9,500,000)                     | 6,046,729                            |

#### Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                                | Balance at<br>the start of<br>the year | Granted   | Vested | Expired/<br>forfeited/<br>other | Balance at<br>the end of<br>the year |
|------------------------------------------------|----------------------------------------|-----------|--------|---------------------------------|--------------------------------------|
| <b>30 June 2024</b>                            |                                        |           |        |                                 |                                      |
| <i>Performance rights over ordinary shares</i> |                                        |           |        |                                 |                                      |
| Lisa Wade (resigned 3 September 2024)          | 5,357,141                              | 5,357,140 | -      | (5,357,141)                     | 5,357,140                            |
| Total                                          | 5,357,141                              | 5,357,140 | -      | (5,357,141)                     | 5,357,140                            |

#### Other transactions with key management personnel and their related parties

During the year, the consolidated entity paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD45,565 for legal services rendered on various matters.

#### Future remuneration developments

The directors note at last year's Annual General Meeting the Remuneration report passed with 94.60% voting for its adoption and there were no comments on the Remuneration Report. There are no future developments planned.



***This concludes the remuneration report, which has been audited.***

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and the Risk Committee held during the year ended 30 June 2024, and the number of meetings attended by each director and/or committee member were:

|                   | Full Board |      | Risk Committee |      |
|-------------------|------------|------|----------------|------|
|                   | Attended   | Held | Attended       | Held |
| Peter Rubinstein  | 15         | 15   | -              | -    |
| Toby Hicks        | 14         | 15   | -              | -    |
| Greg Dooley       | 15         | 15   | 4              | 4    |
| Lisa Wade         | -          | -    | 4              | 4    |
| Frances Cranston* | -          | -    | 4              | 4    |

Held: represents the number of meetings held during the time the director or committee member held office.

\* Frances Cranston was the company's Chief Risk Officer until her date of resignation on 12 July 2024. Ms. Cranston was engaged by the company under a contractor arrangement and was not deemed a member of key management.

### Shares under option

Unissued ordinary shares of DigitalX Limited under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|------------|-------------|----------------|---------------------|
| 18/12/2020 | 18/12/2024  | \$0.100        | 1,000,000           |
| 11/04/2022 | 11/04/2027  | \$0.091        | 1,415,094           |
| 11/04/2022 | 11/04/2027  | \$0.118        | 1,470,588           |
| 11/04/2022 | 11/04/2027  | \$0.153        | 1,530,612           |
| 11/04/2022 | 11/04/2027  | \$0.199        | 1,630,435           |
| 05/07/2022 | 29/08/2025  | \$0.110        | 5,240,000           |
| 12/05/2023 | 12/05/2027  | \$0.100        | 9,000,000           |
| 26/03/2024 | 30/09/2024  | \$0.100        | 89,104,479          |
|            |             |                | <u>110,391,208</u>  |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

### Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

### Shares under performance rights

Unissued ordinary shares of DigitalX Limited under performance rights at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under rights |
|------------|-------------|----------------|---------------------|
| 17/11/2023 | 15/07/2024  | \$0.000        | 6,392,509           |
| 17/11/2023 | 15/07/2024  | \$0.000        | 6,392,522           |
| 17/11/2023 | 15/07/2024  | \$0.000        | 535,714             |
| 08/05/2024 | 30/06/2025  | \$0.000        | 2,500,000           |
|            |             |                | <u>15,820,745</u>   |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.



### **Shares issued on the exercise of performance rights**

There were no ordinary shares of DigitalX Limited issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

### **Indemnity and insurance 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 consolidated entity, 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.

### **Matters subsequent to the end of the financial year**

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

#### **Date of event**

#### **Details of event**

1 July 2024

- The company announced the expiry of 5,000,000 options without exercise, with a date of cessation being 30/06/2024.

9 July 2024

- The company confirmed that on 9 July 2024 the Federal Court of Australia handed down Orders in relation to the company's application for summary judgement in the matter between two of the company's subsidiaries and Mr Alex Karis, a former director of the company. The company's application for summary judgement in the matter was not granted, however Mr Karis has been ordered to provide security for the company's costs of the proceeding for the period until completion of discovery and court-directed mediation in the amount of \$150,000 by payment to the Court within 28 days of the date of the orders, and his claim against the company is stayed until payment of that security.

9 July 2024

- The company announced the approval of its DigitalX spot Bitcoin ETF ("ASX:BTXX") for quotation on the Australian Stock Exchange ("ASX"). The DigitalX Bitcoin ETF provides a simple, liquid and regulated structure for investors to gain exposure to the emerging digital asset sector without the requirement to hold a digital wallet. The DigitalX Bitcoin ETF commenced trading on 12 July 2024

3 September 2024

- Lisa Wade tendered her resignation as CEO and with agreement of the Board left the company on 3 September 2024. Mr Greg Dooley, Non- Executive Director, has been appointed as Interim Chief Executive Officer on a part time basis. At present, and pursuant to ASX listing Rule 3.14.4, Mr Dooley will receive remuneration of \$10,000 per month in addition to his current Director fees. It is expected that Mr Dooley's appointment will be for a period of no more than six months.

30 September 2024

- Due to the volatile nature and the materiality of the digital assets held, we disclose the value of material digital assets held by the consolidated entity, excluding the DigitalX Fund and DigitalX BTC Fund and unlisted digital assets, as at the close date of the 30 September 2024.



| Coin | Number of coins held at 30 June 2024 | \$AUD Spot price at 30 June 2024 | \$AUD Spot price at 30 September 2024 | \$AUD Pro-forma impact |
|------|--------------------------------------|----------------------------------|---------------------------------------|------------------------|
| BTC  | 114.90                               | 94,024                           | 95,192                                | 134,169                |

#### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

|                                              | Consolidated<br>2024<br>\$ | 2023<br>\$ |
|----------------------------------------------|----------------------------|------------|
| <i>Other services - BDO Services Pty Ltd</i> |                            |            |
| Tax compliance                               | 16,119                     | 18,129     |

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

#### Officers of the company who are former partners of BDO Audit Pty Ltd

There are no officers of the company who are former partners of BDO Audit Pty Ltd.

#### Auditor's independence declaration

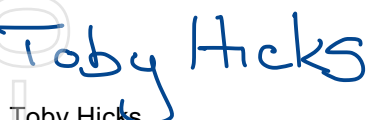
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

#### Auditor

BDO Audit 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 directors.

  
Toby Hicks  
Chair

30 September 2024

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

As lead auditor of DigitalX Limited for the year ended 30 June 2024, 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.



**Phillip Murdoch**  
**Director**

**BDO Audit Pty Ltd**  
Perth  
30 September 2024



Consolidated statement of profit or loss and other comprehensive income  
Consolidated statement of financial position  
Consolidated statement of changes in equity  
Consolidated statement of cash flows  
Notes to the consolidated financial statements  
Consolidated entity disclosure statement  
Directors' declaration  
Independent auditor's report to the members of DigitalX Limited  
Shareholder information

## **General information**

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

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

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

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

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



|                                                                                                  | <b>Note</b> | <b>2024<br/>\$</b> | <b>2023<br/>\$</b> |
|--------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>Revenue from operations</b>                                                                   | 4           | 3,255,469          | 2,268,187          |
| Other income                                                                                     | 5           | 354,364            | 25,580             |
| <b>Expenses</b>                                                                                  |             |                    |                    |
| Professional and consultancy fees                                                                | 6           | (1,489,738)        | (936,083)          |
| Corporate expenses                                                                               |             | (217,222)          | (235,111)          |
| Advertising, media and investor relations                                                        |             | (877,306)          | (784,200)          |
| Employee benefits expense                                                                        |             | (3,582,755)        | (3,916,059)        |
| Share-based payments                                                                             | 30          | (181,539)          | (273,092)          |
| Depreciation and amortisation                                                                    |             | (193,286)          | (250,269)          |
| Realised and unrealised foreign exchange losses                                                  |             | (5,261)            | (14,382)           |
| Fair value movement of financial assets                                                          |             | (240,000)          | (2,049,031)        |
| Finance costs                                                                                    | 8           | (36,442)           | (33,197)           |
| Other expenses                                                                                   | 7           | (1,892,231)        | (1,519,042)        |
| Decrease in net assets attributable to unit holders                                              | 16          | 313,046            | 131,950            |
| <b>Loss before income tax expense</b>                                                            |             | (4,792,901)        | (7,584,749)        |
| Income tax expense                                                                               | 9           | -                  | -                  |
| <b>Loss after income tax expense for the year attributable to the owners of DigitalX Limited</b> | 19          | (4,792,901)        | (7,584,749)        |
| <b>Other comprehensive income</b>                                                                |             |                    |                    |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                        |             |                    |                    |
| Fair value increase in digital asset holdings, net of tax                                        |             | 10,949,172         | 4,204,564          |
| <i>Items that may be reclassified subsequently to profit or loss</i>                             |             |                    |                    |
| Exchange differences on translation of operations                                                |             | 27,755             | (35,353)           |
| Other comprehensive income for the year, net of tax                                              |             | 10,976,927         | 4,169,211          |
| <b>Total comprehensive income for the year attributable to the owners of DigitalX Limited</b>    |             | <u>6,184,026</u>   | <u>(3,415,538)</u> |
|                                                                                                  |             | <b>Cents</b>       | <b>Cents</b>       |
| Basic earnings per share                                                                         | 29          | (0.61)             | (1.02)             |
| Diluted earnings per share                                                                       | 29          | (0.61)             | (1.02)             |

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





|                                         | Note | 2024<br>\$          | 2023<br>\$          |
|-----------------------------------------|------|---------------------|---------------------|
| <b>Assets</b>                           |      |                     |                     |
| <b>Current assets</b>                   |      |                     |                     |
| Cash and cash equivalents               | 10   | 6,054,713           | 3,380,080           |
| Trade and other receivables             | 11   | 515,922             | 381,737             |
| Digital assets                          | 13   | 48,874,582          | 27,173,520          |
| Other current assets                    |      | 255,393             | 247,133             |
| Investments                             | 12   | 497,720             | 497,720             |
| Total current assets                    |      | <u>56,198,330</u>   | <u>31,680,190</u>   |
| <b>Non-current assets</b>               |      |                     |                     |
| Investments                             | 12   | -                   | 240,000             |
| Property, plant and equipment           |      | 29,315              | 52,291              |
| Right-of-use assets                     |      | 287,513             | 362,517             |
| Intangibles                             | 14   | <u>2,098,677</u>    | <u>2,188,364</u>    |
| Total non-current assets                |      | <u>2,415,505</u>    | <u>2,843,172</u>    |
| <b>Total assets</b>                     |      | <u>58,613,835</u>   | <u>34,523,362</u>   |
| <b>Liabilities</b>                      |      |                     |                     |
| <b>Current liabilities</b>              |      |                     |                     |
| Trade and other payables                | 15   | 1,063,223           | 1,110,550           |
| Lease liabilities                       |      | 65,878              | 57,029              |
| Net assets attributable to unit holders | 16   | <u>14,482,863</u>   | <u>9,108,506</u>    |
| Total current liabilities               |      | <u>15,611,964</u>   | <u>10,276,085</u>   |
| <b>Non-current liabilities</b>          |      |                     |                     |
| Lease liabilities                       |      | 243,174             | 309,052             |
| Deferred tax                            | 9    | <u>5,730,424</u>    | <u>643</u>          |
| Total non-current liabilities           |      | <u>5,973,598</u>    | <u>309,695</u>      |
| <b>Total liabilities</b>                |      | <u>21,585,562</u>   | <u>10,585,780</u>   |
| <b>Net assets</b>                       |      | <u>37,028,273</u>   | <u>23,937,582</u>   |
| <b>Equity</b>                           |      |                     |                     |
| Contributed equity                      | 17   | 65,675,698          | 59,120,476          |
| Reserves                                | 18   | 19,661,336          | 9,475,031           |
| Accumulated losses                      | 19   | <u>(48,308,761)</u> | <u>(44,657,925)</u> |
| <b>Total equity</b>                     |      | <u>37,028,273</u>   | <u>23,937,582</u>   |

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

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



|                                                                                                           | <b>Issued<br/>capital<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total equity<br/>\$</b> |
|-----------------------------------------------------------------------------------------------------------|----------------------------------|------------------------|--------------------------------------|----------------------------|
| Balance at 1 July 2022                                                                                    | 59,028,586                       | 5,128,053              | (37,073,176)                         | 27,083,463                 |
| Loss after income tax expense for the year                                                                | -                                | -                      | (7,584,749)                          | (7,584,749)                |
| Other comprehensive income for the year, net of tax                                                       | -                                | 4,169,211              | -                                    | 4,169,211                  |
| Total comprehensive income for the year                                                                   | -                                | 4,169,211              | (7,584,749)                          | (3,415,538)                |
| <i>Transactions with owners in their capacity as owners:</i>                                              |                                  |                        |                                      |                            |
| Contributions of equity, net of transaction costs (note 17)                                               | 91,890                           | -                      | -                                    | 91,890                     |
| Share-based payments (note 30)                                                                            | -                                | 177,767                | -                                    | 177,767                    |
| Balance at 30 June 2023                                                                                   | <u>59,120,476</u>                | <u>9,475,031</u>       | <u>(44,657,925)</u>                  | <u>23,937,582</u>          |
|                                                                                                           | <b>Issued<br/>capital<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total equity<br/>\$</b> |
| Balance at 1 July 2023                                                                                    | 59,120,476                       | 9,475,031              | (44,657,925)                         | 23,937,582                 |
| Loss after income tax expense for the year                                                                | -                                | -                      | (4,792,901)                          | (4,792,901)                |
| Other comprehensive income for the year, net of tax                                                       | -                                | 10,976,927             | -                                    | 10,976,927                 |
| Total comprehensive income for the year                                                                   | -                                | 10,976,927             | (4,792,901)                          | 6,184,026                  |
| <i>Transactions with owners in their capacity as owners:</i>                                              |                                  |                        |                                      |                            |
| Contributions of equity, net of transaction costs (note 17)                                               | 6,517,622                        | -                      | -                                    | 6,517,622                  |
| Share-based payments (note 30)                                                                            | 37,600                           | 351,443                | -                                    | 389,043                    |
| Convertible note reserve transferred to accumulated losses (note 18)                                      | -                                | (91,051)               | 91,051                               | -                          |
| Share-based payment reserve transferred to accumulated losses on expiry of warrants and options (note 18) | -                                | (1,051,014)            | 1,051,014                            | -                          |
| Balance at 30 June 2024                                                                                   | <u>65,675,698</u>                | <u>19,661,336</u>      | <u>(48,308,761)</u>                  | <u>37,028,273</u>          |

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

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



|                                                                  | <b>Note</b> | <b>2024<br/>\$</b> | <b>2023<br/>\$</b> |
|------------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                      |             |                    |                    |
| Receipts from customers (inclusive of GST)                       |             | 2,340,231          | 2,158,938          |
| Payments to suppliers and employees (inclusive of GST)           |             | (7,612,526)        | (7,498,091)        |
|                                                                  |             | (5,272,295)        | (5,339,153)        |
| R&D tax incentive received                                       | 5           | 211,280            | -                  |
| Interest received                                                |             | 15,775             | 226                |
| Other income                                                     | 5           | 50,658             | 14,588             |
| Sale of Human Protocol Tokens                                    |             | -                  | 1,110,901          |
| Receipts from/(payments for) security deposits                   |             | 38,174             | (47,430)           |
| Interest and other costs of finance paid                         | 8           | (7,103)            | (11,643)           |
| Interest paid on lease liability                                 | 8           | (29,339)           | (13,881)           |
| Net cash used in operating activities                            | 28          | (4,992,850)        | (4,286,392)        |
| <b>Cash flows from investing activities</b>                      |             |                    |                    |
| Payments for Bricklet deposit                                    | 12          | -                  | (497,720)          |
| Acquisition of property, plant and equipment                     |             | -                  | (44,554)           |
| Payments for purchase of digital assets                          | 13          | (4,894,186)        | (1,848,166)        |
| Proceeds from sale of digital assets                             | 13          | 8,501,325          | 4,507,118          |
| Other                                                            |             | 37,569             | (10,000)           |
| Net cash from investing activities                               |             | 3,644,708          | 2,106,678          |
| <b>Cash flows from financing activities</b>                      |             |                    |                    |
| Proceeds from issue of shares                                    | 17          | 7,185,104          | -                  |
| Share issue transaction costs                                    | 17          | (459,977)          | -                  |
| Payments for redemptions of units in funds                       |             | (3,376,973)        | (934,092)          |
| Proceeds from applications for units in funds                    |             | 730,000            | 391,423            |
| Principal elements of lease payments                             |             | (57,032)           | (176,421)          |
| Net cash from/(used in) financing activities                     |             | 4,021,122          | (719,090)          |
| Net increase/(decrease) in cash and cash equivalents             |             | 2,672,980          | (2,898,804)        |
| Cash and cash equivalents at the beginning of the financial year |             | 3,380,080          | 6,278,410          |
| Foreign exchange movement in cash                                |             | 1,653              | 474                |
| Cash and cash equivalents at the end of the financial year       | 10          | <u>6,054,713</u>   | <u>3,380,080</u>   |

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



## Note 1. Basis of preparation

### *Consolidated entity*

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

### **Material accounting policies**

#### *Basis of preparation*

The 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 Australian Dollars, unless otherwise noted.

#### *Compliance with IFRS*

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

## Note 2. Critical accounting judgements, estimates and assumptions

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

### **Critical judgements in developing and applying accounting policies**

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

- Revenue recognition (note 4)
- Digital assets, including fair value of digital assets (note 13)
- Fair value of investments (note 12)
- Consolidation of DigitalX Funds (note 26)

### **Key sources of estimation uncertainty**

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

- Valuation of share-based payments (note 30)
- Impairment testing of goodwill and investments (note 14)

### **Going concern**

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

### **Presentation and functional currency**

#### *Presentation currency*

The consolidated financial report is presented in Australian Dollars.

#### *Functional currency*

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



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

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

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

### Current and non-current classification

An asset is current when it is:

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

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

A liability is current when it is:

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

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

### Historical cost convention

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

## Note 3. Operating segments

### Identification of reportable operating segments

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

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

### Segment description

#### Product Development ('PD')

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

#### Asset Management ('AM')

The AM division was setup in 2018 to give high net worth and institutional investors access to a portfolio of digital assets. DigitalX operates three funds focused on digital assets, the DigitalX Fund, DigitalX BTC Fund, DigitalX Real World Assets Tokenisation Fund ('RWAX') and has incurred upfront costs for the DigitalX spot Bitcoin ETF ('ASX:BTXX') (refer note 32 for subsequent event on launch).

#### Other

Amounts disclosed as other, primarily relate to consolidated entity-wide functions including governance, finance, legal, risk management, company secretarial and management of the corporate entity. This is not a segment as defined under AASB 8.



### Note 3. Operating segments (continued)

#### Segment performance and position

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

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

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



### Note 3. Operating segments (continued)

\*Other segment result is comprised of the following:

- Operating expenses of the company: \$2,655,501
- Funds management expenses of the consolidated entity, excluding the segments disclosed above: \$480,481
- Other expenses of the consolidated entity, excluding the company and segments disclosed above: \$402,078

\*\*Other segment assets is comprised of the following:

- Digital assets of the company: \$11,155,003
- Digital assets of the funds: \$37,409,046
- Cash of the company and the funds: \$5,388,971
- Investment in Bricklet: \$497,720
- Right-of-use assets of the company: \$287,513
- Trade and other receivables of the company and the funds: \$211,910
- Other assets of the consolidated entity, excluding the company, funds and segments disclosed above: \$464,538

\*\*\*Other segment liabilities is comprised of the following:

- Net liabilities attributable to unitholders: \$14,482,863
- Deferred tax liabilities: \$5,730,424
- Trade and other payables of the company and funds: \$910,565
- Lease liabilities of the company: \$309,052

### Note 4. Revenue from operations

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

#### **Accounting policy for revenue recognition**

The consolidated entity recognises revenue as follows:

##### ***Asset management fee revenue***

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

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

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

##### ***Licensing revenue***

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

##### ***Brokerage fee revenue***

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



**Note 5. Other income**

|                          | Consolidated<br>2024<br>\$ | 2023<br>\$    |
|--------------------------|----------------------------|---------------|
| Interest received        | 92,426                     | 10,992        |
| R&D tax incentive income | 211,280                    | -             |
| Bricklet income          | 33,274                     | 4,484         |
| Other income             | 17,384                     | 10,104        |
|                          | <u>354,364</u>             | <u>25,580</u> |
| Other income             |                            |               |

**Note 6. Professional and consultancy fees**

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

**Note 7. Other expenses**

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

**Note 8. Expenses**

|                                                                  | Consolidated<br>2024<br>\$ | 2023<br>\$    |
|------------------------------------------------------------------|----------------------------|---------------|
| Loss before income tax includes the following specific expenses: |                            |               |
| <i>Finance costs</i>                                             |                            |               |
| Interest and finance charges paid/payable                        | 7,103                      | 17,963        |
| Interest charges paid/payable on lease liabilities               | 29,339                     | 15,234        |
|                                                                  | <u>36,442</u>              | <u>33,197</u> |
| Finance costs expensed                                           |                            |               |
| <i>Superannuation expense</i>                                    |                            |               |
| Defined contribution superannuation expense                      | 264,337                    | 309,012       |





**Note 9. Income tax**

|                                                                                      | <b>Consolidated<br/>2024<br/>\$</b> | <b>Restated*<br/>2023<br/>\$</b> |
|--------------------------------------------------------------------------------------|-------------------------------------|----------------------------------|
| <i>Income tax expense</i>                                                            |                                     |                                  |
| Current tax expense                                                                  | -                                   | -                                |
| Deferred tax expense                                                                 | -                                   | -                                |
| Aggregate income tax expense                                                         | <u>-</u>                            | <u>-</u>                         |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>  |                                     |                                  |
| Loss before income tax expense                                                       | (4,792,901)                         | (7,584,749)                      |
| Tax at the statutory tax rate of 25%                                                 | (1,198,225)                         | (1,896,187)                      |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                                     |                                  |
| Non-deductible share-based payment                                                   | 45,385                              | 73,398                           |
| Assessable income not recognised through profit & loss                               | 707,107                             | -                                |
| Other                                                                                | (73,649)                            | (26,535)                         |
| Effect of different tax rates of subsidiaries operating in other jurisdictions       | 51                                  | 399                              |
| Tax losses and other timing differences not recognised                               | 519,331                             | 1,848,925                        |
| Income tax expense                                                                   | <u>-</u>                            | <u>-</u>                         |
| <i>Deferred tax asset</i>                                                            |                                     |                                  |
| The balance comprises temporary differences attributable to:                         |                                     |                                  |
| Tax losses                                                                           | 4,617,236                           | 3,811,885                        |
| Employee benefits                                                                    | 53,276                              | 51,842                           |
| Leases                                                                               | 5,385                               | 9,962                            |
| Accrued expenses                                                                     | 63,044                              | 42,439                           |
| Blackhole deductions                                                                 | 156,205                             | 100,938                          |
| Deferred tax asset not recognised                                                    | (4,895,146)                         | (4,017,066)                      |
| Deferred tax asset                                                                   | <u>-</u>                            | <u>-</u>                         |
| <i>Deferred tax liability</i>                                                        |                                     |                                  |
| Deferred tax liability comprises temporary differences attributable to:              |                                     |                                  |
| Revaluation of digital assets at fair value through other comprehensive income       | 5,729,781                           | -                                |
| Other                                                                                | 643                                 | 643                              |
| Deferred tax liability                                                               | <u>5,730,424</u>                    | <u>643</u>                       |



Note 9. Income tax (continued)

|                          | Consolidated<br>2024<br>\$ | Consolidated<br>2023<br>\$ |
|--------------------------|----------------------------|----------------------------|
| Provision for income tax |                            |                            |
| Provision for income tax | -                          | -                          |

\* The income tax note for the year ended 30 June 2023 has been revised to more accurately reflect tax losses and other timing differences not recognised.

Deferred tax assets and liabilities

As at 30 June 2024, the consolidated entity has tax losses available to be applied in the future periods in the Australia and the United States estimated to be \$AUD16.5 million (2023: \$AUD13 million) and \$USD4.8 million (2023: \$USD4.8 million) respectively. The losses in respect of the consolidated entity's operations in Hong Kong are immaterial. In addition, the consolidated entity has gross capital losses in Australia estimated at \$AUD1.54 million at 30 June 2024 (2023: \$AUD1.54 million).

The future recovery of these losses is subject to the consolidated entity satisfying the requirements imposed by the regulatory taxation authorities and passing the required continuity of ownership and same business test rules at the time the losses are expected to be utilised. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Estimates and judgement – taxation

Income taxes

The consolidated entity operates in a newly emerging industry and the application of taxation laws in relation to the consolidated entity'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 consolidated entity'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 consolidated entity, 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 2024 in relation to these assets. The consolidated entity will continue to assess the performance and may in the future recognise some or all of these assets.

The consolidated entity 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 foreign operations are immaterial.



**Note 10. Cash and cash equivalents**

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

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

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

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

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

**Note 11. Trade and other receivables**

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



## Note 12. Investments

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

### Reconciliation

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

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

Refer to note 22 for further information on fair value measurement.

### Investment in Bullion Asset Management Pte Ltd (BAM)

Given the decision of Bullion Asset Management Pte Ltd to wind up its operations on 17 July 2024, the Board have made the decision to apply a fair value adjustment to the valuation of the investment, reducing its value to nil (2023: \$240,000).

### Investment in Bricklet

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

### Investment in DigitalX Funds

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

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

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

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



**Note 12. Investments (continued)**

|                        | Consolidated<br>2024 | Consolidated<br>2023 |
|------------------------|----------------------|----------------------|
| <b>NAV at year end</b> |                      |                      |
| DigitalX Fund          | 1.7029               | 0.9417               |
| DigitalX BTC Fund      | 8.3449               | 4.1407               |
| DigitalX RWAX Fund     | 0.9958               | -                    |

**Note 13. Digital assets**

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

<sup>1</sup> Digital assets were measured at fair value using quoted prices as at 30 June 2024. Refer to note 32 for prices at the date of this report.

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

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

<sup>4</sup> Includes all tokens not listed on an exchange.

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

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

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



### Note 13. Digital assets (continued)

#### Accounting policy for digital assets

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

#### **Digital assets – accounted for using intangible asset methodology**

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

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

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

#### **Estimates and judgements**

##### *(a) Digital assets*

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

In line with this, the consolidated entity has considered its position for the year ending 30 June 2024 and has determined that the consolidated entity's digital assets are most appropriately classified under the intangible asset method (the method noted by the IASB in its most recent deliberations).

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

Management have also classified Digital assets as current assets to reflect their liquidity, being readily convertible to cash within the normal operating cycle or within 12 months without significant financial penalty. These assets are viewed by management as forming part of the company's treasury function, as they can be sold and converted to cash to facilitate operations, where required. Presenting digital assets as current assets appropriately provides users of the financial statements with a clearer understanding of the consolidated entity's ability to meet its short-term obligations.

Digital assets (including Bitcoin) are 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](http://www.coinmarketcap.com)) at closing Coordinated Universal Time. Management considers this fair value to be a Level 1 input under the AASB 13 Fair Value Measurement fair value hierarchy as the price on the quoted price (unadjusted) in an active market for identical assets.

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

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



**Note 13. Digital assets (continued)**

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

**Note 14. Intangibles**

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

**Reconciliations**

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

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

**Impairment testing**

Goodwill acquired through business combinations has arisen entirely due to the acquisition of the Sell My Shares cash generating unit ("CGU").



#### **Note 14. Intangibles (continued)**

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Sell My Shares CGU:

- 13.4% (2023: 14%) pre-tax discount rate;
- 9% (2023: 9%) per annum projected revenue growth rate;
- 1.5% (2023: 1.5%) perpetual revenue growth rate; and
- 8% (2023: 10%) per annum increase in net profit.

The discount rate of 13.4% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the Sell My Shares CGU, the risk free rate and the volatility of the share price relative to market movements.

Management believes that the projected 9% revenue growth rate is prudent and well-supported. Actual results have exceeded the prior year's projections, reinforcing confidence in the prior year estimate. While acknowledging that growth rates can fluctuate over time, management has chosen to maintain the prior year's growth projection, reflecting a balanced outlook that accounts for potential variability.

#### **Sensitivity**

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 85% for the Sell My Shares CGU before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 62% for the Sell My Shares CGU before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Sell My Shares CGU's goodwill is based would not cause the CGU's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in an impairment charge for the Sell My Shares CGU's goodwill.

#### **Note 15. Trade and other payables**

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

Refer to note 21 for further information on financial instruments and risk management.





**Note 16. Net assets attributable to unit holders**

|                                                                                                                          | <b>Consolidated</b> |                  |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|
|                                                                                                                          | <b>2024</b>         | <b>2023</b>      |
|                                                                                                                          | <b>\$</b>           | <b>\$</b>        |
| <i>Current liabilities</i>                                                                                               |                     |                  |
| Net assets attributable to unit holders                                                                                  | <u>14,482,863</u>   | <u>9,108,506</u> |
| <i>Reconciliation</i>                                                                                                    |                     |                  |
| Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below: |                     |                  |
| Opening balance                                                                                                          | 9,108,506           | 6,211,747        |
| Loss for the year attributable to non-controlling interests                                                              | (313,046)           | (131,950)        |
| Other comprehensive income attributable to non-controlling interests                                                     | 7,678,815           | 3,318,020        |
| Net change in units on issue                                                                                             | (1,827,085)         | (260,477)        |
| Other                                                                                                                    | (164,327)           | (28,834)         |
| Closing balance                                                                                                          | <u>14,482,863</u>   | <u>9,108,506</u> |

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

**Accounting policy for net assets attributable to unit holders**

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

**Note 17. Contributed equity**

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

**Dividends**

There are no dividends paid or declared during the period.



**Note 17. Contributed equity (continued)**

*Movements in ordinary share capital*

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

*Ordinary shares*

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

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

*Capital risk management*

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

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

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

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

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

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



## Note 18. Reserves

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

### Nature of reserves

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

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

## Note 19. Accumulated losses

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



## Note 20. Dividends

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

## Note 21. Financial instruments and risk management

### Financial risk management objectives

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

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

The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and liquidity risk.

The capital structure of the consolidated entity consists of equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

The consolidated entity holds the following financial assets and financial liabilities:

|                                                       | <b>Consolidated</b> |                  |
|-------------------------------------------------------|---------------------|------------------|
|                                                       | <b>2024</b>         | <b>2023</b>      |
|                                                       | <b>\$</b>           | <b>\$</b>        |
| <b>Financial assets</b>                               |                     |                  |
| Cash and cash equivalents <sup>AC</sup>               | 6,054,713           | 3,380,080        |
| Investments <sup>FV</sup>                             | 497,720             | 737,720          |
| Trade receivables <sup>AC</sup>                       | 300,012             | 235,656          |
|                                                       | <u>6,852,445</u>    | <u>4,353,456</u> |
| <b>Financial liabilities</b>                          |                     |                  |
| Trade payables <sup>AC</sup>                          | 395,156             | 499,324          |
| Lease liabilities <sup>AC *</sup>                     | 309,052             | 366,081          |
| Net assets attributable to unit holders <sup>AC</sup> | <u>14,482,863</u>   | <u>9,108,506</u> |
|                                                       | <u>15,187,071</u>   | <u>9,973,911</u> |

AC – Amortised cost

FV – Fair value through profit or loss

\* The comparative period has been restated to reflect the non-current lease liability.



## Note 21. Financial instruments and risk management (continued)

### Market risk

#### Foreign currency risk

The consolidated entity and the company 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 consolidated 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 at 30 June 2024, the consolidated entity had exposure to foreign currency risk within its recognised assets and liabilities. The cash and cash equivalents held \$USD 6,804 (2023: \$USD 7,367) in bank accounts. The consolidated entity has no derivative liabilities in \$USD (2023: \$nil) and nil \$USD in finance liabilities (2023: \$USD nil).

The average exchange rates and reporting date exchange rates applied were as follows:

|                            | Average exchange rates  |                      | Reporting date exchange rates |                      |
|----------------------------|-------------------------|----------------------|-------------------------------|----------------------|
|                            | 2024                    | 2023                 | 2024                          | 2023                 |
| <b>Australian dollars</b>  |                         |                      |                               |                      |
| US dollars                 | 1.5253                  | 1.4882               | 1.4984                        | 1.5012               |
|                            | <b>AUD strengthened</b> |                      | <b>AUD weakened</b>           |                      |
|                            |                         | <b>Effect on</b>     |                               | <b>Effect on</b>     |
|                            |                         | <b>profit before</b> |                               | <b>profit before</b> |
| <b>Consolidated - 2024</b> | <b>% change</b>         | <b>tax</b>           | <b>% change</b>               | <b>tax</b>           |
| US dollars                 | 10%                     | <u>(1,021)</u>       | 10%                           | <u>1,021</u>         |
|                            | <b>AUD strengthened</b> |                      | <b>AUD weakened</b>           |                      |
|                            |                         | <b>Effect on</b>     |                               | <b>Effect on</b>     |
|                            |                         | <b>profit before</b> |                               | <b>profit before</b> |
| <b>Consolidated - 2023</b> | <b>% change</b>         | <b>tax</b>           | <b>% change</b>               | <b>tax</b>           |
| US dollars                 | 10%                     | <u>(1,146)</u>       | 10%                           | <u>1,146</u>         |

#### Digital asset price risk

The consolidated entity maintains digital assets as a balance sheet asset and manages them on behalf of clients through its funds management business. It is important to note that the price volatility inherent in digital asset markets may impact the consolidated entity's financial performance.

As a long-term holder of Bitcoin, the consolidated entity has traditionally maintained this position; however, as the digital asset market has matured, the entity has diversified into other digital assets such as Ethereum. During periods of heightened volatility, the consolidated entity will assess its core positions for potential acquisitions or divestments. The funds business conducts monthly reviews of holdings as part of the investment committee process and adheres to exposure limits, ensuring that no single asset constitutes more than 40% of the portfolio, in accordance with the investment memorandum.



**Note 21. Financial instruments and risk management (continued)**

| Average price increase                                       |          |                  |                  | Average price decrease                                       |                    |                    |
|--------------------------------------------------------------|----------|------------------|------------------|--------------------------------------------------------------|--------------------|--------------------|
| Effect on<br>other<br>comprehensi<br>ve income<br>before tax |          |                  |                  | Effect on<br>other<br>comprehensi<br>ve income<br>before tax |                    |                    |
| Effect on<br>equity                                          |          |                  |                  | Effect on<br>equity                                          |                    |                    |
| Consolidated - 2024                                          | % change |                  |                  | % change                                                     |                    |                    |
| Digital assets                                               | 10%      | <u>4,857,336</u> | <u>4,857,336</u> | (10%)                                                        | <u>(4,857,336)</u> | <u>(4,857,336)</u> |
| Average price increase                                       |          |                  |                  | Average price decrease                                       |                    |                    |
| Effect on<br>other<br>comprehensi<br>ve income<br>before tax |          |                  |                  | Effect on<br>other<br>comprehensi<br>ve income<br>before tax |                    |                    |
| Effect on<br>equity                                          |          |                  |                  | Effect on<br>equity                                          |                    |                    |
| Consolidated - 2023                                          | % change |                  |                  | % change                                                     |                    |                    |
| Digital assets                                               | 10%      | <u>2,717,352</u> | <u>2,717,352</u> | (10%)                                                        | <u>(2,717,352)</u> | <u>(2,717,352)</u> |

**Interest rate risk**

The consolidated entity is exposed to interest rate risk as entities in the consolidated entity deposit funds at both short-term fixed and floating rates of interest. The consolidated entity's exposure to interest rates on financial assets and liabilities is detailed in the liquidity risk management section of this note.

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

**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 consolidated entity aims to hold deposits with independently rated parties with a rating of 'A2' or above based on Moody's ratings. From time to time the consolidated entity may hold deposits with unrated institutions (i.e. exchanges) after trading in digital assets. The consolidated entity's credit risk exposure is set out below. Due to the nature of the customers the consolidated entity 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 2024, no customers had a published credit rating.

**Rating**

|         | Consolidated<br>2024<br>\$ | Consolidated<br>2023<br>\$ |
|---------|----------------------------|----------------------------|
| A1      | -                          | 5,470                      |
| A2      | 5,254,510                  | 1,891,526                  |
| Unrated | 800,203                    | 1,483,084                  |
|         | <u>6,054,713</u>           | <u>3,380,080</u>           |

**Liquidity risk**

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

The consolidated entity 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.



## Note 21. Financial instruments and risk management (continued)

### Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

|                                        | Weighted<br>average<br>interest rate<br>% | 1 year or less<br>\$ | Between 1<br>and 2 years<br>\$ | Between 2<br>and 5 years<br>\$ | Over 5 years<br>\$ | Remaining<br>contractual<br>maturities<br>\$ |
|----------------------------------------|-------------------------------------------|----------------------|--------------------------------|--------------------------------|--------------------|----------------------------------------------|
| <b>Consolidated - 2024</b>             |                                           |                      |                                |                                |                    |                                              |
| <b>Non-derivatives</b>                 |                                           |                      |                                |                                |                    |                                              |
| <i>Non-interest bearing</i>            |                                           |                      |                                |                                |                    |                                              |
| Trade payables                         | -                                         | 395,156              | -                              | -                              | -                  | 395,156                                      |
| Other payables                         | -                                         | 668,067              | -                              | -                              | -                  | 668,067                                      |
| Net assets attributable to unitholders | -                                         | 14,482,863           | -                              | -                              | -                  | 14,482,863                                   |
| <i>Interest-bearing - fixed rate</i>   |                                           |                      |                                |                                |                    |                                              |
| Lease liability                        | 8.80%                                     | 100,580              | 190,568                        | 83,641                         | -                  | 374,789                                      |
| Total non-derivatives                  |                                           | 15,646,666           | 190,568                        | 83,641                         | -                  | 15,920,875                                   |
| <b>Consolidated - 2023</b>             |                                           |                      |                                |                                |                    |                                              |
| <b>Non-derivatives</b>                 |                                           |                      |                                |                                |                    |                                              |
| <i>Non-interest bearing</i>            |                                           |                      |                                |                                |                    |                                              |
| Trade payables                         | -                                         | 499,324              | -                              | -                              | -                  | 499,324                                      |
| Other payables                         | -                                         | 611,226              | -                              | -                              | -                  | 611,226                                      |
| Net assets attributable to unitholders | -                                         | 9,108,506            | -                              | -                              | -                  | 9,108,506                                    |
| <i>Interest-bearing - variable</i>     |                                           |                      |                                |                                |                    |                                              |
| Lease liability                        | 8.80%                                     | 86,368               | 89,823                         | 274,209                        | -                  | 450,400                                      |
| Total non-derivatives                  |                                           | 10,305,424           | 89,823                         | 274,209                        | -                  | 10,669,456                                   |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.



## Note 21. Financial instruments and risk management (continued)

### Impairment of financial assets

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

The consolidated entity considers a broad 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.

### Financial assets at fair value through other comprehensive income

The consolidated entity 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 low. However, at each reporting date the consolidated entity assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the consolidated entity relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The consolidated entity 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 consolidated entity 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 consolidated entity 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 consolidated entity recognises for this instrument or class of instruments the lifetime expected credit losses.

## Note 22. Fair value measurement

The consolidated entity 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 consolidated entity. 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.





## **Note 22. Fair value measurement (continued)**

The consolidated entity 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 prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements on a recurring basis, the consolidated entity 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 consolidated entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

At 30 June 2024 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 12
- Investment in Bricklet – note 12

### *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.

## **Note 23. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company. The BDO entity performing the audit of the group transitioned from BDO Audit (WA) Pty Ltd to BDO Audit Pty Ltd on 8 May 2024. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective entities.:

|                                              | <b>Consolidated</b> |                |
|----------------------------------------------|---------------------|----------------|
|                                              | <b>2024</b>         | <b>2023</b>    |
|                                              | <b>\$</b>           | <b>\$</b>      |
| <i>Audit services - BDO Audit Pty Ltd</i>    |                     |                |
| Audit or review of the financial statements  | 118,450             | 101,941        |
| <i>Other services - BDO Services Pty Ltd</i> |                     |                |
| Tax compliance                               | 16,119              | 18,129         |
| Tax advice                                   | 28,617              | 14,111         |
|                                              | 44,736              | 32,240         |
|                                              | <u>163,186</u>      | <u>134,181</u> |

## **Note 24. Commitments and contingencies**

### *Commitments of the consolidated entity*

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



## Note 24. Commitments and contingencies (continued)

### *Guarantees entered into by the consolidated entity*

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

### *Contingent liabilities of the consolidated entity*

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

## Note 25. Related party transactions

### (a) Parent entity

DigitalX Limited is the parent entity.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 26. 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.

### (c) Transactions with key management personnel

|                                             | Consolidated   |                |
|---------------------------------------------|----------------|----------------|
|                                             | 2024           | 2023           |
|                                             | \$             | \$             |
| <b>Short term employee benefits</b>         |                |                |
| Salaries and fees                           | 391,291        | 585,699        |
| Director fees                               | 174,980        | 168,736        |
| Other benefits                              | -              | (39,968)       |
| <b>Post-employment benefits</b>             |                |                |
| Superannuation                              | 20,519         | 67,014         |
| <b>Share-based payments</b>                 |                |                |
| Options and performance rights <sup>1</sup> | 96,513         | 167,496        |
|                                             | <u>683,303</u> | <u>948,977</u> |

<sup>1</sup> Refer to note 18 and note 30 for details of the events relating to performance rights and options effecting key management personnel.

## Transactions with Director related entities

### Year ended 30 June 2024

- During the year, the consolidated entity paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD45,565 for legal services rendered on various matters.

### Year ended 30 June 2023

- During the year, the consolidated entity paid Steinepreis Paganin, a law firm of which Non-Executive Chairman Toby Hicks is a partner, \$AUD47,787 for legal services rendered on various matters.

### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 26. Interests in subsidiaries

### Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in . All controlled entities are included in the consolidated financial statements. 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 a 31 December year end.



Note 26. Interests in subsidiaries (continued)

| Name                                                                                                      | Principal place of business /<br>Country of incorporation | Status  | Ownership<br>interest<br>2024 <sup>1</sup><br>% | Ownership<br>interest<br>2023 <sup>1</sup><br>% |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------|-------------------------------------------------|-------------------------------------------------|
| Digital CC Management Pty Ltd                                                                             | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC Trading Pty Ltd                                                                                | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC IP Pty Ltd                                                                                     | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC Ltd                                                                                            | Hong Kong                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC IP Ltd                                                                                         | Hong Kong                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC Holdings Pty Ltd                                                                               | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC Holdings USA Inc                                                                               | United States                                             | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC USA LLC                                                                                        | United States                                             | Dormant | 100.00%                                         | 100.00%                                         |
| Digital CC USA Services LLC                                                                               | United States                                             | Dormant | 100.00%                                         | 100.00%                                         |
| DigitalX Real World Asset<br>Tokenisation Pty Ltd<br>(previously known as Digital<br>CC Ventures Pty Ltd) | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Pass Petroleum Pty Ltd                                                                                    | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| Pass Petroleum LLC <sup>2</sup>                                                                           | United States                                             | Dormant | 100.00%                                         | 100.00%                                         |
| Airpocket International Pty Ltd                                                                           | Australia                                                 | Dormant | 100.00%                                         | 100.00%                                         |
| AirPocket LLC                                                                                             | United States                                             | Dormant | 100.00%                                         | 100.00%                                         |
| DigitalX Fund                                                                                             | Australia                                                 | Active  | 53.41%                                          | 36.47%                                          |
| DigitalX Bitcoin Fund                                                                                     | Australia                                                 | Active  | 63.93%                                          | 60.82%                                          |
| DigitalX Asset Management<br>Pty Ltd                                                                      | Australia                                                 | Active  | 100.00%                                         | 100.00%                                         |
| Sell My Shares Pty Ltd                                                                                    | Australia                                                 | Active  | 100.00%                                         | 100.00%                                         |
| DigitalX Real World Assets<br>Tokenisation Fund                                                           | Australia                                                 | Active  | 99.01%                                          | -                                               |
| DigitalX (BVI) Ltd <sup>2</sup>                                                                           | British Virgin Islands                                    | Dormant | 100.00%                                         | 100.00%                                         |
| Verus Energy USA, Inc. <sup>2</sup>                                                                       | United States                                             | Dormant | 100.00%                                         | 100.00%                                         |

<sup>1</sup>DigitalX Funds Management Pty Ltd has been removed from the current and comparative period as the entity was deregistered on 4 July 2021.

<sup>2</sup>DigitalX (BVI) Ltd, Verus Energy USA, Inc. and Pass Petroleum LLC. were not disclosed in the comparative period on the basis these entities are dormant. For consistency and comparability with the Consolidated entity disclosure statement in accordance with the Corporations Act 2001, the company have opted to disclose these in the current year.

**Judgement for investments in DigitalX Fund, DigitalX Bitcoin Fund and DigitalX Real World Assets Tokenisation Fund (the 'funds')**

As detailed in note 12, the company provides fund management services for the funds and it is deemed that the consolidated entity meets the definition of control under AASB10: *Consolidated Financial Statements*. As a result, the financial position and performance of the funds have been included in the consolidated entity financial statements. The consolidated entity will continue to assess its position with respect to control of the funds at each reporting period and there have been no changes to the consolidated entity's assessment for the year ended 30 June 2024.

Note 27. Parent entity information

|                            | Parent<br>2024<br>\$ | 2023<br>\$         |
|----------------------------|----------------------|--------------------|
| Loss after income tax      | (4,185,120)          | (2,521,782)        |
| Total comprehensive income | <u>(4,185,120)</u>   | <u>(2,521,782)</u> |



**Note 27. Parent entity information (continued)**

*Statement of financial position*

|                               | <b>Parent<br/>2024<br/>\$</b> | <b>Restated*<br/>Parent<br/>2023<br/>\$</b> |
|-------------------------------|-------------------------------|---------------------------------------------|
| Total current assets          | 16,165,165                    | 13,979,814                                  |
| Total non-current assets      | 26,636,049                    | 23,759,633                                  |
| Total assets                  | <u>42,801,214</u>             | <u>37,739,447</u>                           |
| Total current liabilities     | 858,900                       | 1,001,639                                   |
| Total non-current liabilities | 2,460,362                     | 309,052                                     |
| Total liabilities             | <u>3,319,262</u>              | <u>1,310,691</u>                            |
| Issued capital                | 65,675,698                    | 59,120,476                                  |
| Reserves                      | 14,028,959                    | 13,345,865                                  |
| Accumulated losses**          | <u>(40,222,705)</u>           | <u>(36,037,585)</u>                         |
| Total equity                  | <u>39,481,952</u>             | <u>36,428,756</u>                           |

\* Comparative period has been restated to reflect an adjustment to issued capital and non-current assets. In addition, there is a reclassification to present the non-current portion of the lease liability in the parent. These restatements do not impact the consolidated financial statements.

\*\* Of the accumulated losses as at 30 June 2024, \$1,051,014 relates to transfers from share-based payments reserve (refer note 19).

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in the Notes to the consolidated financial statements, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



**Note 28. Reconciliation of loss after income tax to net cash used in operating activities**

|                                                               | Consolidated<br>2024<br>\$ | 2023<br>\$         |
|---------------------------------------------------------------|----------------------------|--------------------|
| Loss after income tax expense for the year                    | (4,792,901)                | (7,584,749)        |
| <i>Non-cash flows in profit/(loss)</i>                        |                            |                    |
| Depreciation and amortisation                                 | 193,286                    | 250,269            |
| Fair value adjustment of investments                          | 240,000                    | 2,049,031          |
| Finance costs                                                 | 36,442                     | 30,001             |
| Increase in net assets attributable to unitholders            | (317,237)                  | (131,950)          |
| Non-cash interest received (staking)                          | (76,652)                   | (10,766)           |
| Other non-cash expenses including foreign exchange            | 3,318                      | 463,739            |
| Share-based payments                                          | 181,539                    | 273,092            |
| <i>Change in assets and liabilities:</i>                      |                            |                    |
| (Increase)/decrease in trade and other receivables            | (64,356)                   | 81,505             |
| (Increase)/decrease in prepayments, deposits and other assets | (207,434)                  | 47,915             |
| (Decrease)/increase in trade and other payables               | (188,855)                  | 245,521            |
| Net cash used in operating activities                         | <u>(4,992,850)</u>         | <u>(4,286,392)</u> |

**Non-cash investing and financing activities**

In addition to the above, the consolidated entity 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**

- Movement in prices of digital assets (note 13)
- Shares issued as compensation (note 17)

**Prior year**

- Movement in prices of digital assets (note 12)
- Shares issued as compensation (note 16)
- Additions to right-of-use asset

**Note 29. Earnings per share**

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



## Note 29. Earnings per share (continued)

### *Diluted earnings per share*

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

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

## Note 30. Share-based payments

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

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

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

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

### Options

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

2024

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted    | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------|-----------|---------------------------|--------------------------------|
| 10/12/2018 | 10/12/2023  | \$0.220        | 2,000,000                        | -          | -         | (2,000,000)               | -                              |
| 10/12/2018 | 10/12/2023  | \$0.250        | 3,000,000                        | -          | -         | (3,000,000)               | -                              |
| 10/12/2018 | 10/12/2023  | \$0.300        | 4,000,000                        | -          | -         | (4,000,000)               | -                              |
| 11/07/2019 | 30/06/2024  | \$0.100        | 2,500,000                        | -          | -         | (2,500,000)               | -                              |
| 18/12/2020 | 18/12/2024  | \$0.100        | 1,000,000                        | -          | -         | -                         | 1,000,000                      |
| 06/12/2021 | 30/06/2024  | \$0.100        | 2,500,000                        | -          | -         | (2,500,000)               | -                              |
| 11/04/2022 | 11/04/2027  | \$0.091        | 1,415,094                        | -          | -         | -                         | 1,415,094                      |
| 11/04/2022 | 11/04/2027  | \$0.118        | 1,470,588                        | -          | -         | -                         | 1,470,588                      |
| 11/04/2022 | 11/04/2027  | \$0.153        | 1,530,612                        | -          | -         | -                         | 1,530,612                      |
| 11/04/2022 | 11/04/2027  | \$0.199        | 1,630,435                        | -          | -         | -                         | 1,630,435                      |
| 05/07/2022 | 29/08/2025  | \$0.110        | 5,240,000                        | -          | -         | -                         | 5,240,000                      |
| 12/05/2023 | 12/05/2027  | \$0.100        | 9,000,000                        | -          | -         | -                         | 9,000,000                      |
| 26/03/2024 | 30/09/2024  | \$0.100        | -                                | 89,104,479 | -         | -                         | 89,104,479                     |
|            |             |                | 35,286,729                       | 89,104,479 | -         | (14,000,000)              | 110,391,208                    |

|                                 |         |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|---------|
| Weighted average exercise price | \$0.151 | \$0.100 | \$0.000 | \$0.206 | \$0.103 |
|---------------------------------|---------|---------|---------|---------|---------|

The weighted average share price during the financial year was \$0.058 (2023: \$0.039).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.65 years (2023: 2.25 years).



### Note 30. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2024<br>Number    | 2023<br>Number    |
|------------|-------------|-------------------|-------------------|
| 10/12/2018 | 10/12/2023  | -                 | 2,000,000         |
| 10/12/2018 | 10/12/2023  | -                 | 3,000,000         |
| 10/12/2018 | 10/12/2023  | -                 | 4,000,000         |
| 11/07/2019 | 30/06/2024  | -                 | 2,500,000         |
| 18/12/2020 | 18/12/2024  | 1,000,000         | 1,000,000         |
| 06/12/2021 | 30/06/2024  | -                 | 2,500,000         |
| 11/04/2022 | 11/04/2027  | 1,415,094         | -                 |
| 26/03/2024 | 30/09/2024  | 89,104,479        | -                 |
|            |             | <u>91,519,573</u> | <u>15,000,000</u> |

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.

#### Options issued 2024

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

#### Performance rights

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

#### 2024

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



### Note 30. Share-based payments (continued)

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

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

#### Performance rights issued to Chief Executive Officer and Employees

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

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

#### Valuation of performance rights

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

#### Warrants

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

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

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

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

#### Shares issued during the period

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

#### Accounting policy for share-based payments

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





### Note 30. Share-based payments (continued)

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

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

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

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

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

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

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

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

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

### Note 31. New accounting standards and interpretations

#### *Standards and Interpretations issued but not yet adopted*

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

### Note 32. Events after the reporting period

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



**Note 32. Events after the reporting period (continued)**

| <b>Date of event</b> | <b>Details of event</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 July 2024          | - The company announced the expiry of 5,000,000 options without exercise, with a date of cessation being 30/06/2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 9 July 2024          | - The company announced the approval of its DigitalX spot Bitcoin ETF ("ASX:BTXX") for quotation on the Australian Stock Exchange ("ASX"). The DigitalX Bitcoin ETF provides a simple, liquid and regulated structure for investors to gain exposure to the emerging digital asset sector without the requirement to hold a digital wallet. The DigitalX Bitcoin ETF commenced trading on 12 July 2024.                                                                                                                                                                                                                                                                                                     |
| 9 July 2024          | - The company confirmed that on 9 July 2024 the Federal Court of Australia handed down Orders in relation to the company's application for summary judgement in the matter between two of the company's subsidiaries and Mr Alex Karis, a former director of the company. The company's application for summary judgement in the matter was not granted, however Mr Karis has been ordered to provide security for the company's costs of the proceeding for the period until completion of discovery and court-directed mediation in the amount of \$150,000 by payment to the Court within 28 days of the date of the orders, and his claim against the company is stayed until payment of that security. |
| 3 September 2024     | - Lisa Wade tendered her resignation as CEO and, with agreement of the Board, left the company on 3 September 2024. Mr Greg Dooley, Non- Executive Director, has been appointed as Interim Chief Executive Officer on a part time basis. At present, and pursuant to ASX listing Rule 3.14.4, Mr Dooley will receive remuneration of \$10,000 per month in addition to his current Director fees. It is expected that Mr Dooley's appointment will be for a period of no more than six months.                                                                                                                                                                                                              |
| 30 September 2024    | - Due to the volatile nature and the materiality of the digital assets held, we disclose the value of material digital assets held by the consolidated entity, excluding the DigitalX Fund and DigitalX BTC Fund and unlisted digital assets, as at the close date of the 30 September 2024.                                                                                                                                                                                                                                                                                                                                                                                                                |

| <b>Coin</b> | <b>Number of coins held<br/>at 30 June 2024</b> | <b>\$AUD<br/>Spot price at 30 June<br/>2024</b> | <b>\$AUD<br/>Spot price at 30<br/>September 2024</b> | <b>\$AUD<br/>Pro-forma impact</b> |
|-------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------------|-----------------------------------|
| BTC         | 114.90                                          | 94,024                                          | 95,192                                               | 134,169                           |



## Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

### Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency:** The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- **Foreign tax residency:** Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

### Partnerships and trusts

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

| Entity name                                                                                                  | Entity type    | Place formed /<br>Country of incorporation | Ownership<br>interest<br>% | Tax residency          |
|--------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------|----------------------------|------------------------|
| DigitalX Ltd                                                                                                 | Body Corporate | Australia                                  | 100.00%                    | Australia              |
| Digital CC Management<br>Pty Ltd                                                                             | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Digital CC Trading Pty Ltd                                                                                   | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Digital CC IP Pty Ltd                                                                                        | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Digital CC Ltd                                                                                               | Body corporate | Hong Kong                                  | 100.00%                    | Hong Kong              |
| Digital CC IP Ltd                                                                                            | Body corporate | Hong Kong                                  | 100.00%                    | Hong Kong              |
| Digital CC Holdings Pty<br>Ltd                                                                               | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Digital CC Holdings USA<br>Inc                                                                               | Body corporate | United States                              | 100.00%                    | United States          |
| Digital CC USA LLC                                                                                           | Body corporate | United States                              | 100.00%                    | United States          |
| Digital CC USA Services<br>LLC                                                                               | Body corporate | United States                              | 100.00%                    | United States          |
| DigitalX Real World Asset<br>Tokenisation Pty Ltd<br>(previously known as<br>Digital CC Ventures Pty<br>Ltd) | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Pass Petroleum Pty Ltd                                                                                       | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Pass Petroleum LLC                                                                                           | Body corporate | United States                              | 100.00%                    | United States          |
| Airpocket International Pty<br>Ltd                                                                           | Body corporate | Australia                                  | 100.00%                    | Australia              |
| AirPocket LLC                                                                                                | Body corporate | United States                              | 100.00%                    | United States          |
| DigitalX Fund                                                                                                | Trust          | Australia                                  | 53.41%                     | Australia              |
| DigitalX Bitcoin Fund                                                                                        | Trust          | Australia                                  | 63.93%                     | Australia              |
| DigitalX Asset<br>Management Pty Ltd                                                                         | Body corporate | Australia                                  | 100.00%                    | Australia              |
| Sell My Shares Pty Ltd                                                                                       | Body corporate | Australia                                  | 100.00%                    | Australia              |
| DigitalX Real World<br>Assets Tokenisation Fund                                                              | Trust          | Australia                                  | 99.01%                     | Australia              |
| DigitalX (BVI) Ltd                                                                                           | Body corporate | British Virgin Islands                     | 100.00%                    | British Virgin Islands |
| Verus Energy USA, Inc                                                                                        | Body corporate | United States                              | 100.00%                    | United States          |



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors



Toby Hicks  
Chair

30 September 2024

## INDEPENDENT AUDITOR'S REPORT

To the members of DigitalX Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of DigitalX Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Accounting for Digital Assets

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>DigitalX has holdings in a number of digital assets currently held as intangible assets disclosed in Note 13 of the financial report.</p> <p>There is no specific accounting standard that addresses the accounting treatment for digital assets and accordingly significant judgement is applied to evaluate whether these digital assets are accounted for appropriately.</p> <p>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 the reporting date.</p> | <p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the control environment through which digital assets are held;</li> <li>• Evaluating management's recognition and presentation of the digital assets as intangible assets against accounting principles;</li> <li>• Independently confirming the existence of digital assets held by the custodian;</li> <li>• Assessing control of the digital assets held at year-end;</li> <li>• Agreeing inputs used to determine the digital assets fair value to external market information; and</li> <li>• Assessing the adequacy of the disclosures in Note 13 to the financial report.</li> </ul> |

## 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 2024, 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:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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](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 20 to 26 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of DigitalX Limited, for the year ended 30 June 2024, 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 Pty Ltd**

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

**Phillip Murdoch**

**Director**

Perth, 30 September 2024





The shareholder information set out below was applicable as at 21 August 2024.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

|                                       | Ordinary shares   |                          | Options over ordinary shares |                          |
|---------------------------------------|-------------------|--------------------------|------------------------------|--------------------------|
|                                       | Number of holders | % of total shares issued | Number of holders            | % of total shares issued |
| 1 to 1,000                            | 245               | 0.01                     | -                            | -                        |
| 1,001 to 5,000                        | 1,952             | 0.66                     | -                            | -                        |
| 5,001 to 10,000                       | 1,357             | 1.25                     | -                            | -                        |
| 10,001 to 100,000                     | 2,914             | 12.27                    | 28                           | 1.69                     |
| 100,001 and over                      | 1,033             | 85.81                    | 164                          | 98.31                    |
|                                       | <b>7,501</b>      | <b>100.00</b>            | <b>192</b>                   | <b>100.00</b>            |
| Holding less than a marketable parcel | <b>3,704</b>      | <b>-</b>                 | <b>-</b>                     | <b>-</b>                 |

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

|                                                            | Ordinary shares    |                          |
|------------------------------------------------------------|--------------------|--------------------------|
|                                                            | Number held        | % of total shares issued |
| BNP Paribas Nominees Pty Ltd Acf Clearstream               | 49,879,069         | 5.76                     |
| NRB International Llc                                      | 33,180,000         | 3.83                     |
| Irwin Biotech Nominees Pty Ltd                             | 26,336,049         | 3.04                     |
| Citicorp Nominees Pty Limited                              | 16,524,824         | 1.91                     |
| BNP Paribas Nominees Pty Ltd 'Ib Au Noms Retailclient Drp' | 14,723,930         | 1.70                     |
| Atcho Super Pty Ltd 'Atcheson Super Fund A/C'              | 12,000,000         | 1.39                     |
| Emboodhu Pty Ltd 'Ta And El Hicks Family A/C'              | 8,846,617          | 1.02                     |
| AcI Investment Australia Pty Ltd 'AcI Family A/C'          | 8,397,221          | 0.97                     |
| Mj & A Lind Pty Ltd 'Lind Family S/F A/C'                  | 7,629,245          | 0.88                     |
| Mr Basil Micos                                             | 7,395,781          | 0.85                     |
| Valueadmin Com Pty Ltd                                     | 7,200,000          | 0.83                     |
| Mr Yi Wang                                                 | 7,192,729          | 0.83                     |
| Mrs Annette Lind & Mr Michael Josef Lind                   | 7,057,291          | 0.81                     |
| Mr Hing Wa Chan                                            | 6,326,993          | 0.73                     |
| Hsbc Custody Nominees (Australia) Limited                  | 6,324,217          | 0.73                     |
| Mr Stephen Dennis Davies & Mrs Jennifer Helen Davies       | 5,985,974          | 0.69                     |
| Ozstudy Group Pty Ltd                                      | 5,182,750          | 0.60                     |
| Brixton Capital Pty Ltd                                    | 5,090,618          | 0.59                     |
| Mr Richard James Ansell                                    | 5,055,905          | 0.58                     |
| Shelley Properties Pty Limited 'Butcher Super Fund A/C'    | 4,913,207          | 0.57                     |
|                                                            | <b>245,242,420</b> | <b>28.31</b>             |

#### Unquoted equity securities

|                                                          | Number on issue | Number of holders |
|----------------------------------------------------------|-----------------|-------------------|
| Options, rights and warrants over ordinary shares issued | 126,211,953     | 192               |



The following person holds 20% or more of unquoted equity securities:

Employee options expiring 12 May 2027: 9,000,000 options, held by:

- Firecat Investments Pty Ltd: 2,976,996 options (33.08%)
- Jaime Underdown: 2,165,088 (24.06%)

Unlisted options exercisable at \$0.10 expiring 18 December 2024: 1,000,000 options, held by:

- Pareto Nominees Pty Ltd: 500,000 options (50.00%)
- Shaw and Partners Limited: 500,000 options (50.00%)

Unlisted options exercisable at \$0.091 expiring 11 April 2027: 1,415,094 options, held by:

- Ms Elisabeth Louse Wade: 1,415,094 options (100.00%)

Unlisted options exercisable at \$0.118 expiring 11 April 2027: 1,470,588 options, held by:

- Ms Elisabeth Louse Wade: 1,470,588 options (100.00%)

Unlisted options exercisable at \$0.153 expiring 11 April 2027: 1,530,612 options, held by:

- Ms Elisabeth Louse Wade: 1,530,612 options (100.00%)

Unlisted options exercisable at \$0.199 expiring 11 April 2027: 1,630,435 options, held by:

- Ms Elisabeth Louse Wade: 1,630,435 options (100.00%)

Unlisted options exercisable at \$0.11 expiring 29 August 2025: 5,240,000 options, held by:

- Mr Benjamin Hartnett: 1,200,000 options (22.90%)

Unlisted options exercisable at \$0.10 expiring 30 September 2024: 89,104,479 options, held by:

- None\*

Unlisted performance rights: 6,392,509 performance rights (note 30), held by:

- Ms Elisabeth Louse Wade: 2,410,713 (37.71%)

Unlisted performance rights: 6,392,522 performance rights (note 30), held by:

- Ms Elisabeth Louse Wade: 2,410,713 (37.71%)

Unlisted performance rights: 535,714 performance rights (note 30), held by:

- Ms Elisabeth Louse Wade: 535,714 (100.00%)

Unlisted performance rights: 2,500,000 performance rights (note 30), held by:

- Omer Mohammed: 2,500,000 (100.00%)

\*No person or entity holds 20% or more of this unquoted security.

### **Substantial holders**

Substantial holders in the company are set out below:

|                                              | <b>Ordinary shares</b> |                                 |
|----------------------------------------------|------------------------|---------------------------------|
|                                              | <b>Number held</b>     | <b>% of total shares issued</b> |
| BNP Paribas Nominees Pty Ltd Acf Clearstream | 49,879,069             | 5.76                            |

### **Voting rights**

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

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

There are no other classes of equity securities.



### **Restricted securities**

There are no restricted securities on issue at the date of this report.

### **On-market buy back**

There is no current on-market buyback.

### **Annual General Meeting**

The company advises that the scheduled date of the Annual General Meeting (AGM) of the company is yet to be determined.

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# Corporate directory

## Directors

Toby Hicks

Greg Dooley

Peter Rubinstein

## Company secretary

Mark Licciardo

## ABN

59 009 575 035

## Registered office and principle place of business

Suite 2, Level 4, 66 Kings Park Road

West Perth WA 6005

## Share register

Automic Pty Ltd

Level 5, 126 Phillip Street

Sydney, NSW 2000

## Auditor

BDO Audit Pty Ltd

Level 9, Mia Yellagonga Tower 2, 5 Spring Street

Perth WA 6000

## Stock exchange listing

DigitalX Limited shares are listed on the

Australian Securities Exchange (ASX code: DCC)

## Website

[digitalx.com](https://digitalx.com)

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