

## Form 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1: Name and Address of Reporting Issuer

The INX Digital Company, Inc. (formerly known as Valdy Investments Ltd.) (the “**Resulting Issuer**” or the “**Company**”)  
550 Burrard Street, Suite 2900  
Vancouver, British Columbia  
V6C 0A3

#### Item 2: Date of Material Change

January 10, 2022

#### Item 3: News Release

The news release announcing the material change was disseminated through Newswire on January 10, 2022 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Item 4: Summary of Material Change

On January 10, 2021, the Company to announced the closing of its previously announced reverse takeover transaction (the “**Transaction**”).

Pursuant to the terms of an amended and restated securities exchange agreement dated November 3, 2021 (the “**Securities Exchange Agreement**”), Valdy Investments Ltd. (“**Valdy**”) acquired all of the issued and outstanding shares of INX Limited (“**INX**”). Following the completion of the Transaction, INX became a wholly-owned subsidiary of the Company and Valdy changed its name to that of the Resulting Issuer.

Prior to completion of the Transaction, the common shares of Valdy Investments Ltd. (the “**Valdy Shares**”) were consolidated on the basis of 2.726667 pre-consolidation Valdy Shares for one-post consolidation Valdy Share.

#### Item 5: Full Description of Material Change

##### 5.1 Full Description of Material Change

On January 10, 2021, the Company to announced the closing of the Transaction.

Pursuant to the terms of the Securities Exchange Agreement, Valdy acquired all of the issued and outstanding shares of INX. Following the completion of the Transaction, INX became a wholly-owned subsidiary of the Company and Valdy changed its name to that of the Resulting Issuer.

Prior to completion of the Transaction, the Valdy Shares were consolidated on the basis of 2.726667 pre-consolidation Valdy Shares for one-post consolidation Valdy Share.

In connection with closing of the Transaction, Valdy issued 640,000 post-consolidation shares to each of James Decker and Johnny Ciampi (the “**Advisors**”), former directors and officers of Valdy prior to completion of the Transaction, at a deemed price of \$0.2045 per share being the last trading price of the Valdy shares adjusted for the consolidation. The shares were issued pursuant to an advisory agreement between Valdy and each of the Advisors on achievement of certain milestones, namely closing of the

Transaction, and in recognition of the services rendered by the advisors to Valdy in furtherance and achievement of the milestone. These advisory agreements and the shares issued thereunder were approved by the disinterested members of the board of directors of Valdy after each of the Advisors notified the board of their interest in these transactions and abstained from voting on the same. The Valdy advisory agreements and related share issuances are exempt from the minority shareholder approval and valuation requirements of Multilateral Instrument 61-101 pursuant to paragraphs 5.7(1)(a) and 5.5(b), respectively. Reliance on the minority approval exemption at paragraph 5.7(1)(a) is based on the board determining in good faith at the time the advisory agreements were approved on January 7, 2021 that the fair market value of each batch of 640,000 advisor shares was \$800,000 based on a per share price of \$1.25 being the financing price for subscription receipts issued in connection with the Transaction, as there was no market for the shares at the time the advisory agreements were approved. Prior to the issuance of these advisory shares, there were 3,844,740 post-consolidation Valdy shares having an aggregate fair market value of \$4,805,928; each batch of 640,000 advisor shares represents approximately 16.6% of this market capitalization. The issuances to each Advisor are not connected transactions as they relate solely to the services rendered by the Advisors and directors and officers of Valdy. Reliance on the valuation exemption at paragraph 5.5(b) is based on the fact that at the time the agreements were approved and at the time the shares were issued, the Valdy shares were not listed or posted for trading on any stock exchange. Following closing, the shares issued to each of the Advisors in connection with closing of the Transaction respectively represent 0.3% of the issued and outstanding Resulting Issuer shares on an undiluted basis.

In connection with the Transaction, on April 1, 2021, INX completed the Financing Pursuant to the terms of the Financing, the escrow release conditions for the Financing have been satisfied and each subscription receipt has converted into one Resulting Issuer Share and one-half of one INX Financing Warrant and the net proceeds from the Financing have been released from escrow. Each INX Financing Warrant is exercisable into one additional Resulting Issuer Share until January 10, 2024 at an exercise price of \$1.88 per Resulting Issuer Share.

The Company received conditional approval from the NEO Exchange on December 31, 2021 to list the Resulting Issuer Shares following the completion of the Transaction and the fulfillment of certain listing conditions. It is anticipated that the Resulting Issuer Shares will commence trading on the Neo Exchange under the ticker symbol "INXD", following the issuance of the Neo Exchange's final approval and listing bulletin.

The board of directors of the Resulting Issuer now consists of five directors: Shy Datika; David Weild; Nicholas Thadaney; Thomas Lewis; and Hilary Kramer. In addition, the management of the Resulting Issuer now consists of Shy Datika as Chief Executive Officer, Itai Avneri as Chief Operating Officer, Alan Silbert as Chief Executive Officer, North America, James Crossley as Director of Business Development, Douglas Borthwick as Chief Business Officer, Gadi Levin as Chief Financial Officer, Paz Diamant as Chief Technology Officer, Maia Naor as Chief Product Officer, Cathy Yoon as General Counsel, Jonathan Azeroual as Chief Blockchain Officer and Vlad Uchenik as CEO/CCO of INX Securities, LLC.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102—*Continuous Disclosure Obligations***

Not applicable.

### **Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

The name and business telephone number of an officer of the Company who can answer questions regarding this report are as follows:

Shy Datika, President and Chief Executive Officer  
Telephone No.: 604 631-3131

**Item 9: Date of Report**

January 17, 2022