

# DIGITALX

2 October 2025

ASX Enforcement  
ASX Limited  
Level 40, Central Park  
158 St Georges Terrace  
Perth WA 6000

To Whom it May Concern,

## **DIGITALX LIMITED ('DCC'): QUERY LETTER**

We refer to your letter dated 22 September 2025. In relation to your comments and questions outlined in that letter, the Company responds as follows:

- 1. Please detail the steps undertaken by DCC to satisfy itself that its treasury asset management operations and treasury strategy are lawful under the laws of the jurisdictions in which it operates.**

For over a decade, DigitalX has been actively engaged in understanding the laws relating to the digital asset sector, including in relation to holding, buying, trading and creating products around blockchains using digital assets. This has involved engagement with ASIC and taking legal advice in relation to specific matters as those matters need to be considered.

The Company has engaged legal advisors in Australia and overseas and has continued to internally assess changes to the digital asset ecosystem.

Prior to undertaking any new business activity, the assessment of the opportunity commences with an assessment of the legal requirements and legality of that business. Where there is uncertainty in relation to those matters, historically the Company has also adopted a conservative approach to business opportunities where the legal position is uncertain.

In relation to its treasury management and treasury strategy, this is not a particularly complex area of law to navigate. The holding of Bitcoin and other digital assets is legal in almost all jurisdictions around the world and is legal in Australia. Undertaking a strategic allocation of the Company's cash assets into specific digital assets is undertaken in the same way a

company may choose to convert some of its cash reserves into gold or other commodities. Articulating the strategy to the market and to shareholders is undertaken to ensure that they understand the value proposition of investing in the Company.

**2. With reference to INFO 225:**

- a. Does DCC consider itself to be an issuer of investment products that provides retail investors, amongst other classes of investors, with exposure to crypto-assets?**

No

- b. Does DCC's treasury strategy meet the definition of a managed investment scheme?**

No.

Based on the answer to (a) and (b) above, we provide a response to Q4 and not Q3.

- 3. If the answer to any part of question 2 is "yes", please provide details regarding how DCC addresses the key expectations set out in INFO 225, with specific reference to DCC's arrangements regarding:**

NA

- a. Custody
- b. Risk Management;
- c. Disclosure; and
- d. Licensing (including details regarding what, if any, Australian Financial Services Licenses ('AFSL') DCC and its subsidiaries may require and currently hold to facilitate the operations of its current listed business, and confirmation that any such required AFSL covers DCC's Bitcoin and Solana holdings).

NA

Please answer separately for each part of question 2.

4. If the answer to any part of question 2 is “no” please explain the basis for that view, with specific reference to Part C of INFO 225. Please answer separately for each part of question 2.

DCC does not consider itself to be an issuer of an investment product that provides retail investors, or other classes of investors, with exposure to crypto-assets.

Part C and E of ASIC Information Sheet 225 (**INFO 225**) considers circumstances where an entity is operating an investment product that offers investors exposure to crypto-assets. INFO 225 does not define “investment product” ; however it appears from the context that this term includes ‘financial products’ as defined under the Corporations Act, such as securities, managed investment scheme interests, derivatives, or non-cash payment facilities.

Part C of INFO 225 considers when a crypto-asset could be or involve a financial product. Part C of INFO 225 states that the Corporations Act is likely to apply to a crypto-asset “that involves a financial product such as a managed investment scheme, security, derivative or non-cash payment (NCP) facility.” Further, it states that “the rights attached to crypto-assets [...] are a key consideration in assessing their legal status as a financial product”. This is reinforced by Part A of INFO 225 which states that to determine whether a crypto asset is or involves a financial product requires consideration of “all the rights and features of the proposed crypto-asset, as well as the way in which it will be offered”.

Applying this to DCC, the Company’s treasury holdings (being the crypto assets) confer no rights or other features on shareholders. This is because DCC’s shareholders’ rights attach only to their Shares in DCC (which provides rights for voting, dividends and residual claims in a winding up in the Company only. Shares in DCC do not confer rights on investors to any specific Bitcoin or Solana (or any other crypto assets) held by DCC. I.e., the rights held by DCC shareholders by virtue of their Shares in DCC do not extend to any entitlement to DCC’s Bitcoin or Solana (or any other crypto asset) holdings.

Part C of INFO 225 states: *“If the rights attached to the crypto-asset (which are generally found in the ICO’s ‘white paper’ but may be found in other materials) are similar to rights commonly attached to a share – such as if there appears to be ownership of the body, voting rights in decisions of the body or some right to participate in profits of the body – then it is likely the crypto-asset is a share.*

*If the crypto-asset gives the purchaser a right to acquire shares in the company at a time in the future (e.g. if it lists on the ASX) then this may be an option, which is also a security.”*

In relation to DCC, Shareholders have no direct ownership or rights over DCC’s treasury holdings, which remain (part of) the Company’s corporate assets managed at an executive / board level. The treasury management strategy supports, but does not influence, the business strategy of the Company as a blockchain technology company. In addition, the crypto assets do not give any DCC shareholder a right to acquire shares

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in the Company at any time in the future.

DCC's Bitcoin and Solana holdings are managed as part of DCC's balance sheet in the same way as other liquid assets. DCC's Bitcoin and Solana are not investment products that are offered to DCC shareholders and do not confer on investors direct rights in relation to the Bitcoin and Solana (in the same way as DCC's Shares).

As disclosed at page 46 of the Company's 2024 Annual Report, management has "*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 DCC's treasury function, as they can be sold and converted to cash to facilitate operations, where required*". These disclosures make clear that digital assets are held to manage liquidity and support DCC's operations, not as an investment product offered to investors under which they obtain rights.

We also note that the ASX listed DigitalX Bitcoin ETF (ASX:BTXX), is an entirely separate fund and shareholders in DCC do not obtain a direct exposure to the ETF (or the underlying assets of the ETF) through an investment in DCC.

In summary, while ordinary shares in DCC are investment products – being 'securities', financial products which DCC can issue without an AFSL relying on the self-dealing exemption under section 766C(4) of the Corporations Act – they do not provide exposure to crypto-assets in the way contemplated by INFO 255. Shareholders' rights attach only to their shares in DCC, not to DCC's Bitcoin or Solana holdings, just as DCC shareholders have no direct rights to any other asset recorded on DCC's balance sheet.

DCC does not consider that its treasury strategy meets the definition of a managed investment scheme under section 9 of the Corporations Act.

For the purposes of the definition under section 9 of the Corporations Act, a managed investment scheme exists where:

1. People contribute money or money's worth to acquire rights or interests in the scheme;
2. Contributions are pooled, or used in a common enterprise to produce financial benefits for members; and
3. Members do not have day-to-day control over the operation of the scheme, even if they have voting rights.

The Company's treasury strategy does not satisfy all of these elements:

1. **No contribution of money to the scheme:** Shareholders in DCC acquire ordinary shares in DCC. They do not contribute money for the purposes of a separate scheme, nor do they acquire rights in a pool of crypto-assets. INFO 225 highlights that ASIC's concern arises where entities are "operating an

investment product that offers investors exposure to crypto-assets” (INFO 225, Part E). DCC’s ordinary shares provide rights typical of shares ownership (such as voting and dividends rights), but not rights to participate in, or benefit from, a pooled crypto-asset fund.

2. **No pooling of contributions for common benefit:** DCC’s Bitcoin and Solana holdings are corporate assets managed at an executive / board level as part of treasury and liquidity management. The Company has maintained holdings in crypto assets as early as 2014. As disclosed in the Company’s 2024 Annual Report, management has “*classified digital assets as current assets to reflect their liquidity... [and] viewed by management as forming part of DCC’s treasury function*”. There is no pooling of investor contributions in a common enterprise with the purpose of providing financial returns from crypto-assets.
3. **No scheme membership separate from shareholding:** Shareholders hold equity interests in DCC, not membership interests in a scheme. INFO 225 further emphasises that whether a crypto arrangement is a financial product depends on “all the rights and features of the proposed crypto-asset, as well as the way in which it will be offered” (INFO 225, Part A). In relation to DCC, shareholders’ rights are confined to those attaching to ordinary shares and do not extend to DCC’s Bitcoin or Solana holdings. Further, as outlined above, the ASX listed DigitalX Bitcoin ETF (ASX:BTXX), is an entirely separate fund and shareholders in DCC do not obtain a direct exposure to the ETF through an investment in DCC.

ASIC guidance makes clear that crypto-assets may be structured in ways that constitute interests in a managed investment scheme (INFO 225, Part C). For example, units in a pooled fund that invests in digital assets would typically satisfy the statutory definition. DCC and its treasury holdings are distinguishable: they are balance sheet assets held for liquidity and operational purposes, not the subject of a pooled investment scheme for investors.

Accordingly, DCC considers that its treasury strategy, including its Bitcoin and Solana holdings, does not constitute a managed investment scheme under section 9 of the Corporations Act or for the purposes described in INFO 225.

5. **Please state the undertaking that DCC considers to be its main undertaking for the purposes of the Listing Rules. In answering this question, please state the basis for that view, and confirm the date when DCC considers that the undertaking became its main undertaking.**

The Company listed on ASX in 2014 as a Bitcoin mining company and since that time (in excess of 11 years) the Company has been actively involved in the digital asset sector. Shareholders invest in the Company on the basis of its exposure to, understanding of and interest in the digital asset sector. Its main undertaking therefore is businesses involved in the digital asset sector including investing, product development and digital asset financial services. There has been no change to these activities since the Company ceased its Bitcoin mining operations in circa 2016.

The Company has continued to innovate, generate revenues and operate in the digital asset infrastructure and digital asset financial services industry. DigitalX operates Sell My Shares, an online brokerage platform, the Bitcoin ETF BTXX, has a treasury that has earned revenues in 2025 and has incubated products such as Drawbridge, a blockchain governance tool, both have which either generate revenue and have the potential to integrate into the digital asset sector, or have been recognised for their innovation in the digital asset sector.

6. **Please state the objectives of DCC's treasury strategy and how those objectives and the holding of \$83,185,838 in digital assets as at 30 June 2025 (\$95,175,024 as at 31 August 2025) relates to DCC's business activities. In responding to this question please confirm when and where the treasury strategy was first disclosed by DCC.**

a. Objectives of the Bitcoin holding are highlighted below under question 7, however at a summary level, DigitalX's goal is to grow and monetise the Bitcoin on its balance sheet through the creation of Bitcoin related products and services as well as participating in the Lightning Network as a node staker.

b. The disclosure of the treasury strategy was done via the public [announcement](#) made on 08/07/25 on the ASX.

7. **Please explain how increasing bitcoin holdings to 2,100 by 2027 supports DCC's business activities.**

As noted above, DigitalX has always been engaged in the digital asset sector. Further, as mentioned in question 6 (a), as the digital asset sector matures and new opportunities arise in the digital asset sector, DigitalX wishes to monetise the Bitcoin on its balance sheet through Bitcoin related products and services. By increasing our holdings over time we will be able to further expand on these at scale, gain advantageous market positioning, lower cost of capital and access to larger more transformational opportunities when they arise.

Below are some opportunities that DigitalX is evaluating to monetise the Bitcoin on its balance sheet and drive shareholder value:

**1. Trading and Monetisation of Bitcoin:**

With a larger Bitcoin reserve, DigitalX will have the ability to leverage its balance sheet and generate income from the underlying asset through a variety of trading strategies. The primary goal of this is to provide free cash flow to the business and become cash flow positive. As the Bitcoin ecosystem continues DigitalX can stake our Bitcoin in protocols to generate returns for the company and increase the robustness of the network.

**2. Bitcoin-Backed Lending and Financing:**

DigitalX are currently pursuing opportunities relating to the lending of AUD and other currencies collateralised by Bitcoin through institutional grade custodians, and subject to obtaining the appropriate license. Having a large asset position of Bitcoin will allow DigitalX to gain more preferable lending rates for funding which will enable higher profits for the Company. Additionally, DigitalX are exploring partnerships to co-fund Bitcoin-backed loans with external providers, this would require the pledge of our Bitcoin as part of the loan - the opportunity results in a higher profit margin on a product versus a startup looking to access capital markets.

**3. Staking on the Bitcoin Lightning Network:**

The Company is currently exploring opportunities with international firms to stake and participate in Bitcoin's Lightning Network (payments system). As part of that business opportunity, Bitcoin would be pledged to one of the Lightning Network's nodes in return for revenue based on payment transaction throughput. Through DigitalX having a larger Bitcoin holdings position, the Company will ultimately obtain both greater revenues and incrementally higher profit margins.

**4. Strategic Acquisitions and Ecosystem Expansion:**

The Company expects that by growing Bitcoin holdings as a strategic asset, there will be Bitcoin infrastructure and crypto-related business opportunities that are expected to offer the ability to generate returns for DigitalX. The Company expects to have the ability to finance and purchase these businesses via the use of the Bitcoin held in our treasury. The Company believes this will become an emerging trend over the next several years and one we want to position the Company in early to capitalise on these emerging opportunities.

The Company notes that these business opportunities currently under evaluation to monetise its growing Bitcoin position remain at an early stage of development. As such, DigitalX has not released detailed plans to the market. Investors should be aware that, given the preliminary nature of this evaluation process, some or all of these opportunities may not ultimately be pursued or brought to market by DigitalX.

**8. Please detail the experience of DCC's board, senior management and auditor with respect to cryptocurrency investments specifically and the risks associated with crypto assets more generally.**

DigitalX's board and senior leadership collectively bring deep cryptocurrency and digital-asset expertise alongside decades of institutional funds-management and capital-markets experience. The team has overseen an ASX-listed spot Bitcoin ETF (BTXX) and a corporate Bitcoin treasury program, including institutional-grade custody with independently audited providers, insurance arrangements, and embedded risk/compliance frameworks. Experience spans portfolio and product governance, valuation/price-source controls, counterparty due diligence, custody oversight,

operational risk, disclosure and audit coordination, addressing crypto-specific risks, as well as general investment risks. Our external auditor BDO has audited the company since FY20 and through engagement with the Company and ASIC has built a deep knowledge and understanding of the appropriate treatments of digital assets from a financial reporting perspective. The auditor has engaged with a variety of digital asset intermediaries and was complementary of DigitalX's chosen providers

## **Board**

### **Leigh Travers - Non-Executive Chair**

Leigh Travers has been actively involved in the cryptocurrency markets for over a decade. In 2014, Mr. Travers joined DigitalX shortly after it became the first publicly listed company in the world operating in the Bitcoin sector. At DigitalX, Mr. Travers supported the company's Bitcoin-related business activities, including trading and custody services. This business successfully sold Bitcoin to institutions and exchanges both directly via OTC and through the company's trading platform, DigitalX Direct.

In 2017, Mr. Travers was appointed CEO of DigitalX, where he established a cryptocurrency advisory unit. Under his leadership, the advisory unit successfully supported several projects that went on to achieve unicorn status (with fully diluted valuations exceeding USD \$1 billion). During his tenure, DigitalX also launched a regulated funds management business, creating cryptocurrency and Bitcoin funds that were recognized as some of the best-performing funds in Australia.

Mr. Travers also served as a Director of Blockchain Australia (now the Digital Economy Council of Australia) for over five years, including as Chair of the Finance and Governance Committee.

In 2021, Mr. Travers departed DigitalX to take on the role of CEO at Binance Australia, the world's largest cryptocurrency exchange by customer numbers and trading volume.

In 2022, Mr. Travers began pursuing global opportunities as a Non-Executive Director, firstly serving as a Non-Executive Director of a NASDAQ-listed SPAC that raised US \$115 million to acquire or merge with emerging technology companies in Southeast Asia and Australasia. The SPAC focused on high-growth sectors such as Web3, blockchain, cryptocurrency, digital ledger technology, e-gaming, and other innovative financial technologies.

In 2023, Mr. Travers joined the Board of Banxa Holdings Ltd., a Payment Service Provider (PSP) for the digital asset industry that has processed over USD \$10 billion in transactions across 150 countries under 45 regulatory licenses. Banxa was subsequently acquired by the publicly listed OSL Group in 2025.

Currently, Mr. Travers serves as the Director of Capital Markets for Animoca Brands, a Hong Kong-based leader in Web3 technologies. Animoca Brands leverages tokenization and blockchain to deliver digital property rights to consumers, fostering the development of the open metaverse and its network effects. The company operates Web3 businesses, offers digital asset advisory services, and manages an investment portfolio of approximately 600 companies.

### **Peter Rubinstein - Non-Executive Director**

Mr Rubinstein has over three decades of experience in investment management and has served as a Non-Executive Director of DigitalX since 2017. During this time, he has

overseen the Company's progression from early Bitcoin trading and custody services through to the launch of regulated cryptocurrency funds. His experience provides the Board with a long-term perspective on both traditional capital markets and the evolving digital asset sector.

In his role, Mr Rubinstein has been directly involved in Board discussions relating to the risks associated with cryptocurrency investments, including market volatility, liquidity, custody arrangements, and the implications of regulatory developments. His combination of traditional financial markets expertise, early stage technology commercialisation and nearly a decade of listed-company blockchain oversight equips him with a comprehensive understanding of the challenges and risks relevant to DigitalX's business.

#### **Ieva Guoga - Non-Executive Director**

Ms Ieva Guoga was appointed as a Non-Executive Director of DigitalX Limited in May 2025. Ms. Guoga holds a Finance degree from the University of Melbourne and has worked as a Consultant Analyst at Sol Strategies Inc. (CSE:HODL), a listed cryptocurrency investment company, advising on M&A, blockchain strategy, and treasury structuring. She has been a sophisticated crypto investor since 2018 and is currently completing the AICD Course, strengthening her governance and risk expertise. This combination of listed-company experience, long-term investment exposure, and formal director training provides her with a strong foundation to contribute to the Board's oversight of digital assets.

#### **Management**

##### **Demetrios Christou**

General Manager – Finance

Demetrios brings over 20 years' experience in finance and operations having worked across Banking, SaaS, Large Privately held and a Global Proprietary Fund. He has been active in the cryptocurrency/digital-asset space since 2021, focusing on Digital-Asset Fund Management, Financial Reporting, Treasury management, and Investment strategy. Within DigitalX, has been a key driver of the company's Business strategy, cost optimisation, treasury management and governance. Demetrios was appointed Interim CEO on 3 March 2025 and tender his resignation on 26 September 2025.

##### **Will Hamilton**

General Manager (appointed 26 September 2025)

Will brings extensive experience in corporate finance, capital markets and the digital asset sector, having held senior roles at Animoca Brands, digital asset manager Trovio Asset Management (now JellyC) and earlier in his career in private equity at Washington H Soul Pattinson & Company Ltd (ASX:SOL).

Will has been active in the digital asset industry since 2016 and has raised significant institutional capital for a range of Web3 and digital asset funds.

##### **Alex Nagorskii**

Portfolio Manager at DigitalX. Alex is a financial services professional with over 10 years of experience across wealth management, digital assets, and traditional financial markets. At DigitalX, he has spent more than four years working on digital asset funds,

most recently as Portfolio Manager across both active and passive strategies.

Previously, Alex worked in investment governance at Macquarie Bank, where he oversaw a universe of up to 700 managed funds and conducted comprehensive upfront and ongoing due diligence on investment strategies and operational practices. He also has direct experience in proprietary trading of Australian and U.S. interest rate products.

Alex holds a Bachelor of Commerce (Finance) from Macquarie University and has successfully completed Level I of the CFA Program.

#### **Hannah Pham**

Portfolio Manager at DigitalX with over 18 years in investment management across global institutions including J.P. Morgan and Commonwealth Bank of Australia. Experienced in managing large institutional portfolios and real asset acquisitions approaching \$1 billion. Hannah joined DigitalX in 2022 as Senior Analyst and was subsequently promoted to Portfolio Manager, applying institutional investment discipline, governance and risk frameworks to Bitcoin and digital-asset strategies. At DigitalX, supports portfolio oversight, trade execution and risk management for the ASX-listed Bitcoin ETF (BTXX) and treasury activities, ensuring institutional-grade controls and compliance.

#### **Katrina Griffiths**

Head of Sales & Marketing at DigitalX (since 2024), leading distribution, investor engagement and communications for the ASX-listed DigitalX Bitcoin ETF (BTXX) and the company's Bitcoin-first treasury narrative. 20+ years in financial services across sales, marketing and investor relations, with a focus on regulated listed products. Experienced in crafting ASIC-aligned materials, platform/adviser outreach, and coordinating PR/IR around crypto-asset risk education (custody, market risk, and governance). Works closely with compliance, legal and external partners to ensure accurate disclosure and consistent messaging for crypto-related products. Active in roadshows, webinars and institutional engagement across adviser networks, platforms and family offices.

- 9. Please detail the assessment that was undertaken of the risks of the strategy and what were the results of that assessment, what measures are being taken under the strategy to manage those risks, what holding periods or other time limits apply to the strategy, and any other matters that will explain to investors what the strategy means for DCC and its business.**

DigitalX would like to highlight that its Bitcoin Treasury Strategy is one element of the Company's broader digital asset ecosystem operations, which also include other Bitcoin based financial products and services (as described in Question 7).

#### **Assessment of Risks Undertaken and Results**

In undertaking DigitalX's strategic decision grow the DigitalX Bitcoin treasury strategy the main consideration that was taken into account was the following:

1. That Bitcoin is an asset that is well understood by DigitalX and an asset that the Company has a deep historical knowledge base in. The Company believes

the Bitcoin will be a foundational collateral base in the future and will enable the Company to execute business opportunities across both Bitcoin infrastructure and Bitcoin financial services.

2. The following questions regarding risk and returns were considered

- Over the long term what is the best risk adjusted asset to acquire and hold as a treasury asset to deliver long term value for our shareholders.
- What digital asset is most globally adopted and accepted that will enable the company to execute on its plans.
- In the current environment and taking in historical context, what asset has seen the most adoption and acceptance from retail, to SMEs, HNWs, institutions, banks and governments, particularly in the context of the Australian market.
- What asset has the most government and regulatory clarity provided to it that ultimately will reflect on DigitalX's ability to execute its plans with the highest degree of certainty.
- What asset has the largest competitive moat around it so that it ensures its value proposition remains, retains its utility value long term and has the least possible chance of being superseded by other technologies.
- Which asset class has the most proven track record of robustness in terms of network security and has institutional grade ancillary services available to support future growth and innovation of the asset.

DigitalX, after extensive consultation with management and its major Investors, determined Bitcoin was the best answer to all of the questions above. Bitcoin has proven to be the most robust, anti-fragile digital asset in the market. DigitalX's view is that Bitcoin is the largest, most established, adopted, decentralised, and liquid digital asset. This perspective is also informed by Bitcoin's long term track record, including its significant appreciation against the US Dollar.

Key risks and findings from this evaluation:

- **Volatility Risk:** Historically 50-80% annualised, but has been mitigated by Bitcoin's maturation and increasing stability through widespread adoption. Volatility has significantly been reduced ([33%](#)) [as the asset has grown](#).
- **Liquidity/Market Risk:** Deep, with \$50-100B daily volumes traded on mature exchanges.
- **Security/Custodial Risk:** Low, due to Bitcoin's decentralised nature and institutional-grade standards like Coinbase, Kraken, Fidelity etc.
- **Regulatory/Geopolitical Risk:** Significantly reduced by positive global trends, such as the U.S. Clarity and Genius Acts, and adoption by institutions like BlackRock, large multinational banks, and governments (US). Our view is that relative to 5 years ago the vast majority of regulatory and adoption risk has now been reduced.
- **Technological Risk:** Minimal, Bitcoin is now supported by hash rates over 500 EH/s creating an extremely robust network that has effectively his escape velocity from potential bad actors.

Overall, Bitcoin's risk profile is derisked through its dominance and integration into traditional finance, from retail to institutional and governmental levels, minimising existential threats compared to fiat currencies' systemic vulnerabilities.

### **Measures Being Taken to Manage Risks**

DigitalX manages risks related to its treasury strategy with robust Board oversight, and a framework centred on governance, security, and transparency. Our key controls include:

- **Governance & Allocation:** All treasury activities are governed by a formal, Board-approved policy that defines our strategic allocation parameters, risk appetite, and transaction authority. This ensures all decisions align with our stated corporate strategy and risk settings.
- **Custody & Security:** Assets are secured exclusively with regulated, institutional-grade custodians. We enforce stringent security protocols, including mandatory multi-signature ("multi-sig") transaction authorization and offline "cold storage" for the vast majority of our holdings to mitigate theft and counterparty risk.
- **Market Risk & Monitoring:** We conduct continuous market monitoring and operate under a clear policy that permits the use of partial, non-speculative hedging strategies. This is a risk-mitigation tool used to manage periods of extreme volatility without liquidating core holdings.
- **Disclosure & Reporting:** The Company is committed to full transparency and adheres strictly to its continuous disclosure obligations under ASX Listing Rule 3.1, ensuring all material information regarding our treasury is reported to the market in a timely manner.

### **Holding Periods or Other Time Limits**

- No fixed holding periods; indefinite "buy-and-hold" strategy with no sales planned, focusing on long-term >25% CAGR of the underlying and to increase Bitcoin/share to drive further shareholder value. .

### **Other Matters Explaining the Strategy's Implications to Investors**

- Given DigitalX's position as Bitcoin being a globally pristine asset we believe that by holding Bitcoin and growing our Bitcoin holdings in a positive Bitcoin/Share manner we are:
  - (1) Increasing shareholder value due to long term historic appreciation of the underlying asset.
  - (2) Providing additional shareholder value by accretively raising capital to buy more Bitcoin and increase the companies Bitcoin/Share
  - (3) Further Bitcoin balance sheet expansion dramatically opens up new investment strategies, M&A activity, cheaper financing, Bitcoin operating business opportunities and Bitcoin financial services businesses and further positions ourselves as a leader in the digital asset ecosystem in Australia.

- 10. Please detail any other limits on the acquisition of cryptocurrency by DCC under the strategy and how those limits will be managed.**

- a. DCC will look to raise capital to buy Bitcoin with a portion of that capital raised going to working capital as well as other endeavors where necessary, subject to the ASX Listing Rules.
- b. DigitalX will look at raising capital via:
  - i. At the Market facilities when there is a premium to mNav is in line with the use of that facility with other global players in the market or as the Board sees fit.
  - ii. Equity offerings for strategic investors and or retail investors.
  - iii. Debt subject to internal debt:market cap limits.
  - iv. Convertible debt denominated in FIAT or by Bitcoin when the conditions are favourable to do so.
  - v. Preference shares once scale of the company permits.
- c. DigitalX will have a dual mandate regarding raising capital to buy Bitcoin. This will be to either/or both (a) prioritising increasing Bitcoin per share; and (b) accumulating as much Bitcoin as possible within the guideline of our internal policies.

**11. Please detail the arrangements for holding DCC’s cryptocurrency including safeguards to protect against fraud, theft, mismanagement of keys, unauthorised access and similar matters, including risks arising from the outsourcing of any such arrangements and what measures are in place to manage those risks.**

DigitalX employs a multi-layered, defense-in-depth strategy that combines institutional-grade third-party custody with strict internal controls and rigorous due diligence to protect against fraud, theft, mismanagement of keys, and unauthorised access.

**Primary Custody Arrangement: Institutional Cold Storage**

Our primary strategy for holding digital assets prioritises security by using qualified, third-party custodians. All digital assets are held with our primary custodian, BitGo, by default, unless the asset is not supported. BitGo is a regulated, US-based digital asset trust company. We are constantly conducting due diligence on the best in class custody solutions and have additional contractual arrangements with Coinbase and Kraken.

The principle of asset segregation is at the core of our due diligence process. Our assets are held by the custodian in segregated accounts in the name of DigitalX Limited. The custodian’s contractual agreements ensure that our assets remain the Company’s property at all times and are not subject to the custodian’s bankruptcy or receivership estate.

**Multiple layers of security are enforced to prevent unauthorised access, fraud, and theft**

Multi-Factor Authentication and Whitelisting: Access to our custodial account with BitGo requires a combination of a strong password, two-factor authentication (2FA), and is restricted to whitelisted IP addresses.

The policy explicitly defines the roles and names of individuals authorised to access and manage assets, including signatories for custody and brokers. From the approved users, multi-person authorisation is required to process transactions or policy changes.

- Any changes to wallet administration settings require two authorisations from a list of approved personnel.
- Transactions (movements of assets) from custody require a video ID verification and a final approver to execute. This ensures no single person can move funds unilaterally.

### **Management of Outsourcing and Counterparty Risk**

We acknowledge the risks associated with outsourcing custody and have robust measures in place to manage them.

### **Rigorous Due Diligence**

We only engage with "Permitted Service Providers" who have undergone a thorough evaluation process. Our criteria for evaluating custodians are extensive and include:

- Supervision by an appropriate regulator (e.g., ASIC, SEC).
- Regular cybersecurity audits (e.g., SOC 2 reports) and penetration testing.
- Sufficient insurance coverage for potential losses of customer assets. BitGo maintains a USD \$250m policy, and we have a copy of their insurance certificate on file.
- A strong history and reputation in digital asset custody.

As part of our ongoing monitoring we conduct periodic assessment of all permitted service providers. If a provider's performance is deemed deficient, we will minimise or discontinue its use. The Counterparty Register is reviewed periodically to ensure ongoing suitability.

While we use exchanges and brokers for trading, they are not used for long-term storage. Our policy mandates that balances held on exchanges are kept to a minimum. Once a trade is executed, assets are moved back to secure cold storage as soon as is practical.

Our framework is designed to provide institutional-grade security for our digital asset holdings, ensuring they are protected by a combination of leading technology, stringent internal procedures, and rigorous oversight of our third-party partners.

- 12. Please confirm that DCC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed

- 13. Please confirm that DCC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DCC with delegated authority from the board to respond to ASX on disclosure matters.**

The responses to these questions have been authorised by the Board.



22 September 2025

Mr Mark Licciardo  
Company Secretary  
DigitalX Limited  
Level 4, 66 Kings Park Road, West Perth, WA 6005

By email: m.licciardo@acclime.com

Dear Mr Licciardo

### **DigitalX Limited ('DCC'): ASX Query Letter**

ASX refers to the following:

- A. Listed@ASX Compliance Update 09/25 released on 29 August 2025 which includes the following excerpts (footnotes omitted):

#### **Crypto asset-related activities by listed entities**

...

*Previous ASX guidance on crypto asset-related activities by listed entities is set out in Listed@ASX Compliance Updates 06/19, 01/18, and 09/17.*

*In general, our previous guidance on crypto asset-related activities by listed entities remains current. Listed entities and their advisers are encouraged to re-read the updates referenced above, but we re-state some of the key points as follows.*

...

*In Australia, crypto assets are regulated through existing financial services laws, to the extent that they are or involve financial products and services such as managed investment schemes. Entities that are or may wish to become involved in crypto asset-related activities should closely consider ASIC Information Sheet 225 – Crypto-assets (INFO 225) which helps in identifying when a crypto asset may be or involve a financial product, and outlines some of the obligations that may be applicable under the Corporations Act and other legislation.*

*If ASX is concerned about the lawfulness of an entity's current or proposed crypto asset-related activities or their consistency with the Listing Rules it is likely to engage with the entity to understand the basis on which the entity considers those activities to be lawful in each relevant jurisdiction and consistent with the Listing Rules, and what legal or other advice it has taken on this question. If ASX is not satisfied with the response it is likely to engage further with the entity and may need to consider whether the entity's structure and operations are appropriate for a listed entity for the purposes of Listing Rule 12.5 (or in the case of an applicant for listing, Listing Rule 1.1 condition 1).*

*A proposal by a listed entity to engage in crypto asset-related activities may involve a significant change in the nature or scale of the entity's activities, requiring shareholder approval and re-compliance with the listing admission requirements under Listing Rule 11.1. Should ASX require re-compliance, this will include considering whether the entity's structure and operations will remain appropriate for a listed entity (for the purposes of Listing Rule 1.1 condition 1)*

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#### **Cryptocurrency treasury strategies by listed entities**

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Recently, there has been commentary on the increasing use of capital markets by listed companies in the US and in some other markets to fund cryptocurrency treasury strategies. Under these strategies, companies acquire cryptocurrencies, commonly bitcoin, to hold on their balance sheet, with different stated objectives. The announcement of these strategies has been associated in some cases with an increase in the company's share price exceeding the value of the cryptocurrency that has been acquired.

We are now seeing more of this type of activity disclosed by ASX listed entities. With respect to cryptocurrency treasury strategies (or similar strategies involving any type of crypto asset), ASX notes the following.

**a. Significant change to nature or scale of activities**

As with other crypto-related activities, a cryptocurrency treasury strategy may involve a significant change in the nature or scale of the entity's activities. ASX will take a substance over form approach to this question, and the fact that an activity may be described as a treasury strategy (which is ordinarily an operational matter) will not prevent ASX from forming the view that it is in substance a business activity and, depending on the circumstances, potentially the main undertaking of the entity (in the sense of being its main business activity).

Whether there is a significant change to the nature or scale of an entity's activities for the purposes of Listing Rule 11.1 because of a cryptocurrency treasury strategy is something that ASX will determine based on all the circumstances, having regard to our published guidance. Relevant circumstances are likely to include such matters as the nature of the entity's main business activity, the detail of the entity's cryptocurrency treasury strategy, the proportion of the entity's total assets held in cryptocurrency, the emphasis placed by the entity in its market announcements on its cryptocurrency holdings relative to its stated business activities, and the entity's stated intentions with respect to the acquisition or disposal of cryptocurrency.

**b. Appropriate structure and operations for listing**

ASX may also need to consider whether an entity that has undertaken a cryptocurrency treasury strategy continues to have a structure and operations appropriate for a listed entity for the purposes of Listing Rule 12.5. Again, ASX will have regard to all the relevant circumstances, including the entity's historical activities. Without limiting those circumstances, if ASX identifies that an entity has or may have a principal activity of investing in cryptocurrency or other crypto assets, this is likely to raise real concerns under Listing Rule 12.5, taking into account, among other things, ASIC's expectations in INFO 225 with respect to the quotation of crypto asset LICs. There may also be circumstances where a level of investment by a listed entity in crypto assets is regarded by ASX as inconsistent with Listing Rule 12.3, which again may raise concerns under Listing Rule 12.5.

**c. Disclosure of crypto asset-related activities**

If an entity's cryptocurrency treasury strategy is obliged to be disclosed under Listing Rule 3.1, ASX will expect clear and effective disclosure. Without limiting the matters that this should include, ASX would expect to see disclosure of matters such as:

- The objectives of the strategy and how those objectives and the holding of cryptocurrency relate to the entity's business activities.
- The experience of the entity's board, senior management and auditor with respect to cryptocurrency investments specifically and the risks associated with crypto assets more generally.
- What assessment was undertaken of the risks of the strategy and what were the results of that assessment, what measures are being taken under the strategy to manage those risks, what holding periods or other time limits apply to the strategy, and any other matters that will explain to investors what the strategy means for the entity and its business.

- *What other limits are there on the acquisition of cryptocurrency by the entity under the strategy and how those limits will be managed.*
- *Arrangements for holding the entity's cryptocurrency including safeguards to protect against fraud, theft, mismanagement of keys, unauthorised access and similar matters, including risks arising from the outsourcing of any such arrangements and what measures are in place to manage those risks*

...

*ASX is also mindful of the risk of ramping announcements in connection with cryptocurrency treasury strategies. ASX is likely to closely review any announcements with respect to crypto asset-related activities and, where appropriate, issue requests for further information and release that correspondence, where appropriate, to the market. Without limiting the matters that ASX may query, this may include whether the entity is in fact engaged in a cryptocurrency treasury strategy or simply acquiring cryptocurrency as a speculative investment and characterising this as a treasury strategy in the context of strong market sentiment about those strategies.*

- B. Information Sheet 225 (INFO 225), published by ASIC, which assists entities to understand their legal obligations if their business is involved with crypto-assets such as cryptocurrency, tokens or stablecoins.

#### **Request for information**

Having regard to the above, ASX asks DCC to respond separately to each of the following questions:

1. Please detail the steps undertaken by DCC to satisfy itself that its treasury asset management operations and treasury strategy are lawful under the laws of the jurisdictions in which it operates.
2. With reference to INFO 225:
  - 2.1 Does DCC consider itself to be an issuer of investment products that provides retail investors, amongst other classes of investors, with exposure to crypto-assets?
  - 2.2 Does DCC's treasury strategy meet the definition of a managed investment scheme?
3. If the answer to any part of question 2 is "yes", please provide details regarding how DCC addresses the key expectations set out in INFO 225, with specific reference to DCC's arrangements regarding:
  - 3.1 Custody;
  - 3.2 Risk Management;
  - 3.3 Disclosure; and
  - 3.4 Licensing (including details regarding what, if any, Australian Financial Services Licenses ('AFSL') DCC and its subsidiaries may require and currently hold to facilitate the operations of its current listed business, and confirmation that any such required AFSL covers DCC's Bitcoin and Solana holdings).

Please answer separately for each part of question 2.
4. If the answer to any part of question 2 is "no" please explain the basis for that view, with specific reference to Part C of INFO 225. Please answer separately for each part of question 2.
5. Please state the undertaking that DCC considers to be its main undertaking for the purposes of the Listing Rules. In answering this question, please state the basis for that view, and confirm the date when DCC considers that the undertaking became its main undertaking.

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6. Please state the objectives of DCC's treasury strategy and how those objectives and the holding of \$83,185,838 in digital assets as at 30 June 2025 (\$95,175,024 as at 31 August 2025) relates to DCC's business activities.

In responding to this question please confirm when and where the treasury strategy was first disclosed by DCC.

7. Please explain how increasing bitcoin holdings to 2,100 by 2027 supports DCC's business activities.
8. Please detail the experience of DCC's board, senior management and auditor with respect to cryptocurrency investments specifically and the risks associated with crypto assets more generally.
9. Please detail the assessment that was undertaken of the risks of the strategy and what were the results of that assessment, what measures are being taken under the strategy to manage those risks, what holding periods or other time limits apply to the strategy, and any other matters that will explain to investors what the strategy means for DCC and its business.
10. Please detail any other limits on the acquisition of cryptocurrency by DCC under the strategy and how those limits will be managed.
11. Please detail the arrangements for holding DCC's cryptocurrency including safeguards to protect against fraud, theft, mismanagement of keys, unauthorised access and similar matters, including risks arising from the outsourcing of any such arrangements and what measures are in place to manage those risks.
12. Please confirm that DCC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
13. Please confirm that DCC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DCC with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Monday, 29 September 2025**

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DCC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require DCC to request a trading halt immediately if trading in DCC's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DCC's securities under Listing Rule 17.3.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to DCC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that DCC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Regards

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ASX Compliance