



DigitalCC Limited

Innovative Digital Currency Solutions

Digital CC Limited ABN 59 009 575 035

ASX Code: DCC

Trading as digitalBTC

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ASX ANNOUNCEMENT

24 July 2015

June 2015 Quarterly Report

digitalBTC is funded and strategically partnered to accelerate AirPocket roll out

Highlights

- Vertically integrated software development payments company, digitalBTC, announced plans to disrupt the global remittance market through its innovative Fintech product, AirPocket
- Agreement signed with key global partners to facilitate the roll out of AirPocket in Latin America and the Caribbean
- Internal testing for AirPocket commenced in June to rigorously test the App's functionality and features to ensure superior security standards
- Equity position held by JVC partners –providing strong validation of the product
- Solid growth from digitalX Direct product, reporting revenues of \$5.5 million (unaudited) for the quarter, up 45% on Q1 2015
- Company raised \$3.5 million in a heavily oversubscribed placement, from sophisticated investors

Fintech company Digital CC Limited (ASX: DCC) (the "Company" or "digitalBTC") today announces its quarterly report for the quarter ended 30 June 2015.

This quarter the Company announced its intention to diversify its operations by shifting into the global remittance market. This has seen the development of anew innovative technology product - AirPocket.

Operational Overview

AirPocket

The Company has made significant progress with the development and implementation of AirPocket. AirPocket is positioned as a peer-to-peer solution for the cash remittance market. This enables value and cash transfers from anyone to anywhere in the world, and for the value to be easily exchanged across mobile messaging platforms.

During the quarter the Company commenced internal evaluation of the product, testing the App's functionality to ensure the highest security standards. The business announced it would be conducting third party security tests to meticulously examine the security of the back-end systems and to thoroughly test and secure the product's infrastructure. digitalBTC also entered into an agreement with global partners to form a Joint Venture Company (JVC) to facilitate the distribution and roll out of AirPocket throughout Latin America and the Caribbean. The U.S. to Latin America remittance corridor is estimated as a US\$84 billion market opportunity for the product.

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The JVC intends to seek commercial partnerships with large corporations such as banks, telecom providers, retailers and distribution networks in the regions for the promotion and distribution of AirPocket. The JVC partners have taken an equity position in the JVC, which has provided validation of the products potential and is expected to further incentivise the partners.

The Company recently released a brief video demonstrating the App's functionality and an introduction to the user interface, which can be viewed online here: <https://youtu.be/u3-rFutxZyw>

digitalX Direct

digitalX Direct is the Company's flagship product providing real-time Bitcoin liquidity to institutions and Bitcoin retailers. During the quarter it achieved record sales revenues of \$5.5 million (unaudited). This is a significant increase of 45% on the \$3.8 million reported in Q1 2015. Since launching the product at the end of 2014 the product has seen steady growth in revenues.

digitalX Direct also saw increasing profit margins over the period due to both higher sale margins and reduced hedging costs. The customer base has also been shifting to retail Bitcoin suppliers and away from professional trading companies, which has led to more consistent daily volumes and higher quarterly revenue.

Corporate Overview

Share Placement

The Company successfully raised \$3.5 million in a strongly oversubscribed placement, from sophisticated investors. The placement of 15.9 million shares were issued at \$0.22 per share.

The \$3.5m raising was significantly over subscribed. Funds are to be used to accelerate the roll out and commercialisation of AirPocket in target markets.

Class A Performance Rights

During the quarter the vesting milestone for the Class A Performance Rights was not satisfied and the 14,138,407 rights lapsed and expired on 1 July 2015.

Summary of Working Capital Position

The Company had cash and Bitcoin inventory of US\$3.6 million at 30 June 2015. This consisted of US\$2.6 million in cash and US\$1.0 million in Bitcoins.

The Bitcoin market is highly liquid and Bitcoins can be easily and quickly exchanged into cash if and when required.

Outlook

digitalBTC is continuing with its strategy to become a vertically integrated software development payments company in the growing digital currency market. The company has made significant progress this quarter towards the development of AirPocket and is confident of making further positive progress throughout internal testing, which is expected to complete in Q3 2015. Initial testing has been pleasing and we look forward to announcing our first trial deployment in a selected corridor in the second half of the year.

With the agreement to form a JVC with the global based partners and funding in place, the Company is well positioned to accelerate the roll out of AirPocket and the marketing and sales activities required to achieve mass adoption.

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As the number of smartphones in use continues to grow worldwide (currently there are 2 billion, and this is expected to grow to 2.5 billion by 2018) the Company believes it has a product, which can appeal to a wide market and has the ability to disrupt the remittance market, globally.

digitalBTC's Executive Chairman, Zhenya Tsvetnenko, commented:

"We're pleased with the progress we've made during the quarter, in particular in relation to the AirPocket product, which diversifies our operations into the remittance market. The successful share placement this quarter demonstrated the demand from investors for new and innovative technologies, which have the potential to disrupt global markets. We've been encouraged by the initial results in the internal testing phase and I look forward to proving further updates on the products progress over the coming quarter."

-ENDS-

For further information, please contact:

digitalBTC

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About digitalBTC

Digital CC Limited, trading as digitalBTC, operates as an innovative software solutions company, providing investors exposure to the global digital payments systems industry through disruptive FinTech solutions in the remittance and digital currency sectors.

The Company has developed a suite of new and innovative software for institutions and consumers, leveraging Blockchain technology and the secure ledger system to create new and innovative products for institutions and consumers.

The Company's most recent product, AirPocket, is designed to provide consumers with the ability to securely and cost-effectively send remittances in any currency, from anywhere, anytime, regardless of the transaction size.

Digital CC Limited is based in Perth, Australia and has offices in Boston and New Jersey, U.S.

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Digital CC Limited

ABN

59 009 575 035

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter US\$'000	Year to date (12 months) US\$'000
1.1 Receipts from customers	10,516	33,309
1.2 Payments for		
(a) staff costs	(408)	(1,915)
(b) advertising and marketing	(41)	(278)
(c) research and development	-	(31)
(d) leased assets	-	-
(e) administrative and corporate costs	(245)	(1,193)
(f) professional fees	(255)	(1,314)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(3)
1.7 Other (provide details if material)		
(a) Prepayment of power and hosting**	-	(483)
(b) Power and hosting of bitcoin mining equipment	(911)	(3,321)
(c) Purchase of bitcoins for Liquidity Desk	(10,116)	(29,679)
(d) Receipt of US Marshall deposit	-	600
(e) Receipt of lease fee for mining hardware	-	258
(f) Receipt of Iceland VAT	262	1,305
Net operating cash flows	(1,198)	(2,744)

+ See chapter 19 for defined terms.

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter US\$'000	Year to date (12 months) US\$'000
1.8 Net operating cash flows (carried forward)	(1,198)	(2,744)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(78)	(341)
(d) physical non-current assets	-	(46)
(e) other non-current assets	-	-
(f) mining equipment	-	(1,147)
(g) joint venture investment	-	(265)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(78)	(1,799)
1.14 Total operating and investing cash flows	(1,276)	(4,543)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,698	2,698
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (cost of capital)	(160)	(160)
Net financing cash flows	2,538	2,538
Net increase (decrease) in cash held	1,262	(2,005)
1.21 Cash at beginning of quarter/year to date	1,375	4,575
1.22 Exchange rate adjustments to item 1.20	(29)	37
1.23 Cash at end of quarter**	2,608	2,608

** Does not include value of bitcoin inventory

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter US\$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	188
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Salary, Director fees and reimbursement of corporate costs

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available US\$'000	Amount used US\$'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter US\$'000	Previous quarter US\$'000
4.1 Cash on hand and at bank	2,231	1,251
4.2 Deposits at call	377	123
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter** (item 1.23)	2,608	1,375

**** Does not include value of bitcoin inventory**

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: ..24 July 2015.....
 (Managing Director)

Print name: Alex Karis.....

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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