

ASX ANNOUNCEMENT 26 AUGUST 2021

DIGITALX PROGRESS UPDATE

HIGHLIGHTS

- Acting Chief Operating Officer appointed
- AU\$1.1M growth in FUM so far during August
- Growth in digital asset treasury value to \$49.6M including Human Protocol (HMT) holding of AU\$18.75M
- Drawbridge gaining market recognition as an early mover

DigitalX Limited (ASX: **DCC**, '**DigitalX**' or 'the **Company**') is pleased to be able to provide the following update in relation to the Company and its recent developments.

Appointment of Acting Chief Operating Officer

The Board has appointed Mr Jonathon Carley as the Company's Acting Chief Operating Officer. Mr Carley is currently the Company's Chief Financial Officer and has been in his role for over 3 years. Prior to this he was Group Financial Controller and Company Secretary for a large IT technology services and cloud provider. Mr Carley is member of the Chartered Accountant Australian New Zealand (CAANZ) and a Fellow of the Governance of Australia.

In his role as Chief Financial Officer, Mr Carley already oversees the operations across the Company making him the ideal fit for the role of Chief Operating Officer.

Mr Greg Dooley, a Non-Executive Director of the Company, has also agreed to consult to the Company during this period to further support the Company's execution of its strategy and its day-to-day operations. Mr Dooley is a highly experienced corporate executive and was formerly the Managing Director of leading international share registry company, Computershare Investor Services Pty Limited for 13 years.

The Company continues its global executive search for an experienced Chief Executive Officer and looks forward to updating the market and shareholders when that appointment is ready to be made.

Ongoing growth in Funds Under Management (FUM)

The Company has seen a strong rebound **with new FUM applications of AU\$1.1M** so far during the month of August, following a dip in new FUM during the month of July reported on 18 August 2021. The growth in FUM coincides with a rebound in the price of Bitcoin and other digital assets in recent weeks which has **increased back to AU\$67,351¹** after reaching an all-time high of AU\$89,688² in April.

The funds management team was pleased to release the new and expanded DigitalX funds website, www.digitalx.fund during the last month in line with the business's marketing and growth strategies.

¹ Based on AU price per coinmarketcap.com at time of preparing the announcement

² Based on AU all time high per coinmarketcap.com

As announced on 21 May 2021, the Company made the strategic decision to increase its investment in its active fund, the DigitalX Digital Asset Fund over May and June 2021. The return on the additional investment so far has been ~15%³ in 2 months which is in line with the turnaround in the market and supports the decision by the Company to invest further funds at that time.

Significant value generated from Human Protocol holding

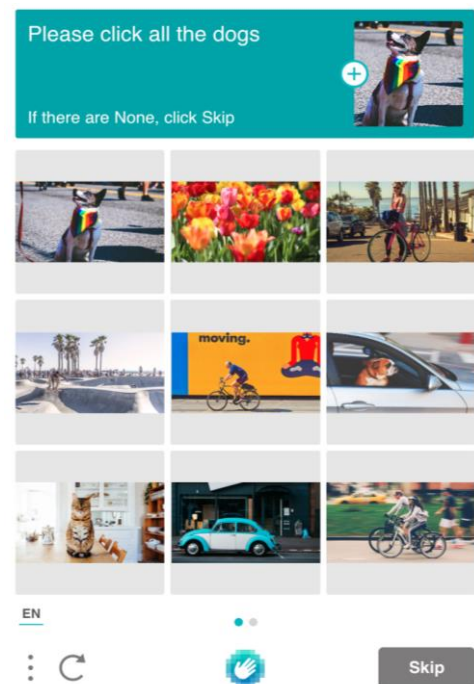
On 29 June 2021, the Company announced that it had received confirmation of its entitlement to 12,500,000 Human Protocol (HMT) tokens in recognition of the work performed in 2018 and up to the final public sale in June 2021. Since the receipt of those tokens, Human Protocol commenced trading on 11 August 2021 on various exchanges, including leading exchanges FTX and Coinlist with a trading volume of AU\$200m⁴ and a fully diluted market capitalisation value of over AU\$1.5B⁵.

DigitalX's 12,500,000 tokens are escrowed for 12 months and then released linearly in equal amounts over a further 12 months. At today's trading value, the **total value of the company's tokens is AU\$18,750,000⁶** representing an **increase in value of 136%** from the original recognition.

Human Protocol Overview

The Human protocol supports the creation of digital job markets for human labour at scale. Its first application, hCaptcha, is used by millions of internet users everyday to prevent spam for websites while also producing valuable datasets labelled by humans for use in building machine learning and AI models. For example, a model to identify images of dogs within a set of pictures may be constructed based on hCaptcha responses from users correctly identifying an initial sample of pictures. Today, hCaptcha is widely used through its adoption by several large internet companies.

Beyond hCaptcha, the Human Protocol enables broader applications to automatically manage data labelling, evaluation, and delivery processes, thereby giving artificial intelligence and machine learning systems new capabilities to respond to the world via human insight.



The Human Protocol Token (HMT)

The Human Protocol organizes and compensates this labour using smart contracts secured by blockchain technology. HMT is the native token of the Protocol and the primary unit of value transfer within the network. HMT is exchanged between those who request data labelling work such as data science companies, and those who provide it such as website owners and visitors.

³ Based on unit prices at 31 July 2021

⁴ AU trading volume per <https://coinmarketcap.com/currencies/human/historical-data/>

⁵ Based on total supply of 1,000,000,000 tokens at AU price of \$1.50

⁶ Based on AU price of \$1.50 per <https://coinmarketcap.com/currencies/human/> at time of the announcement

DigitalX Involvement

DigitalX was an early advisor to the Human Protocol when it first undertook a successful capital raising in 2018, having been identified using the Company's skills and expertise in this field and in understanding the significant potential value proposition of the technology. The holding of Human Protocol tokens is aligned with the Company's strategy of identifying and generating value from investments within the blockchain economy.

Following the revaluation of the Human Protocol holding the Company is pleased to provide an update on its digital asset exposure (unaudited).

Asset	Value (\$AUD)
Bitcoin ^a	\$14,545,122
Human Protocol (HMT)	\$18,750,000
Fund units ^b	\$16,300,756
Total	AUD\$49,595,875

a Total Bitcoin in treasury at 30 June 2021 was 215.95.

b Includes total units in the DigitalX BTC Fund and DigitalX Fund based on the respective NAV at 31 July 2021.

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

Drawbridge gaining market recognition as an early mover

The Company is pleased to note that its flagship regtech product, Drawbridge, has continued to gain attention from leading market operator ASX Limited. The Company has been recognised in its 2021 Full-Year Results Presentation⁷ released on 19 August 2021 as one of the first four organisations to develop applications and solutions for the ASX's distributed ledger technology (DLT) platform.

In addition, the Company continues to gain interest from publicly listed companies in demonstrating how the Drawbridge app is reducing risks through greater digitisation of key governance processes, beginning with improved management of Share Trading Policies. As leading corporate lawyer and **Chair of DigitalX, Mr Toby Hicks stated publicly last week,**

"Any ASX listed company that has any form of director or employee trading should be using Drawbridge, not only as an immutable record of those trades, but also to protect said directors and employees from trading in periods where they shouldn't."

Company strategy

The Company continues to execute on its strategy of generating value for shareholders through exposure to the entire blockchain economy through its technology products, digital asset management services and the Company's own investments into the blockchain ecosystem.

The Company expects to release its results for its 2021 Financial Year on or around 30 August 2021.

⁷ Slide 18 per ["ASX Limited – 2021 Full Year Results Presentation Slides"](#)

Mr Toby Hicks, Chair of DigitalX commented

"We are pleased to provide this update to market. In addition to our recent Board appointments this update shows the ability of the team and the Company to drive value through its strategy and strategic positioning within the blockchain economy and we look forward to providing shareholders with further positive updates on the Company's activities."

-Ends-

Authorised by the Board of Directors of DigitalX Limited.

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About DigitalX

DigitalX Limited (ASX: DCC) is a technology and investment company focused on blockchain consulting, digital asset funds management, and RegTech. DigitalX's consulting division designs and develops blockchain technology applications for business and enterprise organisations. Through its asset management division, DigitalX provides low-cost traditional asset management products for qualified investors looking to gain exposure to the growing alternative asset class of digital assets, including Bitcoin. DigitalX is currently commercialising Drawbridge, the Company's first RegTech solution that supports listed companies in better managing their compliance and corporate governance policies. With Drawbridge, companies can manage employee and director share trading approvals in order to safeguard their reputations.

www.digitalx.com | <https://digitalx.fund/> | www.opendrawbridge.io
