



Acquisition of Sell My Shares: **A strategic fit positioned for growth**

DigitalX acquires profitable trade execution business
Sell My Shares to expand its Drawbridge product and
pursue growth opportunities.

Acquisition Summary

1.

DigitalX to acquire Sell My Shares, a profitable trade execution business, for cash consideration of \$1,640,000, plus deferred consideration of up to \$250,000 subject to certain performance milestones.

2.

The synergistic acquisition of Sell My Shares **accelerates Drawbridge's existing product and commercial offering** by opening the way for a compliant share trading platform for employees of it's growing base of publicly listed company customers.

3.

Sell My Shares is a **market leader in online share execution services** such as one-off share sales, deceased estates holdings, and finding lost shares, having helped over **42,000 Australians** with **over \$300M worth of trades** since 2013.



Business Overview

Digital Asset Management

Management of digital asset investment funds for wholesale and institutional investors.

- DigitalX Bitcoin Fund
- DigitalX Digital Asset Fund

\$30M funds under management

12 month returns of 292% and 436% respectively¹

Digital Products

Financial markets applications leveraging the benefits of distributed ledger technologies.

- Drawbridge
- Sell My Shares

Growing Drawbridge customer base

\$300M+ of Sell My Shares trades since 2013.

Blockchain Ventures

Leading research and development of digital finance initiatives and Company assets.

- Digital Asset Treasury Management
- Special projects - Digital Finance CRC partner, xbullion

\$50M treasury balance sheet¹

Partner to CRC with \$60M funding over 10 years.

¹ Refer to [ASX Announcement](#) 7 September 2021

Our objective is to develop and scale the next generation of financial markets products and services



Drawbridge

A vision to become **the digital governance standard** for the world's 630,000 publicly listed companies.

sellmyshares.com.au
Australia's No. 1 in share sales

A **leader in online share execution services** with a mission to reduce the hassle for Australians dealing with shares.

A strategic fit positioned for growth



**Accelerate
Drawbridge
customer and
revenue growth**

**Development of
expanded digital
finance products
and services**

Listed Companies	Employees & Shareholders
<ul style="list-style-type: none">• Improved sign-ups through lower ongoing SaaS fees via shift to brokerage based revenue model.• Strengthened customer value through matching of trade data with approvals.	<ul style="list-style-type: none">• Faster and easier way to sell employee shares and meet compliance obligations.• Improved share sales experience for international employees of ASX listed companies.
<ul style="list-style-type: none">• Additional Drawbridge compliance functionality, such as facilitation of unmarketable parcel share sales, and sales of un-escrowed share based payments.	<ul style="list-style-type: none">• Bring future ASX DLT benefits to consumers, such as tracking and finding lost shareholdings.

sellmyshares.com.au
Australia's No. 1 in share sales

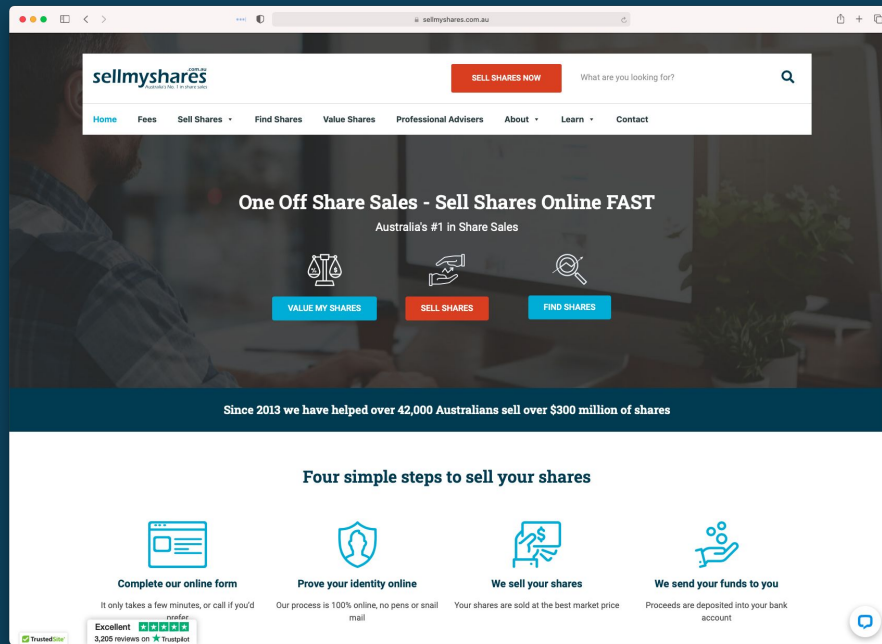
Overview

Sell shares online, fast.

Australia's #1 in one-off share sales.

Since 2013 Sell My Shares has helped over 42,000
Australians sell over \$300M worth of shares.

www.sellmyshares.com.au



A leading trade execution provider

sellmyshares.com.au
Australia's No. 1 in share sales

Sell My Shares is a **trusted leader** in providing customers with a **range of trade execution services**, including one-off share sales that avoid the time and expense needed to establish a traditional stockbroking account.



Sell My Shares

Reviews 3,205 • Excellent



4.9 ⓘ

Four simple steps to sell your shares



Complete our online form

It only takes a few minutes, or call if you'd prefer



Prove your identity online

Our process is 100% online, no pens or snail mail



We sell your shares

Your shares are sold at the best market price



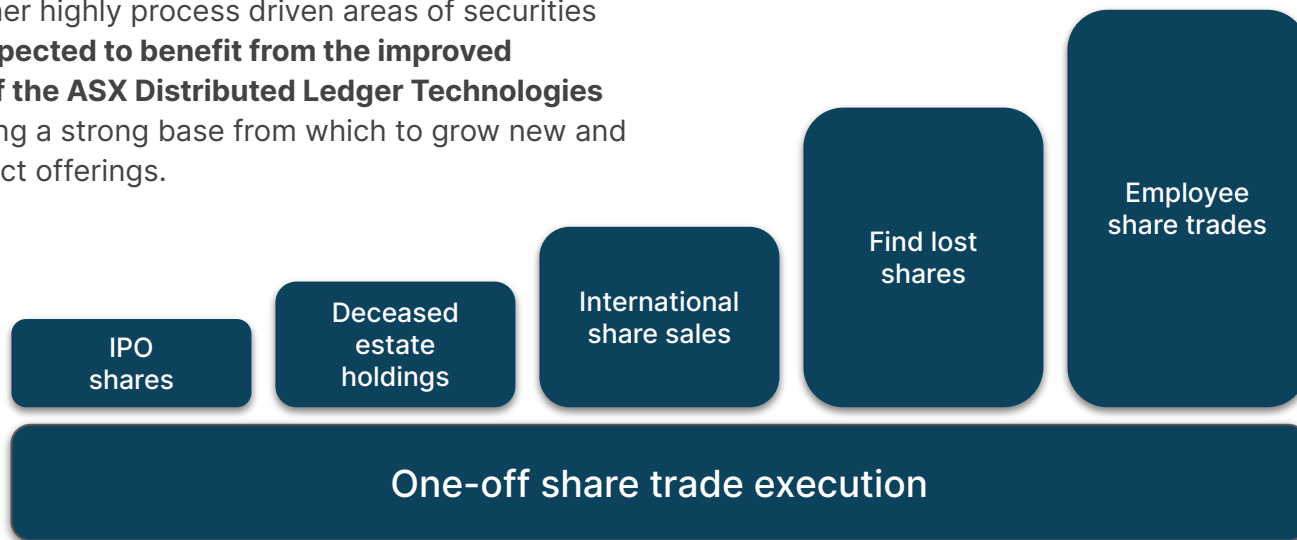
We send your funds to you

Proceeds are deposited into your bank account

Avenues to growth of existing business

Sell My Shares provides an existing customer channel to grow adjacent services such as finding lost shares and liquidating assets from deceased estates.

These and other highly process driven areas of securities trading are **expected to benefit from the improved capabilities of the ASX Distributed Ledger Technologies (DLT)**, providing a strong base from which to grow new and existing product offerings.





Drawbridge

Overview

Eliminating governance risks for listed companies by identifying insider trading issues before they become a problem.

www.opendrawbridge.io



Vision, mission & market opportunity



Vision

To be the digital governance standard for the world's 630,000 publicly listed companies.

Mission

Drawbridge solves the lack of trust in corporate governance by digitising processes for good governance.

We do this by using the power of distributed ledger technologies to provide an open and transparent source of truth that supports listed company boards to lower corporate governance risks.

Regtech and digital compliance is a rapidly growing opportunity

Drawbridge plays in a large and growing market demonstrated by three key trends:

1. The global RegTech market is expected to grow from USD 6.3 billion in 2020 to USD 16.0 billion by 2025, a CAGR of 20.3% *
2. Australia is the world's third largest RegTech market and an excellent jurisdiction to grow from *
3. ASX will be the first securities exchange to adopt DLT globally giving first mover advantages *

Market segments

Target
Customers

~4,000
governance
professionals

Target
Market

ASX Companies
with >30
employees

Serviceable
Available Market

~2,300
ASX listed companies

Total Available Market

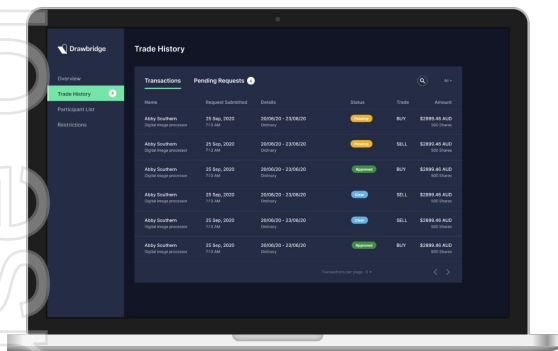
~630,000
Global listed companies

Our current solution



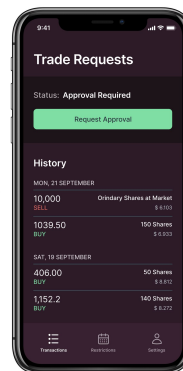
1.

Compliance managers
Set restriction rules and
view trading history



2.

Directors and staff
View restrictions and
get trade approval



3.

Drawbridge
Automates decisions and
identifies issues for review

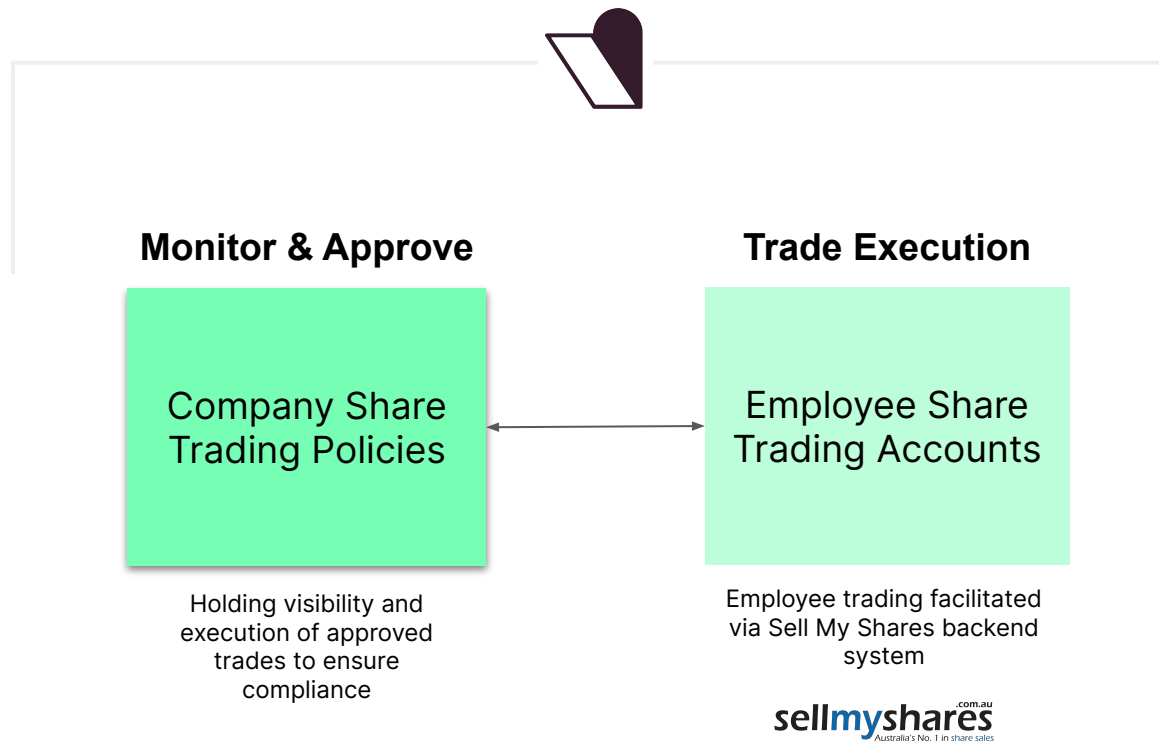
Approval
granted

Or

Flagged
for review

Digital audit trail of trading approvals stored using DAML based DLT database for integration and reconciliation with companies securities trading data.

A roadmap for in-built trade compliance

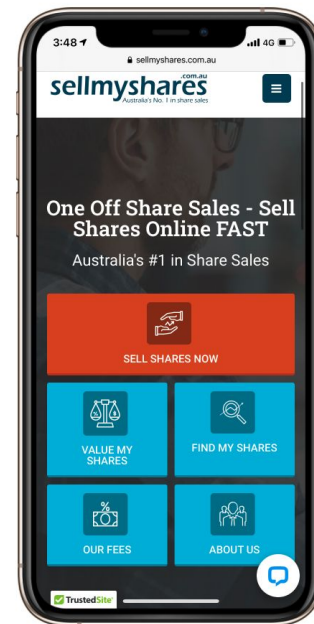
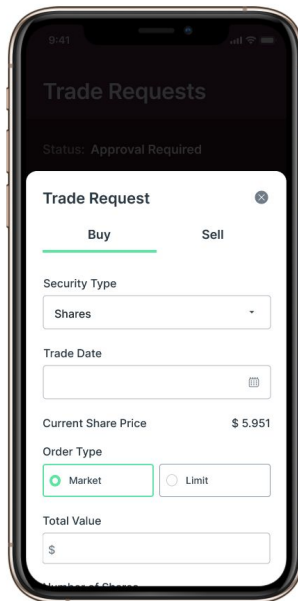


Accelerating our commercial strategy



Sell My Shares **enhances Drawbridge's product strategy and business model** by opening the way for a compliant share trading platform for employees of it's growing base of publicly listed company customers.

The DigitalX team have identified this as a **high priority commercial offering through extensive market research** and development of relationships with listed company customers since launching Drawbridge in late 2020.



New opportunities from industry changes



Together, **Drawbridge and Sell My Shares** are positioned to benefit from new opportunities arising by way of the changing technology landscape in Australian financial markets.

DLT App Users

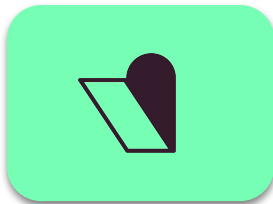
adaml
App Layer



**Shared industry
infrastructure layer**

DLT App Store

ASX listed companies,
government agencies &
enterprise organisations.



Innovative
capital
markets
applications

CHESS Replacement

sellmyshares

Brokers, share
registries,
custodians etc.

CHESS +
Clearing & Settlements
System

ASX Distributed Ledger Platform



Transaction Summary

Transaction Overview



Strategic Rationale

1. To accelerate the commercialisation of Drawbridge as a platform for digital governance through integration with Sell My Shares to provide compliant employee share trading services to listed companies.
 2. To grow the existing profitability of the Sell My Shares business by capturing value from emerging opportunities in digital finance and the ASX DLT ecosystem.
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Business

The business offers customers a range of trade execution services, including one-off share sales without the need for a broking account, finding lost share holdings, and handling shares owned by deceased estates.

Consideration

Total maximum cash consideration of up to \$1,890,000 payable as follows:

- \$1,640,000 paid at settlement;
- Up to \$250,000 to be held in escrow for 6 months subject to satisfaction of revenue based performance milestones.

The transaction will not be dilutive to existing shareholders.

Transaction Overview



Structure

Acquisition of business through wholly owned subsidiary ACN 653 391 943 Pty Ltd (to be renamed Sell My Shares Pty Ltd following acquisition).

Financial Impact

- Revenue for the financial year ending 30 June 2021 was \$1.53m (unaudited)
 - Acquisition will be earnings accretive from day 1
 - Consistent year on year revenue growth over last 5 years
 - Historical gross profit margin of 64.6% (unaudited)
 - Initial cost savings identified of ~\$0.11m
-

Staff & Team

The Vendor will see out a twelve month hand-over period, with the remainder of Sell My Shares staff to transition over to DigitalX permanently.

Timing

- Announcement of the acquisition - Thursday, 16 September 2021
 - Satisfaction of conditions precedent - Thursday, 30 September 2021
 - Settlement of transaction - Thursday, 30 September 2021
 - Integration commences - Friday, 1 October 2021
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Growing the blockchain economy

investors@digitalx.com