



NEWS RELEASE

DelphX Expands Wholly-Owned Broker Dealer Operations Through Addition of Internal Sales Team

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[DelphX Capital Markets Inc.](#) (TSXV: DELX) (OTCQB: DPXCF) (“DelphX”), a leader in the development of new classes of structured products for the fixed income market, is adding a new vertical to its business operations (beginning in January 2024) through the creation of an in-house sales team. This operational expansion will leverage the reach of the Company’s existing wholly-owned broker dealer and provide the potential for significantly improved margins on each transaction. DelphX is in the process of launching a novel Credit Rating Security (CRS) product, which will give bond holders and traders the ability to position against potential rating changes on existing bonds.

The sales team will operate out of the New York office and target institutional customers who can utilize the Company’s credit rating securities as part of their trading or risk management. To facilitate this extension into a new revenue-generating vertical, DelphX has expanded its office footprint and is in the process of hiring registered and highly experienced sales professionals with track records serving institutional buy-side accounts.

“We had some unforeseen, external delays in our initial CRS launch, but I am happy to report that we are now properly positioned for an official commercial transaction shortly,” explained DelphX CEO Patrick Wood. “This extended launch process gave us some extra time to interact more closely with portfolio managers and trading desks, which convinced us that our best plan of action was to create a new vertical into our target customers via our own broker dealer. While we will continue to pursue working relationships with existing dealers, any business generated through our own sales department will enable DelphX to retain all revenue from each transaction, a major improvement over our original revenue-sharing model with outside dealers. In addition to dramatically improving our margins and revenue expectations, hiring experienced sales people with existing books of business creates a faster path to commercializing our product offerings and gives us better control over that process.”

Management’s goal is to have the new sales team in place in January 2024 to coincide with the first CRS transaction.

About DelphX Capital Markets Inc.

DelphX is a technology and financial services company focused on developing and distributing the next generation of structured products. Through its special purpose vehicle Quantem LLC, the Company enables fixed income dealers to offer new private placement securities that optimally transfer and diffuse credit risk, while allowing the enhancement of yield. The new DelphX securities will enable dealers and their qualified institutional investors (QIBs) accounts to competitively structure, sell and make markets in:

- Collateralized put options (CPOs) that provide secured default protection or rating downgrade protection for underlying corporate, municipal and sovereign securities;

- Collateralized reference notes (CRNs) that enable credit investors to take on the default or rating downgrade exposure of an underlying security in exchange for enhanced yield.

All CPOs and CRNs are fully collateralized and held in custody by BNY Mellon. CPOs and CRNs are proprietary products created and owned by DelphX Capital Markets.

For more information about DelphX, please visit www.delphx.com.

Patrick Wood, Chief Executive Officer
DelphX Capital Markets Inc.

(718) 509-2160

Forward-Looking Statements

This news release contains certain "forward-looking statements" including, without limitation, statements regarding the launch of the DelphX platform. Such forward-looking statements involve risks and uncertainties, both known and unknown, that may cause actual results or events to be materially different from those expressed or implied by such forward-looking statements, including but not limited to, business, economic and capital market conditions, regulatory uncertainties, and the demand for our products. The forward-looking statements in this news release are based on factors and assumptions regarding, among other things, the state of the capital markets, the ability of DelphX to successfully manage the risks inherent in pursuing business opportunities in the financial services industry, and the ability of DelphX to obtain qualified staff, equipment and services in a timely and cost-efficient manner to develop its business. Any forward-looking statement reflects information available to DelphX as of the date of this news release and, except as may be required by applicable laws, DelphX undertakes no intent or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or results or otherwise.

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