

ASX ANNOUNCEMENT

28 February 2017

AirPocket Launch and Operational Update

- AirPocket expected to launch money transfers on Saturday, 4 March 2017
- Website redesign complete
- Creation of Digital Marketing Channel to drive Customer Acquisition Cost down
- MoU signed with BlueQ for storing and managing qualifications via AirID
- Settlement finalised with Witenberg Investment Companies
- Research and Development Rebate application commenced

Expected launch of money transfer features in AirPocket

DigitalX Limited (ASX: **DCC**, **DigitalX** or the **Company**) is pleased to announce that the update to AirPocket to allow money transfers will go live this Saturday, 4 March 2017 (US time), with the app update available for Android users at that time, with the Apple version able to be updated shortly thereafter.

AirPocket is the first Blockchain-enhanced mobile payments application available in the world and we are delighted to finally be able to offer our US AirPocket users the ability to make low-cost international money transfers to their friends and family across 14 countries in Latin America. The AirPocket interface has been redesigned ahead of this launch to align the app's branding, messaging and aesthetics with the values of AirPocket's initial US-Latino target audience.

As part of this launch, the AirPocket.com landing page has also been redesigned for consistency across the marketing and distribution campaigns to support stronger brand recognition as we grow. The growth of AirPocket will be driven by its use as a consumer mobile application, with AirPocket.com to act as an additional portal to enable new users to register as well as enable existing users to view transaction records; with money transfer functionality expected in the June Quarter.

This impending launch positions AirPocket in the world's biggest remittance market which boasts three times more remittance transactions than the next highest placed country¹. In addition, USA-to-Mexico is the world's largest money transfer corridor, with over US\$24 billion in funds sent in 2015². Initial off-line marketing will target Houston and Dallas where high Mexican immigrant populations can be most economically targeted due to geographic concentration. As announced to the ASX on 10 February 2017, the Company has engaged PintaUSA to manage the AirPocket remittance marketing campaign targeting social media, online marketing channels, radio campaigns and large-scale poster ad distribution in convenience stores.

DigitalX expects to be in a position to release customer acquisition cost (**CAC**) expectations during March following initial trials and feedback.

Development of digital marketing channel

To reduce CAC, and to coincide with the introduction of the remittance features into AirPocket, DigitalX is also creating a new digital marketing channel to provide financial and immigration education to our user base and build the brand. The Company anticipates this channel could also potentially provide a revenue generating opportunity through cross-marketing financial and immigration services to our target market. DigitalX is working with qualified advisors from New York to assist with the roll-out of this exciting platform. The Company will provide a detailed update in March as this channel takes shape.

Initial Memorandum of Understanding for AirID

DigitalX has signed a Memorandum of Understanding (**MOU**) with BlueQ, a private Australian company that enables individuals and organizations to digitise and safely store their academic, professional and other verified qualifications, to investigate the use of the Company's AirID product in this field. Under the MOU, the Company will grant BlueQ access to AirID to investigate how it can potentially be used in the storage and delivery of academic, professional and other verified qualification data.

As announced to the ASX on 15 November 2016, DigitalX has filed patents on a number of blockchain and blockchain-like database technology functions relating to the AirID product. The MOU will investigate using AirID to create and store user data on a blockchain who can then grant permissioned access to the data instantly via the app.

While AirID was originally developed as a core security plank of AirPocket, the Company has identified additional uses and potential markets for AirID. DigitalX plans release of the enterprise-grade AirID SDK in the second half of 2017.

Corporate update

The DigitalX team are at the forefront of innovative technology and have finalized a process for an R&D Tax Incentive partner to seek the refundable tax offset available from the Australian Tax Office (**ATO**). Grant Thornton has been engaged to assist with the filing process to claim up to 43 cents in every dollar spent on approved research and development projects. In the December quarterly report released to the ASX on 31 January 2017, DigitalX announced we had invested US\$527k on Intellectual Property during the first 6 months of the financial year. The exact quantum of the rebate and eligibility is currently being determined and we look forward to updating the market as this process concludes.

The Company has entered into a Settlement Agreement with Witenberg Investment Companies, Inc., a California corporation and William Michael Witenberg, in which the parties have mutually released one another from any and all claims, including all claims arising from the Complaint and Counterclaims filed in the matter that was pending in the United States District Court, Southern District of New York, Case No. 1:15-cv-0665. The mutual release was reached without any admission as to fault, liability, or wrongdoing, or as to the validity or correctness of any Party's position.

DigitalX CEO, Leigh Travers commented "After almost two years of development, the impending launch of AirPocket money transfers is a huge milestone for DigitalX. The team has worked tirelessly to deliver a beautiful looking and easy to use application to the US remittance marketplace. The money transfer feature is the first core product in our larger strategy to provide low-cost financial services that help build a financial identity, for those that traditional banking infrastructure has failed. Given the current discussion and excitement around the Blockchain and Blockchain-like databases, we are all excited that DigitalX is at the forefront of delivering this technology, and look forward to continuing our hard work to innovative products to the marketplace."

¹ <https://www.statista.com/chart/3737/which-country-sends-the-most-remittances/>

² <http://www.pewglobal.org/interactives/remittance-map/>

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About DigitalX Limited

DigitalX is a Blockchain-enhanced software solutions group disrupting the payments industry. The Company's flagship product, AirPocket allow consumers to make secure and cost-effective money transfers worldwide. Partners can use DigitalX's technology to offer new financial products.