

ISX Plc – Quarterly Update Q4 2021

Presented by : John Karantzis, Managing Director, 8th February 2022



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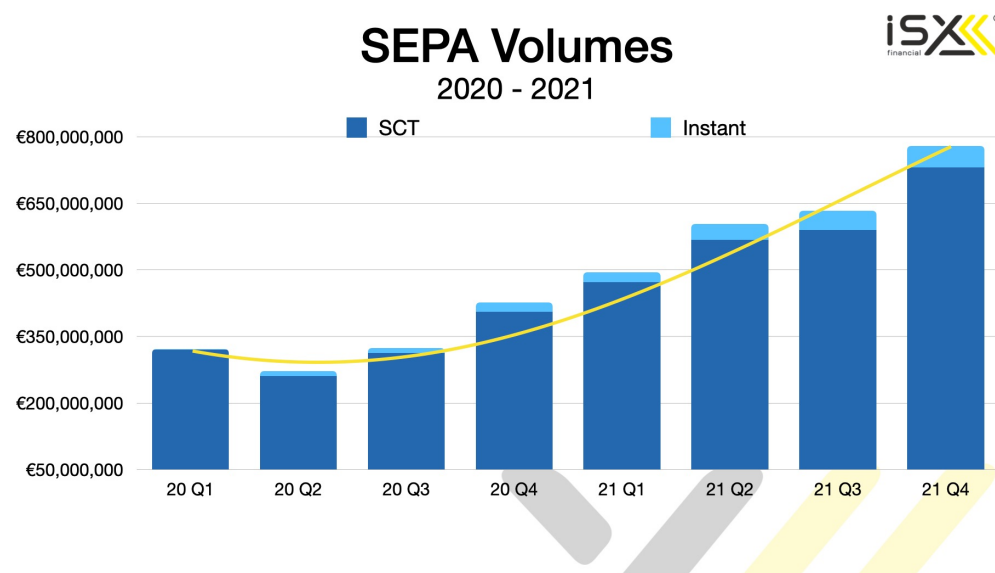


Diners Club
INTERNATIONAL

DISCOVER

FY21 Update - Unaudited

Quarterly Business Update



- In 4Q21, the business continued to see a shift in volumes towards SEPA instant and batched interbank payments network (SCT, payments per the graph), with total SEPA volumes up 23% versus 3Q21 and up 83% versus 4Q20.
- This growth has been driven by customer preferences, with customer preferring instant and batched SEPA interbank payments, due to
 - Lower cost versus a credit card payment
 - SIIN notification, so Merchants can be certain they have received the funds
 - No chargebacks
 - flykk ecosystem
- The Group continues to focus its growth in regulated online gaming
- Card acquiring volumes in the quarter were up 18% versus 3Q21, but remained lower than 4Q20, down -18%.
- Flykk volumes in the quarter remained strong, as we continue to see growing interest in the flykk product from merchants.

FY 2021 Cashflow - Unaudited

Consolidated statement of cash flows - ISXFEU Pro-forma Historicals and Unaudited 2021

	ISX Financial Eu Plc Consolidated			
	31-Dec-18	31-Dec-19	31-Dec-2020 (1)	31-Dec-21
	€	€	€	€
Cash flows from operating activities				
Receipts from customers	4,004,892	18,757,789	21,137,521	22,583,000
Payments to suppliers and employees	(7,641,560)	(15,596,157)	(15,766,543)	(16,161,000)
Interest received	9,275	54,826	20,590	9,000
Income taxes paid	-	-	(810,129)	(706,000)
Government grants & tax incentives received	298,688	516,396	491,175	109,000
Net cash generated from/(used in) operating activities	(3,328,705)	3,732,854	5,072,614	5,834,000
Cash from investing activities				
Net cash (used in) investing activities	(82,535)	(518,381)	(2,139,486)	(2,817,000)
Cash flows from financing activities				
Net cash generated from/(used in) financing activities	1,214,615	3,878,979	(2,299,147)	(6,426,000)
Net increase/(decrease) in cash and cash equivalents	(2,196,625)	7,093,452	633,981	(3,409,000)
Cash and cash equivalents at the beginning of the financial year	2,724,815	407,616	7,946,556	8,549,000
Effects of exchange rate changes on cash and cash equivalents	(120,574)	445,488	(31,537)	37,000
Cash and cash equivalents at the end of the financial year	407,616	7,946,556	8,549,000	5,177,000

(1) The 2020 proforma results in the Prospectus included a €3,349,160 repayment of intercompany debt which actually occurred in 2021. The repayment has been taken out of the 2020 results and reflected in the 2021 unaudited results.

- The Full Year 2021 Results for the Group are unaudited and remain subject to change due to audit adjustments, including the finalisation of the demerger accounting. The 2018, 2019 and 2020 results are Proforma numbers, reviewed by BDO Australia.
- In 2021 net cash generated in operating activity increased 15% to €5.8million, due to increased revenues. Cash and cash equivalents at the end of the year was €5.2 million, down from €8.5 million in 2020 mainly due to financing activities, including repayment of intercompany debt and payment of dividends during the period.
- In 2021 the group saw receipts from customers increase 6.8% to €22.6 million, as Group focused on diversifying its revenue away from card acquiring, towards lower cost instant and batched interbank payments, and creating a multi-rail ecosystem centred on its flykk® service.
- Payment to suppliers and employees increase 2.5% in 2021 to €16.2 million due to higher employee and Research & Development ('R&D') costs. Corporate costs also increased mainly due to costs related to the demerger. Offsetting this was reduced operating costs, due to the shift in revenue away from card acquiring.

Proforma Profit & Loss Unaudited

Consolidated Statement of profit or loss and other comprehensive income – ISXFEU Pro-forma Historicals and Unaudited 2021

	31-Dec-18 Full Year eur	31-Dec-19 Full Year eur	31-Dec-20 Full Year eur	31-Dec-21 Full Year eur
Revenue from Customers	3,856,841	18,604,953	21,821,488	22,726,382
Other income	322,468	587,239	511,765	118,071
Expenses	(8,184,353)	(15,277,518)	(16,821,332)	(17,368,198)
Earnings before Depreciation, Amortisation, Impairments & Interest	(4,005,044)	3,914,674	5,511,921	5,476,254
Depreciation & amortisation expense	(113,323)	(412,921)	(737,414)	(1,493,226)
Impairment / Share of losses from investment in associate	-	-	(305,417)	(1,462,028)
Finance costs	(29,214)	(7,353)	(42,402)	(24,234)
Profit/(loss) before income tax expense	(4,147,581)	3,494,400	4,426,688	2,496,765
Income tax expense	(5,443)	(410,534)	(912,194)	(1,056,033)
Profit/(loss) after income tax expense for the year	(4,153,024)	3,083,866	3,514,494	1,440,732

Key Metrics

	31-Dec-18 Full Year eur	31-Dec-19 Full Year eur	31-Dec-2020 (1) Full Year eur	31-Dec-21 Full Year eur
Cash and Cash Equivalents	407,616	7,946,556	8,549,000	5,177,000
Funds held on behalf of merchants	5,526,668	60,149,861	61,816,104	93,691,655
Electronic Money Issued	21,104,351	717,410,024	811,656,854	1,340,182,074

(1) The 2020 proforma results in the Prospectus included a €3,349,160 repayment of intercompany debt which actually occurred in 2021. The repayment has been taken out of the 2020 results and reflected in the 2021 unaudited results.

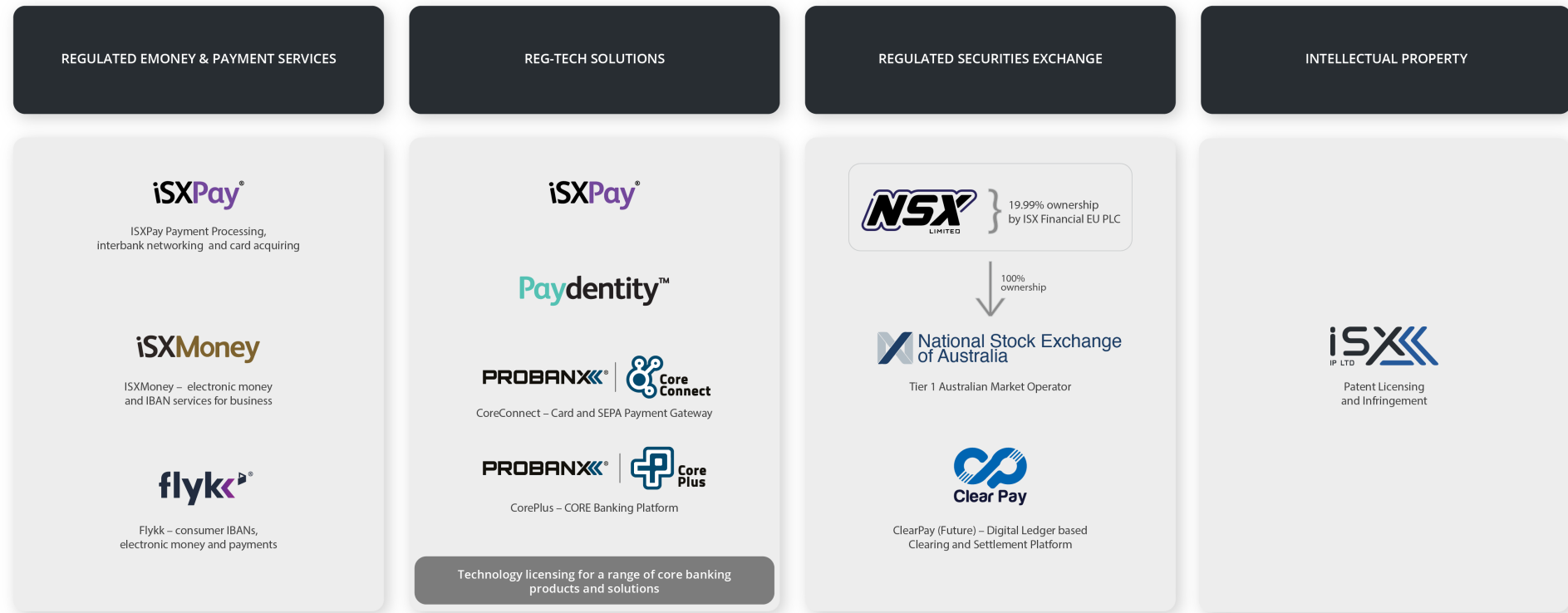
- The Full Year 2021 Results for the Group are unaudited and remain subject to change due to audit adjustments, including the finalisation of the demerger accounting.
- Full year 2021, the Group has recorded an unaudited €1.4 million profit, its third consecutive year of profits despite the challenges created by the COVID-19 pandemic in 2020 and 2021.
- In 2021 the Group focused on diversifying its revenue away from card acquiring, towards lower cost instant and batched interbank payments, and creating a multi-rail ecosystem centred on its flykk® service. This reduced operating costs by circa €2 million in 2021.
- Offsetting the reduced operating costs, in 2021 the group saw higher employee and Research & Development ('R&D') costs (up €1.7 million), as the Group continues to invest for the future in customer service, sales, R&D and risk roles. Corporate costs also increased circa €0.8m mainly due to costs related to the demerger.
- The Group also saw increases in Amortisation & Depreciation due to ongoing investment in internally generated software and in 2021 incurred a €1.5 million impairment in its investment in NSX Limited.
- In December 2021 the Group saw increased funds held on behalf of merchants, up 52% to €93 million, as confidence in the strength of the Group continues to grow.
- Cash and cash equivalents remained strong at €5.2 million in December 2021.

Company Overview

ISX Financial EU Plc (ISX Plc) : Background

ISX Plc is a profitable, diversified payments technology and regulated financial services group, founded in 2016, and demerged October 2021 to allow for focus on growth.

With around 130 staff, our operations are currently European centric, with more than 95% of our revenues derived from the UK and EEA, servicing customers in the gaming, CFD, FX, banking, credit union and ecommerce sectors. Our HQ is in Nicosia, with operations in London, Sydney, Melbourne, Vilnius, Raleigh and sales offices Amsterdam, Tel Aviv and Valetta. North America is our upcoming focus for growth, in particular Canada, to continuing servicing our existing customers.



ISX Financial EU PLC © 2021

What does ISX Plc Do?

EEA Authorised EMI

- Authorised Electronic Money Institution (AEMI)
- Transactional Banking Services
- Payment Services

UK Authorised EMI

- FCA Authorized EMI
- Transactional Banking Services
- Payment Services
- + Account Information Services
- + Payment Initiation Services

Payment Schemes

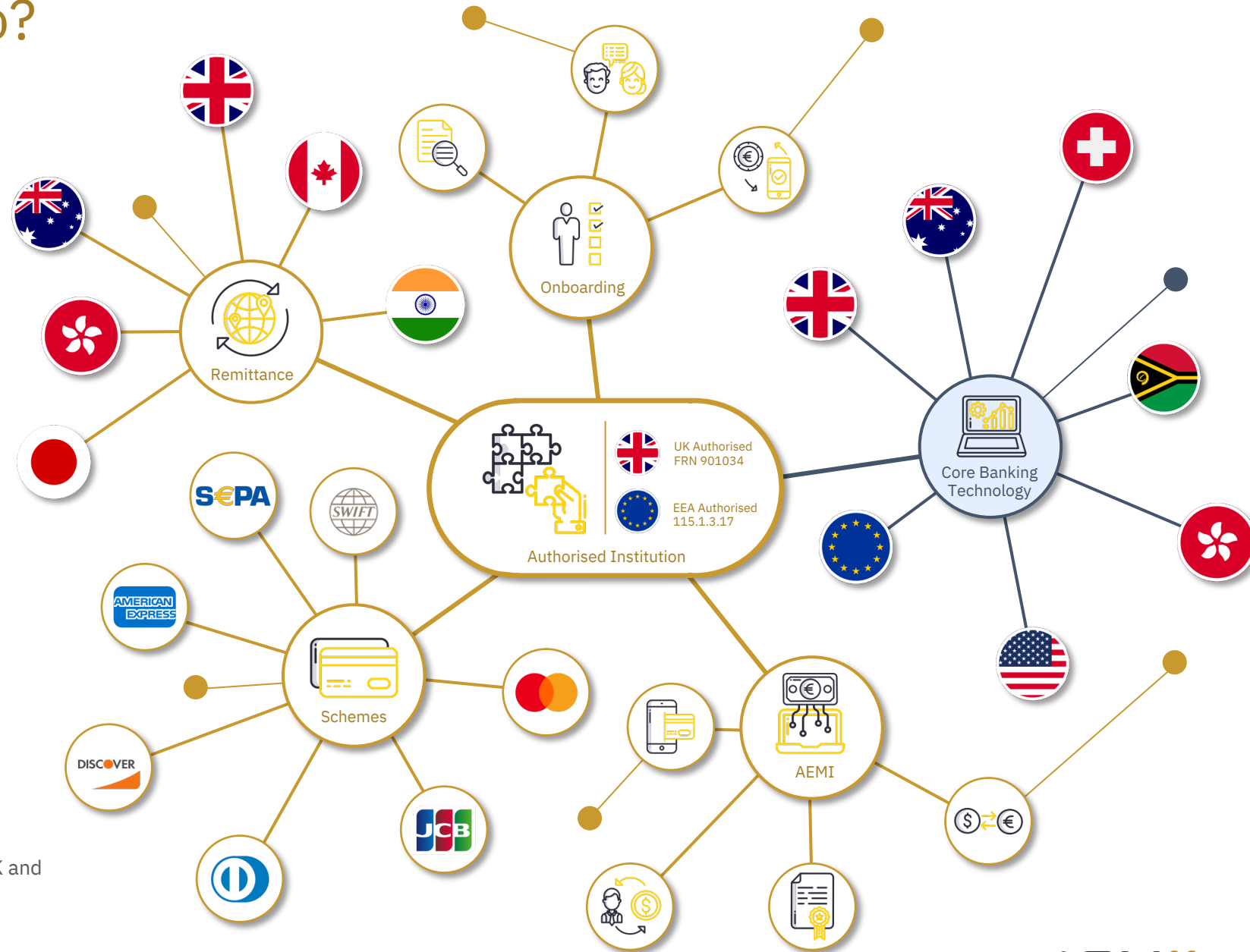
- Principal Member of Mastercard, Diners, Discover & JCB
- Aggregation Partner AMEX
- SEPA & SWIFT Membership
- FPS, BACs connectivity in progress
- ISEMCY22 & Eurozone Central Banking

Complete Customer Onboarding

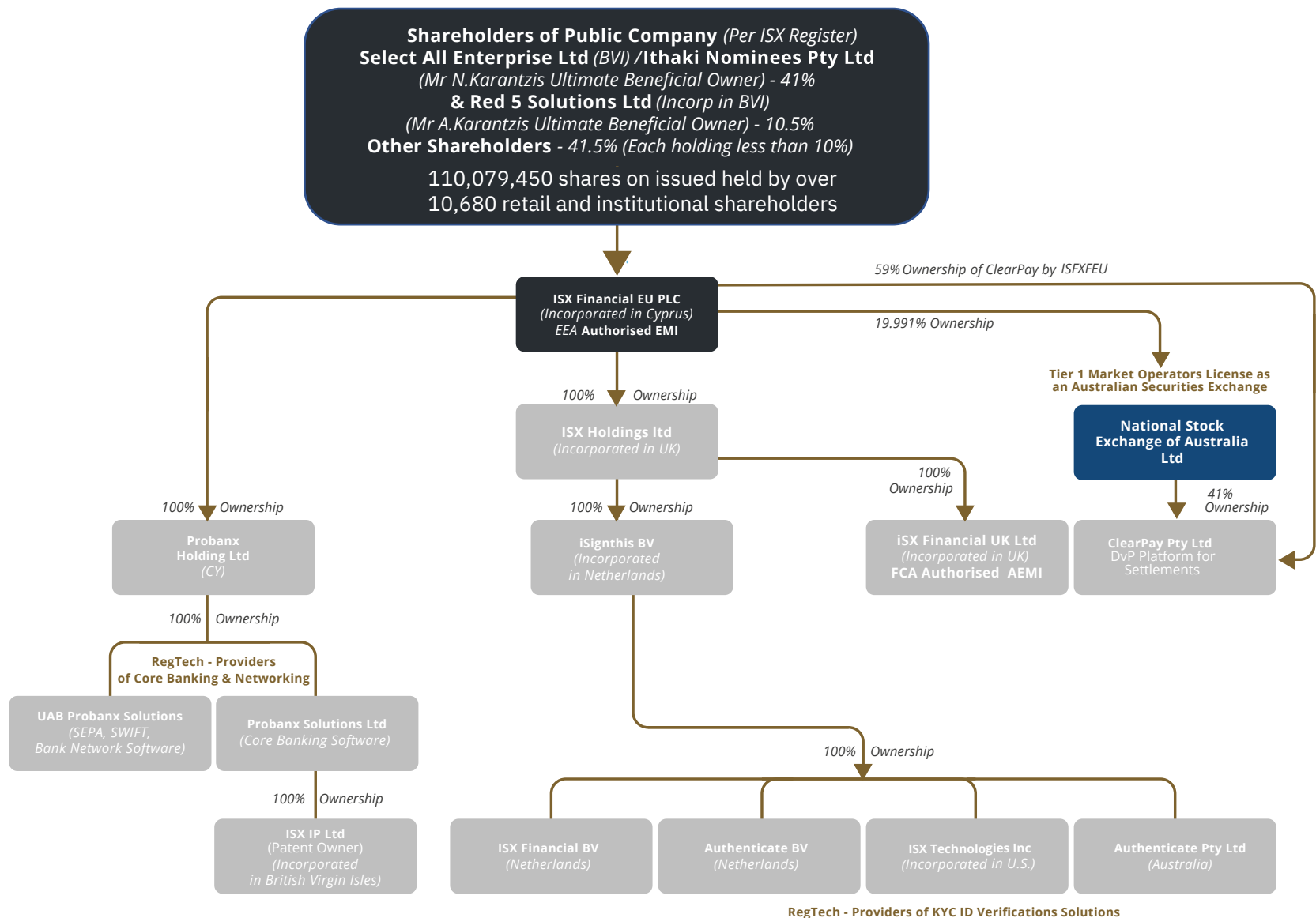
- For EU/EEA & UK Business via Payidentity

Core Banking Technology

- Tech provider to more than 15 Banks in Asia Pacific, UK and EU/EEA








Corporate Structure



Operating Divisions

Products

	As a Regulated Financial Service	As a Technical Service
Payment Gateway (Cards)	—	iSPay
Payment Processing (Cards) 	iSPay	—
Bank Networking 	iSMoney	Probanx 
CORE Banking	iSMoney	Probanx 
Identity Verification	Paydentity™	Paydentity™
Clearing & Settlement (Future)		—
Consumer Electronic Money	flyk	—
Open Banking	flyk	—

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Strategy

Growth Strategy : Financial Services & Financial Technology

Scale

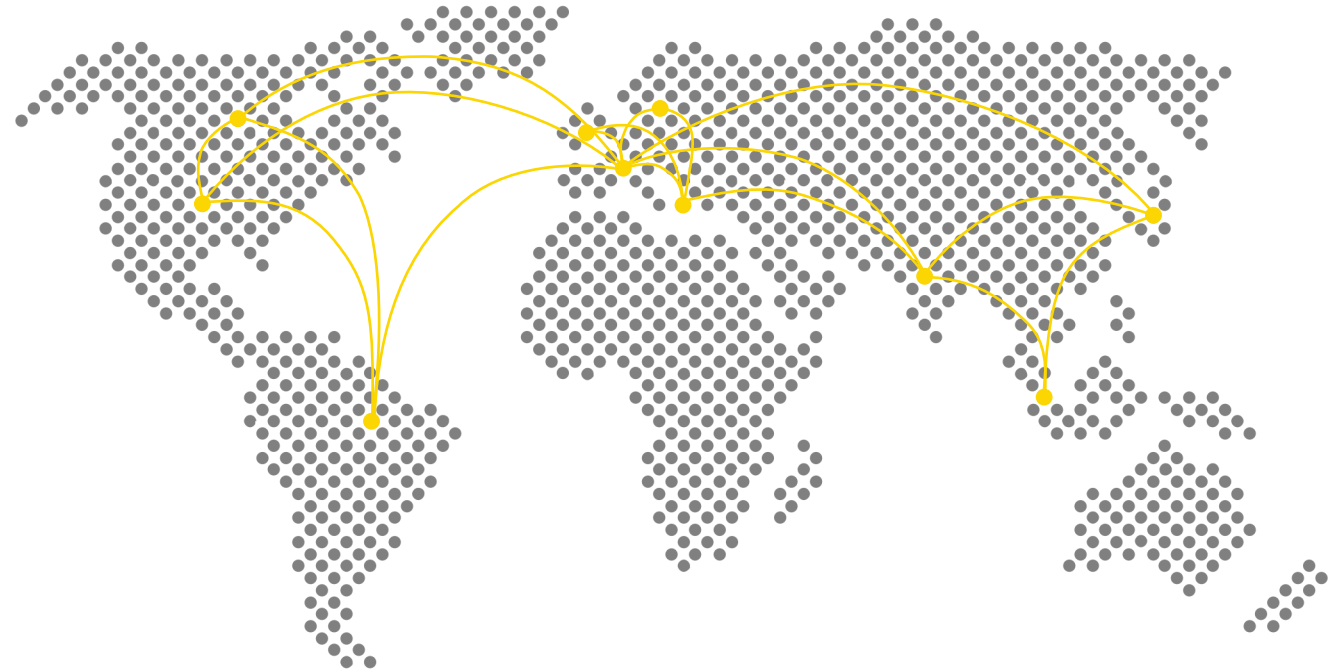
- Continue to grow our regulated operations in UK and Europe.
- Continue to extend Probanx banking platform business globally as a License or SaaS.
- Leverage our expertise in gaming and financial services into other regulated sectors.

Explore

- Explore further strategic business and adjacent market opportunities.
- Explore potential acquisitions in Europe and North America, to build out payment and transactional banking operations.

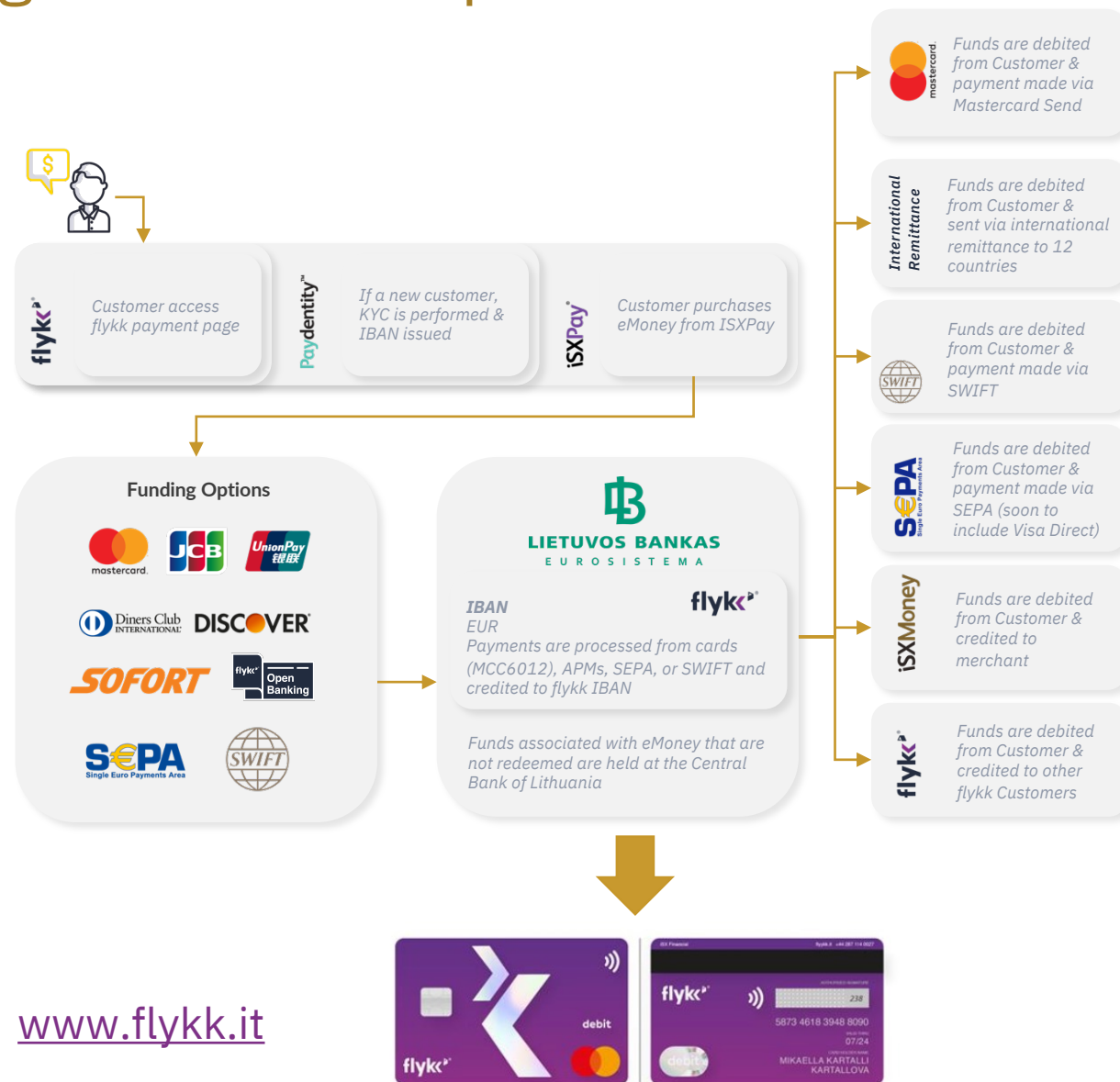
Expand

- Expand into North and South America by leveraging existing customer relationships.
- Continue to extend our remittance capabilities beyond our current corridors.



Introducing flykk®, bringing together ISX's capabilities

- Merchant driven retail user acquisition
- Rapid user onboard with Paydentity™
- flykk incorporates IBAN based “open” access bank accounts
- SEPA rails adapted to substitute for cards
- 'SIIN' alerts via API receipt of SEPA funds
- Multicurrency Discover debit card linked to flykk IBAN accounts (physical and virtual)
- Diners/ Discover debit card by Mid 2022
- Mastercard debit card by late 2022
- eMoney is Central Bank deposited (CBDC)



Business Model

Business Model : Regulated Services

Regulated Services



ISXPAY

% Fee of Transaction Value plus flat fee per transaction (Card acquiring).



ISXMONEY

% Fee on inflow value to IBAN account, plus flat fees for payments outbound. ESTR++ for moneys held overnight.



flykk

For consumers, free transfers to merchant or other flykk users, with FX fees, Remittance and SEPA payment fees.



Open Banking

% Fee of Transaction Value 'pushed' from 3rd party bank plus flat fee per transaction.

Business Model : FinTech & RegTech

Technical Services

PROBANX®



CorePlus



CoreConnect

Probanx CorePlus

Initial upfront (or staged) License Fee with ongoing monthly maintenance and support fees.

Probanx CoreConnect

License Fee with ongoing monthly fees, plus flat fees per transactional processed.

Paydentity™

Paydentity

Flat fee per identity verification attempt. Flat fee per PEP and Sanction screen.

iSXPay®

ISXPay Gateway

Flat fee per transaction processed.

Securities Exchange Business Model

Securities Exchange

Through our 19.99% interest in the NSX Ltd, the 100% parent of the National Stock Exchange of Australia (NSXA), we have operational interest in Australia's second largest licensed Tier 1 market operator. NSXA has a DLT based settlement service and DvP system under development, expected to launch early in 2021, which is being built by Probanx Solutions Ltd (a wholly owned ISX subsidiary).



NSXA

Listing Fees, Annual Fees, Trading Fees (www.nsx.com.au).

ClearPay

Clearing & Settlement Fees, sub-registry fees, transactional fees & technology licensing. (www.clearpay.systems)



ISXPlc has a 59% direct interest in the DLT based sub-register, clearing and settlement system, which is under development.

Team Overview

Executive Team Overview



John Karantzis

Managing Director & CEO

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James Cameron

Chief Risk Officer

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Elizabeth Warrell

Chief Financial Officer

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Dominic Melo

Chief Product Officer

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Andrew Evers

Chief Technology Officer

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Paul Singh

Chief Compliance Officer

<https://www.linkedin.com/in/paul-singh-b1ab9012/>



Andrew Karantzis

Global Sales & Marketing Director

<https://www.linkedin.com/in/andrew-karantzis-4560186/>

Customers

Customers & Platform Partners

Regulated Services Target

- eCommerce / Retail
- Gaming
- Securities / Brokerage

Key Platform Partners:

Integrated 2018	Integrated 2018 Updated 2020	Integrated 2021
 	 <small>Worldline (EPA: WLN)</small> 	 <small>(NASDAQ: WIX)</small>  <small>(LON: PTECH)</small>

Regtech Products Targets

- Banks
- Credit Unions
- Electronic Money Institutions
- Payment Services Providers
- Financial Services companies

A sample of our customers includes:

			 <small>SOCIETE GENERALE BANK-CYPRUS</small>
		 <small>MANAGEMENT FINANCIAL GROUP</small>	
			<small>All Logos are owned by their respective copyright holders.</small>

Growth

- Company has been developing its flykk® retail and ISXMoney business propositions for last 4 years.
- Focus has been on product development, technology, business case including proof of NPAT before seeking scale.
- Technology is now proven out and integrated to Central Banks and major payment schemes.
- Client base is increasingly becoming mainstream listed entities who are contracting ISX Plc for its unique ecosystem.
- Ecosystem integrates Open Banking, Transactional Banking, Payment Schemes, Card acquiring, Card issuing, International Remittance and eMoney services, all accessible from ISXMoney and flykk® applications.
- The combination of these services makes ISX Plc a unique fintech.
- Cash generation may be allocated to EEA/UK "customer pull" expansion opportunities into North America.
- Consideration may be for additional capital to be raised to accelerate execute North American opportunities.

Thank you

ISX Financial EU PLC

Investor Relations
investors@isxfinancial.com



Appendix

Business Unit Descriptions



Services : Regulated Monetary Financial

ISXPay® : Payment Processing

Principal acquiring institutional member of Mastercard, Diners, Discover, JCB and ChinaUnionPay, and leverages the ISXPay® Payment Gateway technology.

ISXMoney® : Bank Networking

SEPA Participant and SWIFT member. Leverages Probanx® CoreConnect technology and European Economic Area Electronic Money regulatory license and Central Bank accounts to provide interbank payments in Euros.

ISXMoney® : CORE Banking

International Bank Account Numbered (IBAN) for businesses requiring Euro facilities. Leverages Probanx® CorePlus core banking software platform, and interconnects with ISXMoney® Bank Networking above.

SIIN

Our unique API based notification services that alerts when monies move within an ISXMoney account, allowing automated and real time reconciliation of monies into accounting, trading, gaming, eCommerce and other systems

flykk® : Consumer Electronic Money

International Bank Account Numbered (IBAN) for consumers seeking to make payment in the SEPA area as well as connected merchants. Leverages Paydentity® for KYC, Probanx® CorePlus core banking software platform, and interconnects with ISXPay Payment processing and ISXMoney® Bank Networking above.

flykk® : Open Banking

Push payments originating from UK and EEA Banks into ISXMoney issued IBAN accounts.

REGULATED EMONEY & PAYMENT SERVICES

iSXPay

iSXPay Payment Processing,
interbank networking and card acquiring

iSXMoney

iSXMoney – electronic money
and IBAN services for business

flykk

Flykk – consumer IBANs,
electronic money and payments

Products : RegTech & Platforms

ISXPay® : Payment Gateway

PCI DSS Level 1 certified gateway, connected to all major card schemes and a number of major 3rd party acquirers

Probanx® CoreConnect

Bank Networking : is an advanced ISO220022 network connected to the Central Bank of Lithuania, and services more than 20 banks, credit unions and payment service providers with SEPA Core and SEPA instant facilities.

Probanx® Core Plus : CORE Banking

Platform used by banks, credit unions and monetary financial institutions as their as a back-end system which processes daily banking transactions, and posts updates to accounts and other financial records. Core banking systems typically include deposit, loan and credit-processing capabilities, with interfaces to general ledger systems and reporting tools.

Paydentity® : Identity Verification

Know Your Customer and Know Your Customer's Customer system, based upon ISX IP Ltd's patents, and mosaic of leading third party ID verification and PEP systems.

ClearPay : DLT Based Register System

Under development for the National Stock Exchange of Australia to enable it as a fractional, digital asset, exchange. ClearPay will integrate with NASDAQ Xstream engine (installed at the NSXA and in 117 exchanges globally), and will provide a DLT based register, settlement and clearing platform to allow for BIS1, BIS3 and a hybrid BIS1/BIS3 model. Will integrate with ISXPay and CoreConnect, to allow for multiple currency clearing at T+0/T+1.

REG-TECH SOLUTIONS



CoreConnect – Card and SEPA Payment Gateway



CorePlus – CORE Banking Platform

Paydentity™

Technology licensing for a range of core banking products and solutions

Services : Securities Exchanges

NSXL/NSXA

ISX Holdings has a 19.22% interest in the NSXA via NSXL. NSXL has a 41% holding in ClearPay. The NSXA is Australia's second largest Tier 1 market operator. The Australian market is dominated by the incumbent, the ASX, and NSXA is positioning itself to be the venture exchange for Australia.

Historically NSX growth has been severely limited by its lack of settlement and payment technologies. With ISX's technology platforms, we are working with the NSX through the ClearPay JV to develop a platform that will significantly increase NSXA's attractiveness to the broking and investment community, as well as issuers that intend to go public via IPO.

ClearPay : DLT Based Register System

JV between NSXL/NSXA and ISX to deliver DLT based Delivery versus Payment (DvP) platform, including clearing and settlement facilities to the NSXA. Company will seek licensing as a Clearing and Settlement Facility, in order to service Australian exchanges other than the NSXA.

The DvP Platform will allow for assets to be digitised real world assets such as securities (book entry), futures, CFD's, and fungible digital assets (Stage 1) or non-fungible digital, with NSXA as the central authority.

Due for delivery in circa mid 2023, the ClearPay DvP platform represents global opportunity to deliver DvP services to other local exchange, and DLT technology to international exchanges.

REGULATED SECURITIES EXCHANGE



19.22% ownership
By ISX Holdings PLC



 National Stock Exchange
of Australia

NSXA – 19.21% interest Licensed
Tier 1 Australian Market Operator



ClearPay (Future) – Digital Ledger based
Clearing and Settlement Platform

Intellectual property

ISX IP Ltd holds patents in a number of jurisdictions for our payment instrument verification process, including the EU (EPO), China, Canada and USA.

The Company has filed a number of patents in the areas of Anti money Laundering, refund management, and identity verification.

Whilst the Company is using the patents as a “shield” against other entities claiming infringement, the patents also may operate as a “sword”.

Up until now, the Company has focused on developing its intellectual property as opposed to licensing it or initiating infringement proceedings.

ISX IP Ltd has noted a number of entities potentially infringing its core patents, in the US, Canada and the European Patent Area. Many of the infringers are multinational entities.

It is intended to commence pursuing identified patent infringers during 2022.

Intellectual Property Future Business Model

Licensing

Of patents (non exclusive) or working systems (eg strong customer authentication)

Infringement

Pursue infringing entities where ISX IP holds patents

Patent Portfolio

https://patentscope.wipo.int/search/en/result.jsf?_vid=P20-KV90W5-64264

INTELLECTUAL PROPERTY



What's unique about ISX Plc?



Onboarding speed and reach. Payidentity can reach, identify, verify and take payment at the same time from 4.2 billion people, or 69% of the world's population. We massively improve conversions by use of automation.



Diversified payment choice. ISXPay is a principal member of major card schemes in the EU and UK, including Mastercard, China UnionPay, Diners, Discover, JCB, and American Express, as well as a number of alternative payment methods (APM's).



Speed to payout. This is emerging as an important aspect for the customers of our financial services merchants. The ability to move funds quickly and to a variety of destination accounts is a critical selling point for merchants to their customers.



Multi-currency choice. We offer between 16 to 23 currencies natively to our merchants, so that they can accept and we will settle in the world's most popular currencies (with some exotics!).



Account Issuing. Use of IBAN account to link all the above services to a customer. Funds held at Lithuanian Central Bank.



Multi Region. Our customers operate in the UK and the EEA.



Single touch point. ISX is positioned to offer solutions via a single relationship and technical integration.



Unique IP. We have designed, developed and patented our key platforms inhouse. We can leverage our products to maximise our opportunities, without paying royalties or fees for core services.