

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Company:

The INX Digital Company, Inc. (the “Company” or “INX”)
550 Burrard Street, Suite 2900
Vancouver, British Columbia
V6C 0A3

Item 2 - Date of Material Change:

April 3, 2025

Item 3 – News Release:

A news release describing the material change was disseminated by the Company on April 3, 2025 through Cision and was filed on the Company’s SEDAR+ profile at www.sedarplus.com.

Item 4 – Summary of Material Change:

On April 3, 2025, the Company announced that it has entered into an arrangement agreement dated April 3, 2025 (the “Arrangement Agreement”) with OpenDeal Inc. (d/b/a Republic) (“Republic”) in connection with a transaction (the “Arrangement”) that values the Company’s equity at up to US\$60 million (assuming the Rollover Share Limit (as defined below) is achieved). Under the terms of the Arrangement Agreement, on closing, Republic Strategic Acquisition Co LLC (the “Purchaser”), a wholly-owned subsidiary of Republic, will acquire all of the issued and outstanding common shares of INX (the “Shares”), other than those Shares already owned by Republic, for an aggregate amount of up to US\$54.8 million, where up to US\$18.8 million in consideration will be provided to the Rollover Shareholders (as defined below), as further described below, and fixed consideration of US\$36 million will be paid by Republic to the non-Rollover Shareholders. With respect to the consideration to be provided to the non-Rollover Shareholders, US\$20 million will be paid by Republic in cash upon completion of the Arrangement and US\$16 million will be paid by Republic 18 months following the Escrow Deposit Date (which is defined in the Arrangement Agreement) pursuant to the terms of a contingent value rights agreement (the “CVR Agreement”).

Based on the number of Shares held by Republic and the Rollover Shareholders as of the date hereof, the combined cash and contingent value right (“CVR”) consideration payable to the non-Rollover Shareholders under the Arrangement (assuming full payment of the CVRs) represents a premium of approximately 457% to the closing price of C\$0.05 on the Cboe Canada Inc. of the Shares on April 2, 2025 (based on an exchange ratio of C\$1 to US\$0.70 on such date).

The terms of the Arrangement Agreement are the result of arm's length negotiations conducted among representatives of Republic and INX that were supervised by a committee of independent directors (the "Special Committee") of INX's board of directors (the "Board").

Item 5 – Full Description of Material Change:

5.1 Full Description of Material Change

On April 3, 2025, the Company announced that it has entered into an Arrangement Agreement with Republic in connection with the Arrangement that values the Company's equity at up to US\$60 million (assuming the Rollover Share Limit (as defined below) is achieved). Under the terms of the Arrangement Agreement, on closing, the Purchaser, a wholly-owned subsidiary of Republic, will acquire all of the issued and outstanding Shares of INX, other than those Shares already owned by Republic, for an aggregate amount of up to US\$54.8 million, where up to US\$18.8 million in consideration will be provided to the Rollover Shareholders (as defined below), as further described below, and fixed consideration of US\$36 million will be paid by Republic to the non-Rollover Shareholders. With respect to the consideration to be provided to the non-Rollover Shareholders, US\$20 million will be paid by Republic in cash upon completion of the Arrangement and US\$16 million will be paid by Republic 18 months following the Escrow Deposit Date (which is defined in the Arrangement Agreement) pursuant to the terms of the CVR Agreement.

Based on the number of Shares held by Republic and the Rollover Shareholders as of the date hereof, the combined cash and CVR consideration payable to the non-Rollover Shareholders under the Arrangement (assuming full payment of the CVRs) represents a premium of approximately 457% to the closing price of C\$0.05 on the Cboe Canada Inc. of the Shares on April 2, 2025 (based on an exchange ratio of C\$1 to US\$0.70 on such date).

The terms of the Arrangement Agreement are the result of arm's length negotiations conducted among representatives of Republic and INX that were supervised by the Special Committee of INX's Board.

Transaction Details

In connection with the Arrangement, Shy Datika, Founder and CEO of INX, and a company wholly-owned by Mr. Datika (the "Rollover Shareholders") have entered into rollover agreements ("Rollover Agreements") with Republic, pursuant which such shareholders have agreed to exchange their Shares ("Rollover Shares") for simple agreements for future equity ("SAFEs") of Republic that have a face value equal to the number of Shares being transferred by such Rollover Shareholders pursuant to the Rollover Agreements multiplied by the per Share value that the non-Rollover Shareholders will receive pursuant to the Arrangement, assuming full payment of the CVR. Further details regarding the terms of the SAFEs will be included in the Circular (as defined below).

Prior to the Special Meeting (as defined below), subject to applicable law, additional shareholders of INX may enter into Rollover Agreements, provided that the aggregate percentage of Rollover Shares must not exceed, together with the Shares held by Republic, 40% of the issued and outstanding Shares at close (the “Rollover Share Limit”). Currently 26.32% of the issued and outstanding Shares at close are subject to Rollover Agreements or are owned by Republic. As a result, the final purchase price will value the Company’s equity between US\$48.9 million and US\$60 million (assuming full payment of the CVRs) depending on whether additional shareholders enter into Rollover Agreements.

The combined cash and CVR consideration payable to the non-Rollover Shareholders under the Arrangement will be between US\$0.1948 and US\$0.2379 per Share (assuming full payment of the CVRs) and will depend on the number of total Rollover Shares. If the Rollover Share Limit is not achieved, the consideration to be provided to the Rollover Shareholders with respect to their Rollover Shares will be reduced pro rata with the consideration to be provided to the non-Rollover Shareholders.

The transaction will be completed pursuant to a court-approved plan of arrangement under section 288 of the *Business Corporations Act* (British Columbia) and is subject to satisfaction of certain closing conditions, including court approval, the approval of the shareholders of the Company (as further described below), and certain regulatory approvals.

The Arrangement Agreement contains customary non-solicitation provisions prohibiting INX from soliciting competing acquisition proposals, as well as “right to match” provisions in favor of the Purchaser. The Arrangement Agreement provides for a US\$10 million break fee payable to the Purchaser if the Arrangement Agreement is terminated in certain circumstances, including in the context of a change of recommendation by the Board or the termination of the Arrangement Agreement by INX to accept a superior proposal. The Arrangement Agreement also provides for payment by the Purchaser to INX of a reverse break fee of US\$10 million if the Arrangement Agreement is terminated in certain specified circumstances, including as a result of a breach of the obligations of Republic or the Purchaser under the Arrangement Agreement.

Completion of the Arrangement will be subject to various closing conditions, including the approval of at least (i) two-thirds (66 2/3%) of the votes cast by INX shareholders present in person or represented by proxy at the special meeting of the INX shareholders scheduled to be called to approve the Arrangement (the “Special Meeting”), voting as a single class (each holder of Shares being entitled to one vote per Share), and (ii) the approval of the majority of the holders of Shares present in person or represented by proxy at the Special Meeting, excluding the votes of Republic, the Rollover Shareholders and any other INX shareholders whose votes are required to be excluded for the purposes of “minority approval” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* in the context of a “business combination”. Further details regarding the applicable voting requirements will be contained in a management information circular (“Circular”) to be filed and mailed to INX shareholders in connection with the Special Meeting to approve the Arrangement.

The Arrangement is expected to close within eight months following the date of the Arrangement Agreement, subject to the satisfaction of the closing conditions.

Each CVR is a direct obligation of Republic. The CVRs will not be listed on any market or exchange, and may not be sold, assigned, transferred, pledged or encumbered in any manner, other than in the limited circumstances set out in the Arrangement Agreement. The CVRs will not represent any equity or ownership interest in INX, Republic or any affiliate thereof (or any other person) and will not be represented by any certificates or other instruments. The CVRs will not have any voting or dividend rights, and no interest will accrue on any amounts payable on the CVRs to any holder thereof.

Copies of the definitive Arrangement Agreement (including the form of the CVR Agreement to be entered into prior to completion of the Arrangement) and the Circular for the Special Meeting will be filed with Canadian securities regulators and will be available on the SEDAR+ profile of INX at www.sedarplus.com. INX shareholders are urged to read those and other relevant materials when they become available.

Fairness Opinion

Origin Merchant Partners (“Origin”) was retained by the Special Committee to provide financial advice and deliver a fairness opinion on the Arrangement. Origin delivered an oral opinion to the Special Committee and the Board that, as of April 2, 2025, and subject to the assumptions, limitations and qualifications to be set forth in Origin’s written fairness opinion that will be included in the Circular, the consideration to be received by the INX shareholders (other than Republic or the Rollover Shareholders) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders.

Unanimous Approval of Special Committee and Board of Directors

Based upon the unanimous recommendation of the Special Committee, the Board (with Mr. Datika abstaining) determined that the Arrangement is in the best interest of INX, approved the execution of the Arrangement Agreement and unanimously recommends that the INX shareholders (other than Republic and the Rollover Shareholders) vote in favor of the special resolution to approve the Arrangement (the “Arrangement Resolution”) at the Special Meeting. Each of the independent directors and senior officers (other than Mr. Datika) of the Company have entered into support and voting agreements pursuant to which they have agreed, subject to the terms thereof, to vote their Shares in favor of the Arrangement Resolution at the Special Meeting.

Each of the Rollover Shareholders has also agreed, subject to the terms of the Rollover Agreements, to vote their Shares in favor of the Arrangement Resolution at the Special Meeting.

INX Token and Future Commitments

The INX Token will continue to be traded on INX.One. As part of the transfer of ownership, INX's cash reserve fund, which as of the date hereof totals approximately US\$34.3 million, will be fully distributed to INX Token holders after closing of the transaction, consistent with the commitment made by INX Limited, a wholly-owned subsidiary of INX, to its community as described in INX Limited's prospectus. The INX Token will continue to play a role within the expanded ecosystem, as the merged entity introduces new opportunities in tokenized finance. Investors and holders will be able to engage with a broader range of assets, including security tokens, RWAs, shares, stablecoins, cryptocurrencies, bonds, ETFs, private credit and real estate.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 - Omitted Information:

Not applicable.

Item 8 – Executive Officer:

Alan Silbert
Chief Executive Officer, North America
Telephone No.: +1 855 657 2314

Item 9 – Date of Report:

April 11, 2025

Cautionary Note Regarding Forward-Looking Information and Other Disclosures

This material change report contains statements that constitute “forward-looking information” (“**forward-looking information**”) within the meaning of 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 of the date of this material change report. Forward-looking information includes predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events, or performance and often uses phrases such as “expects”, “anticipates”, “plans”, “believes”, or variations of such words and phrases. Forward-looking information includes, but is not limited to, statements with respect to the Arrangement, including the expected timing of the Special Meeting, the benefits of the Arrangement, the

expected timing to complete the Arrangement and the delivery of the consideration thereunder, statements related to the INX Tokens, including regarding the distribution of the cash reserve fund, and other statements that are not historical facts.

INX has made certain assumptions in disclosing the forward-looking information contained in this material change report, including the continued development of the INX trading platform, the ability to complete the Arrangement on the contemplated terms or at all, and that the conditions precedent to closing of the Arrangement can be satisfied. While INX believes the expectations reflected in such forward-looking information are reasonable, no assurance can be given that these expectations will prove correct. Known and unknown risks, uncertainties, and other factors may cause actual results and future events to differ materially from those expressed or implied by such forward-looking information. Factors include the ability to complete the Arrangement on the contemplated terms or at all, that the conditions precedent to closing of the Arrangement can be satisfied, regulatory developments, market conditions for digital securities and cryptocurrencies, and general economic conditions. Readers should not place undue reliance on the forward-looking information contained in this material change report. Except as required by law, INX disclaims any intention and assumes no obligation to update or revise forward-looking information to reflect actual results or new information.

Cboe Canada is not responsible for the adequacy or accuracy of this material change report.

This material change report does not constitute an offer to sell or solicit an offer to buy any securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.