

Treasury Report

JULY 2022

Financial Metrics

\$INDEX Price	\$3.42
Revenue	\$122,472
Operational Expenses	(\$413,195)
Net Profit/(Loss)	(\$339,877)

Summary of Performance

July marked the first month post organisational restructure and has seen a new focus within the coop. The team is laser focused on creating a lean organisation that is agile and able to create products that at launch have great product market fit.

We have seen a slight increase in revenue generated compared to June this is a result of positive price movement on products throughout July. Monthly revenue totals \$122.5k an increase of 11.3% MoM.

Net loss for the month totaled (\$339.9k) this is a significant decrease from June. This is a result of a reduction in contributor rewards by \$207k directly attributable to severance pay in June following the restructure. Going forward we will expect monthly costs c\$250k. In addition to a reduction in human capital costs the DAO has streamlined its operational expenses and reduced by 9.3% MoM, we expect this to continue to trend lower given significant legal expenses incurred this month in relation to the setup of the Index Coop Cayman Foundation.

Streaming fees generated was once again dominated by ETH2x-FLI and DPI, generating \$67k and \$38k in fees or 87% of total revenue during July. icETH continues to build on its strong performance since launch with revenue increasing by 7% MoM.

Growth Metrics

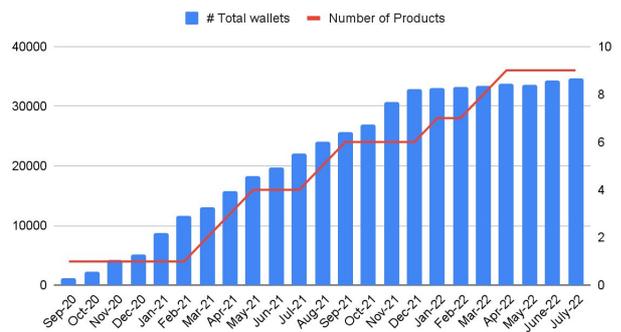
Total Net Dollar Inflows	\$439,529
Total Unit Supply	2,587,163
Total Wallet Exposure (Mainnet)	34,639
TVL	\$91,815,474

Net dollar inflow (N\$F), this represents net dollar spend invested into Index's products. The N\$F's over the last month have totaled \$439k, with the last two months totalling \$3.5m. However, this month there was a 85% decrease MoM.

Total unit supply for all products crossed 2.5m for the first time in June, this has been maintained in July. MoM however there was a slight decrease of 2% in total unit supply. 5 out of the 6 polygon products saw positive gains. ETH2x-FLI on mainnet hit a all time high of 1.4m units in July, with icETH continuing on its upward trajectory since launch, increasing by 3% MoM.

Total wallet exposure across mainnet products reached a lifetime high of 34.6k in July, with a MoM increase of 324 wallets.

Total Wallets Exposure Across Mainnet Products



Products

All of the mainnet products saw positive profit margins. ETH2x-FLI and DPI dominating with gross profit of \$36k and \$27k respectively. Rebalancing costs saw a substantial decrease of 94% MoM from June. This is largely due to the fact that we will not be rebalancing our composite products monthly. The largest contributors to rebalancing costs were the mainnet leverage products totalling \$1.2k.

From our polygon product suite, ETH2x-FLI-P was the standout performer with a 59% gross profit margin. However, traction towards the polygon products has yet to match our mainnet product suite, with less than 10% of our total gross profit coming from our polygon products.

Treasury Portfolio Value

Portfolio value as of July 31st, 2022 totals **\$21.37M**.

The Index Coop treasury (a breakdown can be seen on the balance sheet below) the main holding is INDEX totaling \$13.7m. We have recently reallocated our Investment assets and have de risked a large proportion of our treasury. Index Coop currently holds ~\$7.2m in stablecoin assets.

We are currently in the process of trying to recover funds from one of our deployments, we are currently in discussion with the team owing the return of funds to us, we are anticipating receipt of the tokens in February 23. This represents ~\$1m.

Developments within the month

Index Coop has finalised incorporating the foundation in the Cayman Islands. This is a great milestone for the organisation as we move towards a well organised and structured business. This will enable us to interact with vendors directly through a legal entity and provide protection to our contributors.

In addition to this the Finance team was able to recover funds from an exchange that was facing solvency issues ~\$200k.

Treasury Report

JULY 2022

 Index

<u>Income Statement</u>	Q1	April	May	June	July	YTD
Revenue	\$	\$	\$	\$	\$	\$
Streaming Fees	565,471	282,194	177,229	110,065	122,472	1,565,707
Investment Income	45,184	-	45,184	-	-	45,184
Total Revenue	610,655	282,194	222,414	110,065	122,472	1,610,892
Cost of Sales						
Liquidity Mining	-	-	-	-	-	(247,130)
Methodologist Portion	(183,253)	(98,017)	(57,461)	(27,775)	(49,154)	(545,839)
Total Cost of Sales	(183,253)	(98,017)	(57,461)	(27,775)	(49,154)	(792,969)
Gross Profit	427,402	184,177	164,953	82,289	73,318	817,923
Operating Expenses						
Contributor Rewards	(1,492,615)	(577,744)	(418,447)	(496,424)	(289,378)	(3,543,630)
Exchange Listings	-	(6,738)	-	-	-	(24,754)
Admin Expense	(57,825)	(24,182)	(2,132)	(31,511)	(2,674)	(73,715)
Ads & Sponsorships	(28,240)	(14,727)	(10,125)	(3,388)	(8,117)	(185,678)
Impression Mining	(8,463)	-	(7,675)	(788)	(131)	(32,693)
Legal	(22,580)	-	(22,581)	-	(98,967)	(128,579)
Events	(5,228)	-	(5,228)	-	-	(5,228)
Data & Software Licensing	(28,510)	(4,042)	(11,892)	(12,576)	(10,821)	(42,056)
ETH Fas Expense	(64,264)	(646)	(16,669)	(46,950)	(3,106)	(138,078)
Audit Expense	(55,071)	-	(13,788)	(41,283)	-	(55,071)
Operating Expenses Total	(1,762,796)	(628,079)	(508,537)	(632,921)	(413,195)	(4,229,482)
Net/Profit/(Loss)	(1,335,394)	(443,902)	(343,584)	(550,631)	(339,877)	(3,411,560)

Balance Sheet (July 31st 2022)

Current Assets	\$
Aave	3,430
BTC2x-FLI	2,847
cDAI	379,284
cUSDC	748,680
DAI	1,677,079
DATA	3,470
DPI	2,117
ETH	52,732
ETH2x-FLI	50,620
ETH2x-FLI-P	2,284
GMI	2,308
G-UNI-DAI-USDC	1,061,796
G-UNI-icETH-WETH	268,666
icETH	12,102
Index	13,667,567
JPG	1,184
USDC	2,137,722
USDT	1,273,760
WETH	24,068
Cash & Cash Equivalents	21,371,718
Debtors	
KuCoin Loan	150,000
Total Assets	21,521,718
Liabilities	-
Capital & Reserves	
Paid in and vested capital	12,869,251
Unrealized price movement reserve	20,398,376
Retained Earnings	(8,334,349)
Net Income	(3,411,560)
Total Equity	21,521,718