

**ASX ANNOUNCEMENT 16 SEPTEMBER 2022****FUND TOKENISATION PROOF OF CONCEPT COMPLETED ON ASX SYNFINI**

- DigitalX completes a technology proof of concept initiative to create digital investment funds on the ASX Synfini platform by creating a digital token representing fund units
- Synfini is ASX's distributed ledger technology
- The initiative forms a basis for demonstrating the benefits for investors of digital asset tokenisation and a pathway to greater distribution of DigitalX's investment funds

DigitalX Limited (ASX: **DCC**) ("**DigitalX**", "**the Company**") is pleased to announce it has successfully completed a technology proof of concept for digital investment funds by creating a distributed ledger based token representing fund units on the ASX Synfini test platform.

Asset tokenisation is the process by which ownership of an asset is recorded digitally and can be exchanged by transferring ownership of the digital token. The benefits of asset tokenisation include:

- lower transaction costs with greater automation;
- elimination of counterparty risks using instant settlement; and
- expanded access to asset returns through fractionalised ownership of assets.

The tokenisation of assets is a concept gaining attention recently, with estimates that ~10% of real-world assets will be tokenised by 2027<sup>1</sup> as the adoption of distributed ledger technologies within digital and traditional markets increases. As detailed in the Company's Corporate Presentation released 29 August 2022, DigitalX is pursuing its strategy to become a leader in the origination, investment, and transaction of tokenised assets as a means of generating revenues for its shareholders. The Company has created this initiative as a first step towards demonstrating tokenisation capabilities and a technology pathway for expanding distribution of its own investment funds.

The tokens have been issued on the ASX Synfini platform, a distributed ledger environment that is designed to support a range of applications including the ASX's new clearing and settlement system. DigitalX is one of the first organisations to receive access to the Synfini test environment through development of its Drawbridge application, which is used by ASX listed companies to realise improved governance around insider trading risks through greater digitisation.

The proof of concept has been completed to demonstrate the viability of tokenisation in traditional financial markets, as well as DigitalX's capabilities in this space.

Following this proof of concept, the Company is working on tokenisation projects designed to make ownership of the DigitalX Fund more accessible to investors in a robust and regulatory compliant manner. Since its inception, the DigitalX Fund has given investors access to a researched portfolio of digital assets selected from the top 20 largest cryptocurrencies by market capitalisation. The fund is an Australian unit trust open only to eligible wholesale investors by application.

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<sup>1</sup> "Australia readies to ride \$32trn 'tokenisation' wave" (<https://www.afr.com/technology/australia-readies-to-ride-32trn-tokenisation-wave-20210701-p585ya>)

The initiative demonstrates how each fund unit can be represented as a token acting as a digital twin of the fund's ownership register of unit holders. These digital forms of ownership create new pathways for improved outcomes and access to investment opportunities as financial services providers become increasingly connected to digital asset ecosystems such as the ASX Synfini platform.

**DigitalX Chief Executive Officer Lisa Wade** said: *"We are excited by the opportunities that are emerging as tokenisation becomes more widely embraced and technology develops concurrently. This project issuing digital tokens representing fund units on the ASX's Synfini platform is an example of how established financial players might combine in the future to offer new products and potentially lower risk exposure to digital assets."*

**ASX General Manager, DLT Solutions Paul Stonham** said: *"We're pleased to see increasing adoption of the platform by DigitalX, leading the way in testing and creating digital ownership channels for investment funds."*

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*Authorised by the Board of DigitalX Limited.*

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## About DigitalX

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

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

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

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

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