

The INX Digital Company Reports Q4 2023 and Annual Financial Results

TORONTO, April 1st, 2024 -- The INX Digital Company, Inc. (Cboe CA: INXD, OTCQB: INXDF, INXATS: INX) (the "Company" or "INX"), the owner of INX.One, a security token and digital asset trading platform, a U.S. broker-dealer, an alternative trading system, a transfer agent, and an inter-dealer broker (through its subsidiaries), announced Q4 and annual financial results for 2023.

Investment gains/losses for any particular period are not indicative of quarterly business performance. Company earnings for the fourth calendar quarter and the full calendar year 2023 are summarized below. All balances are reflected in U.S. Dollars.

2023 Financial Highlights:

- Strong and unleveraged balance sheet with total operating capital of \$26.3M.
- Working capital of \$22.8M.
- Reserve Fund set aside for the protection of customer funds and maintained in addition to operating funds at \$34.4M.
- 2023 net revenue of \$5.6M, primarily from transaction and brokerage fees, compared to \$4.3M in 2022, an increase of 31 percent.
- 2023 net loss from operations of \$17.7M, compared to \$16.3M in 2022.
- 2023 net loss of \$13.2M (\$0.06 EPS).
- Q4 2023 net revenue of \$1.1M, primarily from transaction and brokerage fees, 14 percent lower compared to Q3 2023.
- Q4 2023 net loss from operations of \$4.4M, slightly lower compared to \$4.7M in Q3 2023.

Notable Achievements in Q4 2023 Further Establish INX as a Leading Player in Security Token Adoption

INX remains dedicated to democratizing finance, enabling retail investors globally to pursue their financial objectives through secure, exclusive, tokenized RWA investments. Simultaneously, it is establishing a comprehensive solution for founders and corporate partners to raise capital using SEC-regulated security tokens while facilitating an efficient and transparent secondary market for this asset class. Leveraging the groundwork laid by the issuance of the INX Token, INX continues to guide other companies and founders in this transformative journey.

As of December 2023, five (5) portfolio companies were actively raising capital in their primary offerings and were available to clients of INX, exclusively on the INX.One trading platform. Also, in 2023, notably, multiple rounds of dividends were successfully distributed to investors on blockchain by the Company on behalf of a token issuer, which highlights the immense potential of decentralization utilizing this new technology.

The company continues to enter into listing agreements with private companies in the U. S. and globally that seek to list their previously issued security tokens or common shares for secondary market trading on INX.One. As of December 2023, the INX Token and Republic Note are the two most actively traded security tokens on INX.One.

Strategic Partnership with Republic

In June 2023, INX entered into a strategic collaboration agreement with [Republic Group](#) ("Republic"), a global financial firm operating a digital merchant bank and a network of investment platforms, pursuant to which the parties seek to expand the breadth and depth of tokenization infrastructure and access to digital assets for investors worldwide.

By combining INX's digital trading infrastructure and expertise in tokenized primary offerings and secondary market trading together with Republic's well-established primary distribution, wallet, and portfolio companies, both companies are poised to introduce a wide range of compliant solutions for both primary and secondary markets to redefine the way capital is raised, empowering both institutional and retail investors globally.

In Q4 2023, INX listed Republic Note on INX.One for secondary market trading and completed the integration of the Republic Wallet as a new custody solution for clients on INX. One, which marks a significant milestone in the collaboration between the entities and sets a strong foundation scalable for future listings of tokens from the Republic's portfolio of companies.

INX.One supports trading in Ethereum, Avalanche, and Polygon blockchain-based tokens.

Joint Venture Focused on CBDC Solutions

In 2023, the Company incorporated in Switzerland the strategic JV partnership, NABATECH SA ("Nabatech"), with a global industry leader providing authentication technology and services to sovereign central banks globally to develop central bank digital currency solutions utilizing blockchain technology. The solution developed is focused on multi-series wholesale and retail CBDCs, with flexible and configurable privacy design ranging from full anonymity to automated KYC, and interoperability between wholesale and retail tokens. The JV also offers support for the issuance of digital bonds, stablecoins, and tokenized assets. During 2023, Nabatech showcased the solution on multiple occasions and for several countries, and while the development of CBDC solutions is deemed to be a longer-term initiative, Nabatech is expected to participate in RFPs and other selection processes throughout 2024.

"We diligently established INX's regulatory framework and technology years ago to offer Tokenized Real World Assets globally. Now, as the digital economy gains momentum, our vision is widely understood. Pioneering this field presented its challenges, but we met them head-on. Today, as traditional institutions catch up, we are working to strengthen our leadership through collaborations and new use cases. Growing adoption benefits us all. With substantial investments in global education and strategic partnerships, INX is advancing toward fulfilling its mission." - Shy Datika, INX CEO

About INX:

INX provides regulated trading platforms for digital securities and cryptocurrencies. With the combination of traditional markets expertise and a disruptive fintech approach, INX provides state-of-the-art solutions to modern financial problems. INX is led by an experienced and dedicated team of business, finance, and technology veterans with the shared vision of redefining the world of capital markets via blockchain technology and a disciplined regulatory approach.

About The INX Digital Company, Inc.:

INX is the holding company for the INX Group, which includes regulated trading platforms for digital securities and cryptocurrencies. The INX Group's vision is to be the preferred global regulated hub for digital assets on the blockchain. The INX Group's overall mission is to bring communities together and empower them with financial innovation. Our journey started with our initial public token offering of the INX Token in which we raised US\$84 million. The INX Group is shaping the blockchain asset industry through its willingness to work in a regulated environment with oversight from regulators like the SEC and FINRA. For more information, please visit the INX Group website [here](#).

Cautionary Note Regarding Forward-Looking Information and Other Disclosures

This press release contains statements that constitute "forward-looking information" ("forward-looking information") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking information and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information. In disclosing the forward-looking information contained in this press release, INX has made certain assumptions, including with respect to, the continuous development of the INX trading platform, the completion of the transactions described herein, the offering of non-deliverable cryptocurrency forwards, and the development of the digital asset industry. Although INX believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that the expectations of any forward-looking information will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Such factors include but are not limited to regulatory developments, the state of the digital securities and cryptocurrencies markets, and general economic conditions. Accordingly, readers should not place undue reliance on the forward-looking information contained in this press release. Except as required by law, INX disclaims any intention and assumes no obligation to update or revise any forward-looking information to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking information or otherwise.

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