

# Zacks Small-Cap Research

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## INX Digital Co

(OTCQB: INXDF)

### INXDF: A Game-Changing Financial Company

INXDF is a company looking to change the financial world by offering a regulated platform able to build a community of digital investors and capital seekers. We value INXDF at \$1.50 per share using the DCF model.

### OUTLOOK

INX Digital is a company that provides a regulated platform where verified customers can trade cryptocurrencies and security tokens on a secure and around the clock basis.

The security token market appears poised to explode and INX is the only company to this point to introduce an SEC-approved security token. We believe this gives them an enormous advantage in an industry with exponential growth potential.

Current Price (02/08/23)

\$0.11

Valuation

\$1.50

### SUMMARY DATA

52-Week High	\$0.14
52-Week Low	\$0.11
One-Year Return (%)	N/A
Beta	N/A
Average Daily Volume (sh)	11,607

Shares Outstanding (mil)	205
Market Capitalization (\$mil)	\$23
Short Interest Ratio (days)	N/A
Institutional Ownership (%)	N/A
Insider Ownership (%)	N/A

Annual Cash Dividend	\$0.00
Dividend Yield (%)	0.00

#### 5-Yr. Historical Growth Rates

Sales (%)	N/A
Earnings Per Share (%)	N/A
Dividend (%)	N/A

P/E using TTM EPS	N/A
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P/E using 2023 Estimate	N/A
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P/E using 2024 Estimate	N/A
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Zacks Rank	N/A
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Risk Level	Medium
Type of Stock	Small Growth
Industry	Financial Services

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	NA	0.9 A	1.1 A	1.5 E	3.7 E
2023	1.9 E	2.3 E	2.5 E	2.8 E	9.5 E
2024	3.2 E	3.6 E	3.7 E	3.8 E	14.3 E
2025	4.0 E	5.0 E	5.9 E	6.5 E	21.4 E

#### Earnings (per share)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	NA	0.36 A	(0.05) A	(0.02) E	0.29 E
2023	(0.02) E	0.00 E	0.00 E	0.02 E	0.00 E
2024	0.00 E	0.00 E	0.01 E	0.01 E	0.02 E
2025	0.01 E	0.01 E	0.01 E	0.02 E	0.05 E

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## Initiating Coverage



We are initiating coverage of **The INX Digital Company Inc.** (INXDF—OTCQB) with a valuation of \$1.50 per share. INX offers a single trading platform for SEC regulated security tokens and cryptocurrencies, branded under [ONX.One](#), combining traditional markets expertise with a novel fintech approach. Let me pause right here and point out that the last sentence is not just a throwaway company description. INX provides a regulated trading platform for digital securities and cryptocurrencies—that that sounds like something investors could use right about now. This report is not going to detail the failings of other companies that claim to provide trading services to the crypto universe but in the past six months we've seen a massive fraud case, one of the largest platforms fined by a regulator, a bankruptcy or two, and it goes on. What's the answer for the confidence problem plaguing the crypto trading industry right now—INX. This report will detail all of the policies, procedures and structures that make this firm different, but beyond that, we are excited about the company because of the way that INX is shaping the blockchain industry through its willingness to work in a regulated environment with oversight from regulators such as the SEC and FINRA.

Those regulatory agencies have been an anathema to the crypto world that was founded on freedom from such restraints and oversight these agencies typically provide. But as the industry has matured, investors have realized that some guardrails are not only nice to have but needed to ensure a fair market that in which investors can have confidence—and that's what we believe INX provides. Investment in INX is not an investment in cryptocurrency, investing in INX is an investment in a fintech company that has the necessary technology, expertise and licenses to offer primary and secondary market of security tokens and digital assets to investors in the U.S. and globally under the umbrella of regulatory oversight and protections on a single trading platform. Therefore, we aren't going to opine on the viability or worth of any one cryptocurrency and don't claim to have any expertise on that subject. But we can see the growth of the industry at large and the ability to invest in an SEC registered company that has regulated operations in an industry that is projected by Allied Market Research to reach \$4.94 billion by 2030 is one that we're interested in.

But that's only one side of the INX business...and not the one that we are the most excited about—and is forecast by several research firms cited by the company to grow by 50x to \$16 trillion by 2030. That side of the INX story is Security Tokenization. Details of the tokenization operation and trading platform follows but when the chairman of the largest asset manager in the world, Larry Fink of Blackrock, says that "The next generation of securities will be tokenization" we believe investors should take notice. INX is the world's first company to debut and successfully complete an SEC-registered IPO of a blockchain security token (the INX Token). The public offering of the INX Token

was registered under the United States Securities Act of 1933 and, in such registration, the INX Token is deemed to be an “equity security” under relevant SEC rules and regulations. We’ll talk more about the INX token, but the point here is that the company has the experience needed in this burgeoning industry to help companies to bring tokens to market and provide a place for them to be traded with confidence.

The methodical and responsible way that INX has built their company in an industry that has often been described as the Wild, Wild, West is attention grabbing after the industry has received attention for all of the wrong reasons is something that we believe investors should and will pay attention to.

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## Investment Case

INX is a company that aims to provide a regulated trading platform for security tokens and cryptocurrencies, combining traditional markets expertise with a novel fintech approach. INX is unique in many ways, including offering a single point of entry to trade both SEC registered security tokens and digital asset around the clock, while also offering instant settlement. We’ll start from the beginning of this story...blockchain. Blockchains are linked blocks of data and each new block contains new information which is added, shared and stored by many computers on a network. For example, if you buy bitcoin, the record of your ownership is stored in a new block of data on the bitcoin blockchain and all computers that are part of that bitcoin network, share and add that new block to the existing chain of blocks. Different cryptocurrencies mostly run on their respective blockchains. ETH runs on Ethereum and so on. Beyond, but including crypto, the benefits of blockchains apply to many industries including financial services where, for example, blockchain technology has created the ability to instantly send and receive (instant settlement) cryptocurrencies across international boundaries. The traditional banking models typically take 1-2 days for settlement. We believe this technology is just in its infancy as far as the possibilities for use and INX is providing a roadmap for the future of blockchain broadening out its uses. But before we get to that, let’s dive into the cryptocurrency trading environment.

## Cryptocurrency and Security

Cryptocurrency trading has been around for a while, but only seen very recently how important it is to trade any brand of cryptocurrency on a platform that has guardrails in place to protect investors. As of this report, to our knowledge, INX remain the first and only digital hub for traders, investors and founders seeking access to capital formation under SEC regulation. While there are formal steps taken to achieve the confidence investors need to have in their trading environment, it starts with leadership, and all potential investors and customers should be heartened to hear CEO Sky Datika say “As investors become more aware and more concerned with the pitfalls of unregulated trading platforms, we can provide a secure and safe harbor. We have a fully audited and segregated cash reserve fund. We maintain 1:1 balances for customers and do not use customer assets. We do not, in any way, shape, or form, leverage or re-invest customer assets.” The trading of cryptocurrencies within the INX platform involves the following:

- Security—the company has worked to develop a trading environment committed to adopting all required regulation and holds Money Transmitter licenses for most US states.
- Protected Funds—INX uses a multi-signature wallet architecture technology and hold a Cash Fund to insure customers’ assets.
  - Multi-signature wallets require more than one private key and adds a layer of security.

- Public keys are in some ways similar to traditional bank account numbers for routing deposits. A public key is cryptographically paired to a private key. Although anyone can send crypto to a public key, the corresponding private key is necessary to access the funds.
- Private keys are somewhat like a bank account personal identification number (PIN), a private key controls access to a crypto wallet and is generally kept secret. There's no way to send or spend the crypto in a wallet without the private key. Private keys prove crypto ownership, and are also required for all outgoing transactions.
- A multi-signature wallet utilizes a unique digital signature that requires more than one private key to sign an outgoing transaction.

We want to further highlight the steps INX has gone through to help investors feel comfortable with investing with the INX platform and ensuring the safety of assets placed in their custody. To reiterate, we believe it's these actions that sets INX apart from their supposed competitors and what makes them an attractive investment opportunity. For example, under the INX model, digital assets are held with INX under custody, but security tokens are held by each individual customer—the self-custody model. Additionally, the company recently announced that it has successfully completed the SOC 2 certification process with the assistance of Ernst & Young, which we believe further illustrates the company's commitment to security and trustworthiness.

SOC 2 stands for "Systems and Organizations Controls 2" and is sometimes referred to as SOC II. It is a framework designed to demonstrate the security controls a company uses to protect their customer's data. It is a voluntary compliance standard for service organizations, developed by the American Institute of CPAs (AICPA), which specifies how organizations should manage customer data. The standard is based on the following Trust Services Criteria: security, availability, processing integrity, confidentiality, and privacy. For organizations evaluating SaaS or cloud services providers, compliance with SOC 2 is a minimum requirement as it confirms a certain level of maturity around security best practices. Certification is performed by external auditors with the resulting report confirming that the processes conducted by the said company are actually being followed in practice. In our view, especially for this space, the significance of the role of SOC 2 in data security cannot be underestimated. At a fundamental level, SOC reports confirm a level of integrity, ethics, and security throughout a company's operations. Compliance with SOC 2 requirements indicates that an organization maintains a high level of information security. Strict compliance requirements (tested through on-site audits) can help ensure sensitive information is handled responsibly. SOC 2 security principles focus on preventing the unauthorized use of assets and data handled by the organization.

Here is a basic compliance checklist, including controls covering safety standards:

1. Access controls – logical and physical restrictions on assets to prevent access by unauthorized personnel.
2. Change management – a controlled process for managing changes to IT systems, and methods for preventing unauthorized changes.
3. System operations – controls that can monitor ongoing operations, detect, and resolve any deviations from organizational procedures.
4. Mitigating risk – methods and activities that allow the organization to identify risks, as well as respond and mitigate them, while addressing any subsequent business.

In today's techno-centered world where it seems virtually everyone and everything is connected, data security is more important than ever. By obtaining the SOC 2 certification, we believe INX is proactively protecting systems and data and showing commitment to build trust with customers.

The final piece of the security program that INX has put in place looks very similar to those we have seen as internal policies in some of the top financial companies in the country. The INX internal policies and procedures are not something we would typically highlight, but in this environment, we believe it's important for investors to understand the lengths to which INX management is going to protect customer assets and the integrity of the system. INX has developed a Bank Secrecy Act and the Anti-Money Laundering (BSA/AML) Compliance Plan as follows:

The company has developed what we consider to be robust internal policies, procedures, and controls designed to comply with applicable BSA/AML laws and regulations, which includes the company's Customer Identification Program ("CIP"), the filing of Suspicious Activity Reports (SARs) and Currency Transaction Records (CTRs), as well as other reporting requirements and audits.

- **Training**—The company's employees and officers receive ongoing broad-based BSA/AML training, as well as position-specific training. They must repeat this training at least once every twelve (12) months, and all new employees receive training, to ensure they are knowledgeable and in compliance with all pertinent laws and regulations.
- **BSA/AML Compliance Officer**
  - The company's CCO is responsible for developing and enforcing the policies and procedures of the BSA/AML Compliance Plan. The CCO is required to report any violations of the BSA/AML Compliance Plan directly to the INX CEO and Managers. In addition, the CCO is responsible for recording and filing SARs, CTRs and performing a BSA/AML Compliance Plan audit at least annually.
- **Customer Identification**
  - The company's Customer Identification Program ("CIP") is an important part of the BSA/AML Compliance Plan in our view and one of the weak points we have seen in the crypto universe that we believe is vital for maintaining confidence among clients and regulators in enabling the company to detect suspicious activity in a timely manner and prevent fraud that seems to be endemic around the crypto world.
  - In order to open an account and use the INX platform, a customer's identity must be verified, authenticated, and checked against government watchlists, including the Office of Foreign Assets Control ("OFAC").
- **Individual customers**—In order to verify the identity of individuals, the company must receive, for each person:
  - Full Name
  - Permanent Residence Address
  - Date of Birth
  - SSN or TIN for US Persons
  - SSN, Passport Number & Country of Issuance, or other similar identification number for non-US Persons
  - Additionally, in order to verify the information provided, the company must receive the following documentation for each person.
- **Valid (non-expired) Government Issued ID Document** such as:
  - Passport
  - Drivers license
  - National identity card (front + back)
  - Other valid government-issued ID may be accepted if it has your full legal name, photo, date of birth and issue and expiry dates all on the front of your ID.

- Firearm licenses are not accepted.
- “Selfie” Face Photo and ID Confirmation Photo
- Entity or Institutional customers—Prior to opening an account for an entity or institutional customer, the company attempts to collect, verify, and authenticate the following information:
  - Full Account Name
  - Account Physical Address
  - Account Mailing Address, if applicable
  - Federal Tax ID Number (TIN)
  - State/Country of Organization
  - Primary Contact(s) Name(s), Title, Phone, and E-mail
  - Authorized Signer Name(s), Title, Phone, and E-mail
  - Authorized Trader(s) Name(s), Title, Phone, and E-mail
    - Authorized Signers vs. Authorized Traders
      - While Authorized Signers have full authority, an Authorized Trader can perform trades (purchases & redemptions) and obtain account information; any changes to the account (changes to wiring instructions, address, Authorized Signers & Traders, etc.) can only be made by an Authorized Signer.
- Certification of Beneficial Owners—Institutional accounts must provide INX with a completed Certification of Beneficial Owners. This form must be completed by the person opening an account with INX on behalf of a legal entity.
  - To verify an institutional account, INX must receive the following documentation:
  - Corporate Formation document(s) naming the individuals authorized to act on this account (Authorized Signers)
  - recently dated copy of any corporate resolution,
  - by-laws extract,
  - partnership agreement or similar document
  - Proof of business operating address showing the physical address of the company
  - Business bank statement with the same account registration
  - Credit card statement with the same account registration
  - Lease agreement
  - Utility bill
  - Registered lease/rent document
  - Property ownership title deed registered in the name of the institution, duly stamped and signed.

Again, the above information is not something we would highlight in an investment report but with the damage done to the reputation of the crypto industry with the lack of standards and due diligence we believe it's important to emphasize the degree to which INX is going to earn the trust and confidence of their customers and what gives us confidence in recommending investors look at INX. We would never care about how much money a company could make and make any sort of recommendation until we were convinced that the company was structured in a way to meet all legal and ethical requirements, which is one reason we haven't done in-depth analysis on a crypto-related company until now. But now that we are convinced that INX has met that standard, we can talk about the potential for profits that we see developing for INX.

As mentioned above, the first part of the market for INX is the growing cryptocurrency trading market, which is expected to grow to between \$5-11 billion, depending on the cryptocurrency research firm you look at, by 2030. INX has developed a platform for trading cryptocurrencies that we have been able to view and the platform looks very investor friendly and intuitive for crypto investors buy, sell and swap a wide variety of cryptocurrencies. We'll outline our expectations for



growth in revenues in the valuation section, but we believe the quality and security of the platform will prove to be quite attractive to crypto investors.

## Security Tokens

While we are bullish on the INX cryptocurrency trading business potential, we are even more excited about potential for security tokens. In short, we agree largely with the Larry Fink quote above—securitization is going to be next big thing in finance and will be a much more beneficial and long-lasting use of the blockchain technology in the financial and corporate financing worlds.

First—a brief primer on security tokens for those who are unfamiliar with the concept. From a technical perspective, a security token is essentially a computer program that encodes the economic rules of the token such as total supply, issuance schedule, and regulatory whitelisting. Security tokens run on blockchain technology, a distributed ledger that allows for transparency and automatic syncing of information. A blockchain is a secure database shared across a network of participants where all information is available to all participants instantaneously.

What differentiates security tokens from the vast pool of coins and tokens in the digital ecosystem is the fact that this new class of asset-backed tokens is classified as securities under SEC guidelines. This ensures that investors are afforded the same rights, obligations, and most importantly, the inherent safety of operating under the SEC regulations. The first step to tokenizing the right way is to understand the process of registering with the SEC or utilizing one of the registration exemptions to raise capital with a security token offering. This is one of the areas that INX, as one of the only companies, has a proved track record and currently offers this service for other companies looking to raise capital. INX takes potential issuers from the pre-issuance guidance, to the primary offering, which includes KYC (Know Your Customer) and AML services, to further providing a secondary market that allows the security to be traded on the INX ATS platform (known as INX.One) 365 days a year, 24 hours a day. INX also mints the security token, distributes the token to investors and provides required transfer agent services.

One reason that potential issuers can have confidence in INX in guiding them through the process is the fact that INX has already issued the INX Token (discussed in detail below), which was the first publicly registered SEC security IPO on the blockchain. It was a multi-year process and INX worked closely with regulators in designing the characteristics of this new security to make sure it could achieve SEC-registration, which then established the framework for future offerings. Security tokens can, and we predict will, be used in conjunction with a wide variety of assets including:

### 1. Stocks

- Stock markets are liquid but stand to benefit from instant settlement and 24/7/365 global trading by adopting tokenization and blockchain technology.
- Beyond more efficient settlement, tokenized stock provides transparency to each individual investor holding the security token and therefore enables direct interaction between the enterprise and the investor.

### 2. Bonds

- According to the company, 2022 saw a growth spurt in the tokenized bond space, as countries and corporations around the world continued exploring this novel asset class. In October, the Israeli Ministry of Finance announced its plans to issue a tokenized bond and thereby join Australia and the European Investment Bank, who tokenized \$110 million and 100 euros worth of bonds respectively. On the corporate side, UBS recently issued a digital bond worth 375 million Swiss francs that will trade on both a blockchain-based exchange and SIX Swiss Exchange.

- With over \$119 trillion worth of bonds trading worldwide, it appears to us that we've only scratched the surface of the potential of tokenizing bonds.

### 3. Capital Formation for Private companies

- The private equity asset class is huge. Forbes' list of the top private companies in the US counts 246 companies that pull in \$2 trillion in revenue per year. For private companies that choose not to go public for a variety of reasons, tokenization would bring a wealth of benefits, most notably secondary market trading. By tokenizing a part of their equity, private companies could gain liquidity and price discovery without giving up the perks of being a private company.

### 4. Commodities

- Tokenization of commodities would expand the universe of investors easily able to trade in the asset such as:
  - Wheat, corn, soybeans, or other bulk foods
  - Cattle or other livestock
  - Cotton
  - Lumber
  - Sugar
  - Precious metals, such as gold
  - Domestic and foreign currencies
  - Coal, oil, and other fossil fuels

### 5. Real-Estate

- There are several benefits of tokenization that lend themselves to real estate in some very relevant areas.
  - The increased liquidity in a relatively illiquid asset class lowers the barrier to entry for retail investors, as does the marked reduction in transaction costs.
  - Fractionalization further opens the door to a considerably wider pool of investors.
    - Add to this the increased transparency between investors and sellers with all data stored in blockchain ledgers, and it's plain to see why the real estate industry was quick to adopt the inherent advantages of security tokens.

We believe that the market opportunity for "tokenization" is almost unlimited and will become more and more a staple of capital formation and financing in the corporate world. With the liquidity, security, and flexibility provided by security tokens, potential issuers will be looking for experienced providers to help guide them through the process and we believe INX will be one of the first places they look. From our research, INX is the only company that is able to both bring securitized tokens registered with the SEC to market, while also providing a platform for them to be traded on—enabling them to benefit from both the issuer and trader sides.



# Tokenization as a Service



Source: INX Limited

As mentioned, INX is the world's first company to debut and successfully complete an SEC-registered IPO of a blockchain security token (the INX Token). The public offering of the INX Token was registered under the United States Securities Act of 1933 and, in such registration, the INX Token is deemed to be an "equity security" under relevant SEC rules and regulations.

As an example of some of the flexibility that tokenization provides, INX reserves an additional 20% of INX Tokens received as payment of transaction fees, as long as the total amount of INX Tokens reserved does not exceed 35 million plus 50% of the number of INX Tokens sold by INX to the public pursuant to the Offering and subsequent offerings of INX Tokens (excluding re-issuances of reacquired INX Tokens), up to a maximum of 100 million INX Tokens. INX does not intend to issue these reserved INX Tokens for general fundraising purposes; these INX Tokens may be issued to fund acquisitions, address regulatory requirements or fund the operations of INX if the Board of Directors of INX determines that INX has net cash balances sufficient to fund less than nine months of its operations. INX intends to restrict issuances of the reserved INX Tokens to these or similar extraordinary situations to limit dilution to INX Token holders.

# Bringing the INX Token to Life



Source: INX Digital

As an example of why we believe that Security Tokens will ultimately be the dominant tokens traded, we point to what INX tokenholders are entitled to. Holders of the INX Tokens are entitled to receive a pro rata distribution of 40% of INX's net cash flow from operating activities, excluding any cash proceeds from an initial sale by INX of an INX Token (the "Adjusted Operating Cash Flow"). The distribution is based on INX's cumulative Adjusted Operating Cash Flow, net of cash flows which have already formed a basis for a prior distribution, calculated as of December 31 of each year. The distribution is to be paid to parties (other than INX) holding INX Tokens as of March 31 of the following year on April 30th, commencing with the first distribution to be paid, if at all. As of December 31, 2021, the cumulative adjusted operating cash flow activity was negative, and therefore no distribution was paid on April 30, 2022.

Tying these tokens to assets and cash flows gives them a value that investors can get their arms around. In this case, investors can determine how much 40% of INX Adjusted Operating Cash Flow in the future would be worth in the present—a normal financial analysis, which is a feature lacking, in our view, in many of the cryptocurrencies being traded today.

Below is a picture of the INX process and how the company can help companies navigate this exciting and emerging funding process.

## INX Tokenization Service

End-to-end technology, regulatory and marketing solution for capital formation with a security token and tokenization as a service:



Source: INX Limited

## Valuation

There certainly aren't a lot, as in not any, truly comparable companies to INX that offers customers one platform, INX.ONE, with one onboarding process, with crypto trading, security token trading, and access to primary offerings. Additionally, INX is the pioneer in the security tokenization process that we believe is set to explode. As such, we aren't going to use comparable companies to value this company. Instead, we will use the free cash flow method. In this case, it's the free cash flow to equity method, which, as a result of the INX token payment of 40% of free cash flow described above, will be free cash flow reduced by that 40% payout once the cash flow is positive, which we estimate will be in 2024.

We believe the approach by INX, with the one platform combining crypto trading, digital security trading, and securitized token primary offerings, will enable the company to build a community of investors, traders and company executives that will allow INX to have customers that use different services—enable them to grow revenues at a more rapid rate than a normal trading platform might be able to.

Given that, we believe that INX will be able to grow revenues quite quickly as investors and companies come to learn more about the services that are unique to INX and the financial world in general. We are assuming a 50% growth rate in revenues over the next two years, followed by a 20% growth rate in revenues for the following two years and then a 10% growth rate as competition increased for the following three years. After 2030, for purposes of valuation, we assume a constant 5% revenue growth rate. We believe that these are conservative estimates given the potential size of the security token market and the myriad of ways the tokens could be used and the specialized experience with the SEC that INX has that we believe will lead many institutions to them.

However, we recognize that the crypto market in general is viewed with increased skepticism as of late. We have pointed out how much INX is not a cryptocurrency company but a revolutionary financial company, but there is likely to be some investor hesitancy for some time. As a result, we are using a 20% discount rate to value the company, which we again think is conservative but justified given the state of the market at this point in time. After all of this, we arrive at a valuation of \$1.50/share, which represents a nice upside from the recent trading price. Our view is that investors should look at INX as both an

investor and a potential customer because we are of the opinion that trading in a 24-7 environment that has instant settlement is the next wave in investing.

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## Risks

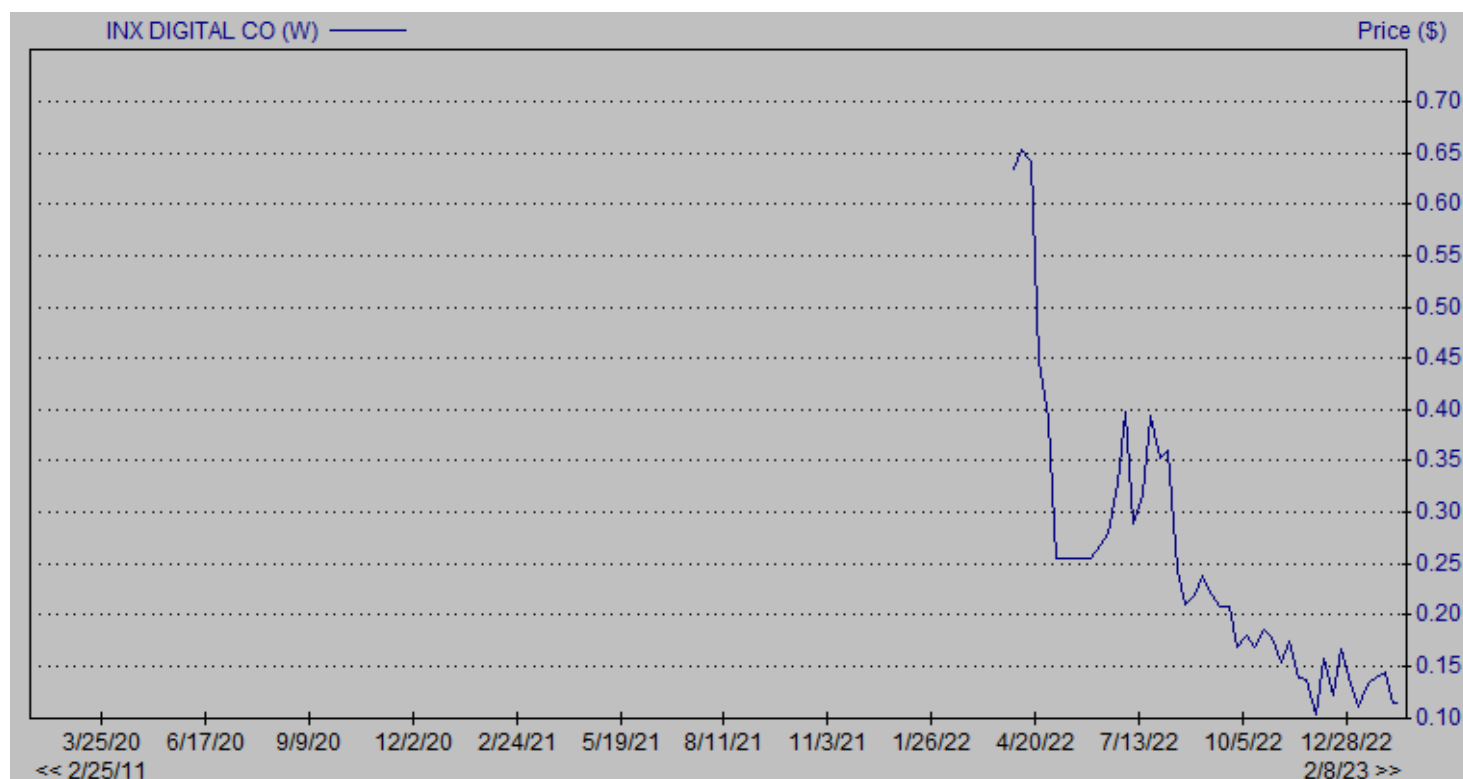
There is always a risk of investing, especially in a company that isn't currently profitable. We believe that INX has mitigated a lot of the usual risks with a company like this due their deliberate process, extensive work with regulators, and solid balance sheet with a good cash balance. However, there are still risks and what follows is some of the potential ones, although certainly not an exhaustive list:

- Investors could lump INX in with other crypto players, resulting in a discount to where shares should be trading.
- Growth in the security token market could be slower than expected.
- Liquidity could become an issue if revenues fail to grow.
- Key management could leave.
- New competition could come on to the market quicker than currently anticipated.

## PROJECTED INCOME STATEMENT & BALANCE SHEET

INX Limited Income Statement and Balance Sheet							
(in thousands, except share and per share data)							
		2Q2022A	3Q2022A	4Q2022E	2023E	2024E	2025E
Revenue		887	1,101	1,525	9,500	14,250	21,375
Operating Expenses/(Income)							
	Research and Development	2,019	1,668	1,650	2,150	2,258	2,370
	Sales and Marketing	1,819	2,147	2,400	4,275	4,502	4,740
	General and Administrative	6,005	3,862	3,100	5,220	4,959	4,711
	Fair Value Adj. for INX Token	(3,672)	116	75	0	0	0
	Total operating (expenses)/income	6,171	7,793	7,225	11,645	11,718	11,822
Gain/(loss) from Operations		(5,284)	(6,692)	(5,700)	(2,145)	2,532	9,553
(Expense)/Income							
	Gain/(loss) on INX Tokens Issued	78,224	(5,327)	2,200	0	0	0
	Finance Income	4,144	1,940	1,000	1,500	1,515	1,530
	Finance Expense	(119)	(63)	(20)	(100)	(101)	(102)
	Income/(loss) Before Income Tax	76,965	(10,142)	(4,700)	(645)	4,047	11,084
	Tax Expenses	(83)	(38)	(10)	(100)	(101)	(102)
	Net income/(loss)	76,882	(10,180)	(4,710)	(745)	3,946	10,982
Other Income Adjustments		406	(163)	(100)	(99)	(98)	(98)
Total Comprehensive Income		77,288	(10,343)	(4,810)	(844)	3,848	10,884
Earnings/(loss) per share, diluted		\$0.36	(\$0.05)	(\$0.02)	(\$0.00)	\$0.02	\$0.05
Wtd Avg Number of Shares Outstanding--Diluted		215,747,326	204,690,439	204,690,439	206,737,343	208,804,717	210,892,764
Assets							
Current Assets							
	Cash and cash equivalents	53,678	34,484	28,784	26,639	29,171	38,724
	Short-term investments	9,561	17,076	17,930	18,826	19,768	20,756
	Digital assets	1,843	2,658	2,685	2,711	2,739	2,766
	Accounts receivable, net	747	732	747	762	777	792
	Other current assets	2,905	3,968	4,087	4,210	4,336	4,466
Total Current Assets		68,734	58,918	54,232	53,148	56,790	67,505
	Property and Equip., net	430	408	400	392	384	376
	Digital assets	448	0	0	0	0	0
	Investments	13,173	18,958	19,337	19,724	20,118	20,521
	Other non-current assets	7,835	7,232	7,087	6,946	6,807	6,671
Total Assets		90,620	85,516	81,056	80,209	84,099	95,072
Liabilities and Stockholder Equity							
Current Liabilities							
	Account payable	2,974	2,712	2,739	2,767	2,794	2,878
	Funds due to customers	1,982	2,253	2,298	2,344	2,391	2,439
	INX Token Liability	88,106	93,966	95,845	97,762	99,717	101,712
	Other current liabilities	499	507	512	517	522	528
Total Current Liabilities		93,561	99,438	101,395	103,390	105,425	107,556
	Non-current liabilities	1,519	1,007	997	987	977	967
Total Liabilities		95,080	100,445	102,392	104,377	106,402	108,523
Stockholder Equity							
	Share capital and share premium	54,789	56,021	54,484	52,558	54,488	57,206
	Contribution to equity by con. s.h.	582	582	582	582	582	582
	Other	(302)	(1,823)	(1,883)	(1,945)	(2,009)	(2,076)
	Accumulated Deficit	(59,529)	(69,709)	(74,519)	(75,363)	(75,363)	(69,163)
Total Equity		(4,460)	(14,929)	(21,336)	(24,168)	(22,303)	(13,451)
Total Liabilities and Stockholder Equity		90,620	85,516	81,056	80,209	84,099	95,072

## HISTORICAL STOCK PRICE





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