



2023

ISX Financial EU PLC

April-June '23 Quarterly Report (2Q23) (unaudited)



FCA Authorised EMI  
FRN #901034



EEA Authorised  
EMI #115.1.3.17



SEPA  
Single Euro Payments Area



Diners Club  
INTERNATIONAL

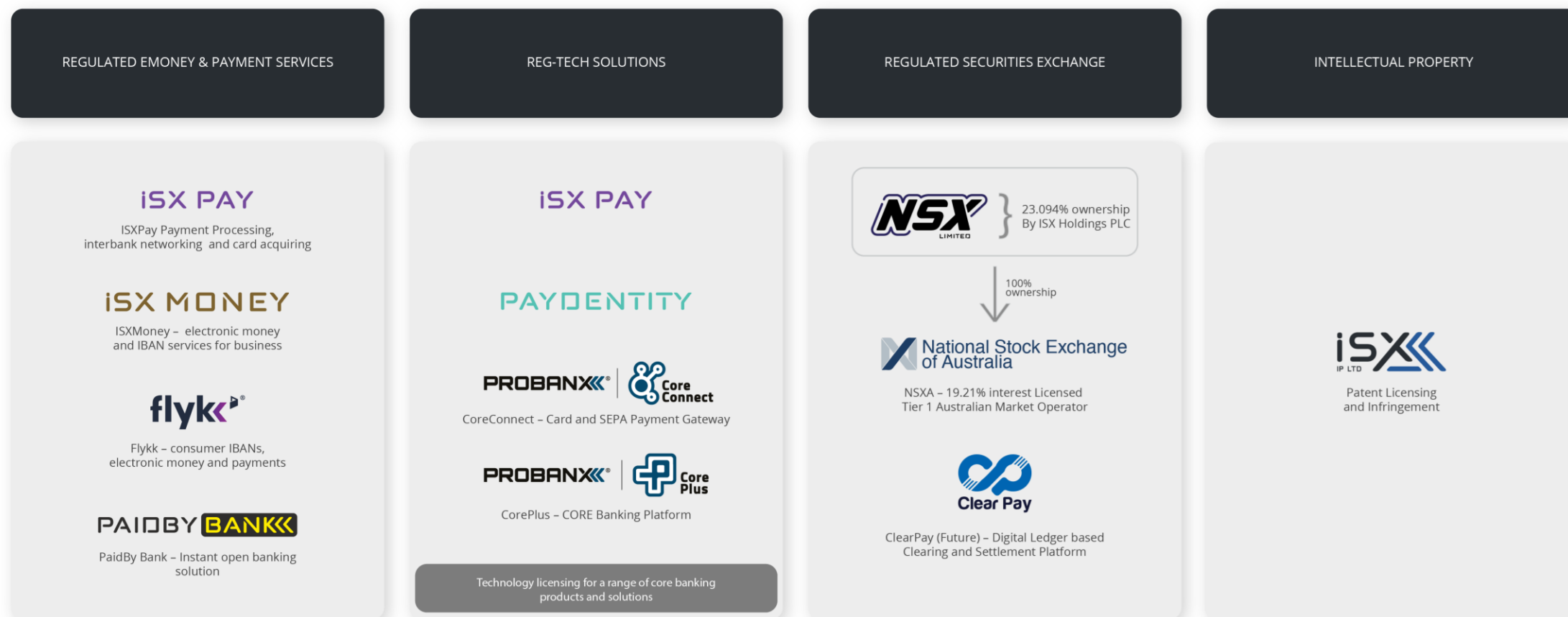
DISCOVER

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# ISX Financial EU Plc (ISX Plc) : Background

ISX Financial EU PLC is a 'banktech' company that leverages its own technology to provide financial services to merchants across the EEA & UK.

The company's combined payments stack and infrastructure provides a complete end-to-end transactional banking, FX, remittance and payment processing capability. ISXMoney's multi-Currency IBAN accounts coupled with PaidBy Bank instant open banking provide merchants with a tailored payment solution to reach any UK or EEA bank account holders.



# Technology Stack



# 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

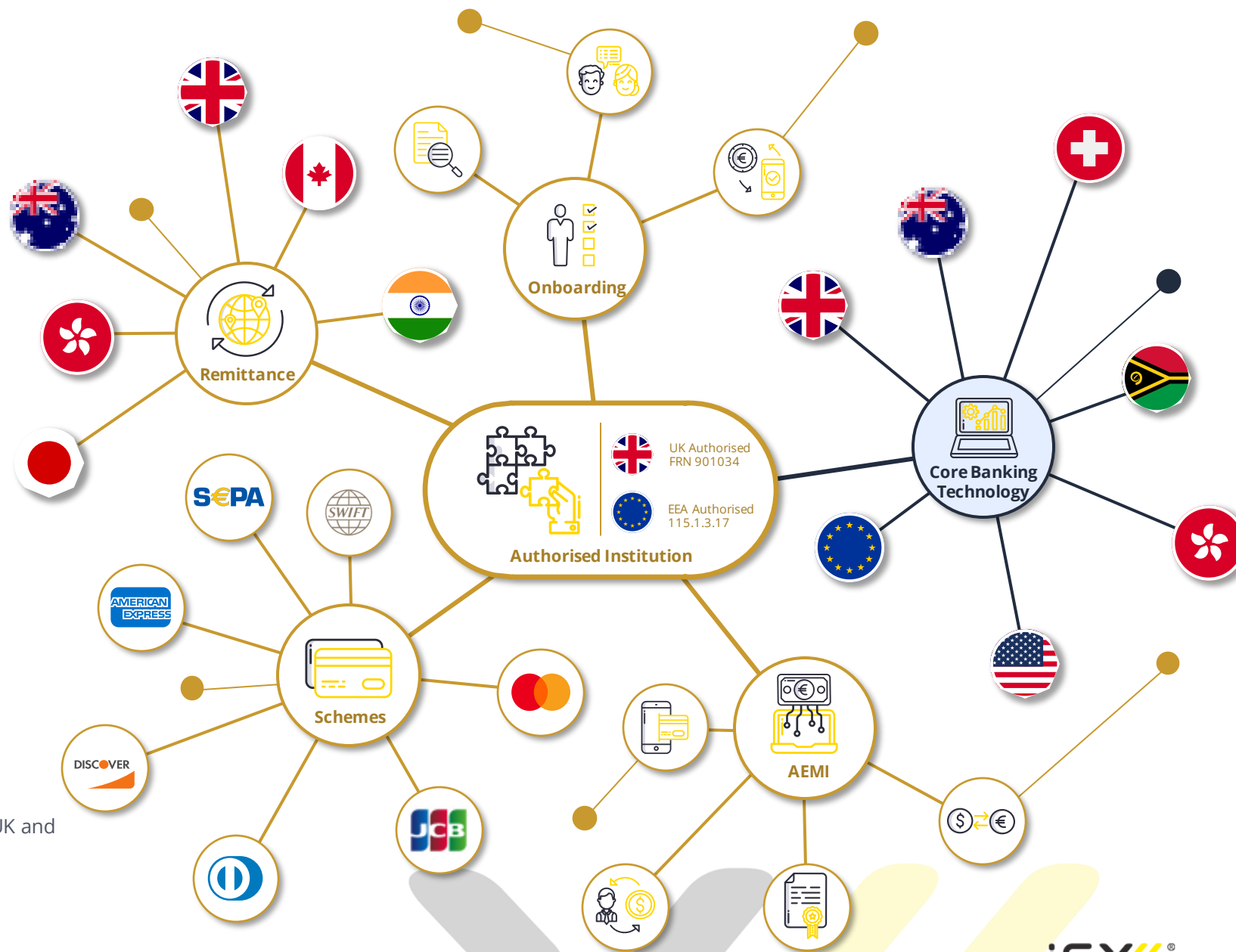
- Principal Member of Mastercard, Diners, Discover & JCB
- SEPA, FPS, CHAPs Membership
- SWIFT Membership
- ISEMCY22 & Eurozone Central Banking

## Complete Customer Onboarding

- For EU/EEA & UK Business via Paydentity

## Core Banking Technology

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



# 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. We own our technologies, including the software code base, allowing us to innovate and adapt to customer requirements rapidly.



# Financials (2Q23) (unaudited)



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# 2Q 2023 Key Updates

**The Company is pleased to advise that it continues to execute on its strategy of developing and exploiting payments infrastructure, with consumers offered a choice of electronic money, cards or Open Banking as payment channels.**

- ISXMoney® has launched its Electronic Money Account (EMA), services in the UK under its own UK Sort Code : 04 13 92
  - UK EMA's now live with Faster Payments Service (FPS) & Clearing House Automated Payment System (CHAPS) routed via own SORT Code.
  - Integration with Bankers' Automated Clearing System (BACS), (direct debit) underway
- PaidBy Bank launch scheduled for 1st August, underpinned by our UK Sort Code.
  - Targeting retail merchants
  - Fully automated onboard for most UK merchants – targeting 90%+ conversion rate with exceptions to manual review/onboard
  - Ready for gaming market – augments the 'debit rail' approach.
- flykk®
  - Card issuing - On track for Q3 Launch. Cards have been ordered from the manufacturer.
  - iOS and Android app adopted by further merchants.
- Technology rollouts, upgrades and enhancements continue across all product lines.

# Financial Update

- A strong performance in Q2 2023 resulted in an unaudited profit of €0.8m. Profit after income tax expense for the quarter, excluding National Stock Exchange of Australia (NSX) write-downs, reached €1.3m, marking an 18% YoY increase, though experiencing a slight decrease of €0.1m (-10%) compared to Q1 2023.
- Our focused approach on open banking channels drove continued growth, as seen in a 7.8% increase (€42m) in Total Processing Volume (TPV) QoQ and 15.2% YoY increase (€77m). Total Electronic Money Issued and Open Banking displayed solid growth of 11% and 25% respectively compared to Q1, showcasing the effectiveness of our strategic initiatives.
- Q2 delivered robust revenue growth, with revenues from our top 50 customers surging by 17% (€6.0m vs €5.1m) compared to the previous quarter. Additionally, we are proud to present consistent and strong gross margin expansion over the past 5 quarters, with a 10% increase in gross profit margin in Q2 and a pleasing 19% YoY growth. This expansion validates our continued growth and strategic investments in our payment rails.



# Financial Update - Continued

- While expenses increased by €0.2m (4%) Quarter on Quarter (QoQ) and €0.7m (13%) Year on Year (YoY), our investments in core technology, and additional headcount have been instrumental in supporting our overall growth trajectory.
- Our strong financial position is evident in the growth of Cash and Cash Equivalents by €1.5m (20.7%) QoQ and €3.4m (62.6%) YoY, indicating robust liquidity and financial stability. Furthermore, our cash from operating activities increased by €2m, offset by strategic investments in technology (€0.9m payment in intangibles) in line with our investment strategy.
- There was a QoQ decrease of €3m (-2.4%) in funds held on behalf of merchants, which can be attributed to seasonal factors like Easter and various public holidays, however, there was continued growth of €22.9m (23.5%) YoY.
- Net Assets demonstrated positive growth, increasing by €0.8m (6.7%) QoQ.
- Our Net Assets/Book value per Share rose by €0.007 (6.7%) in Q2 2023, reaching €0.114, emphasizing the progress we continue to make.

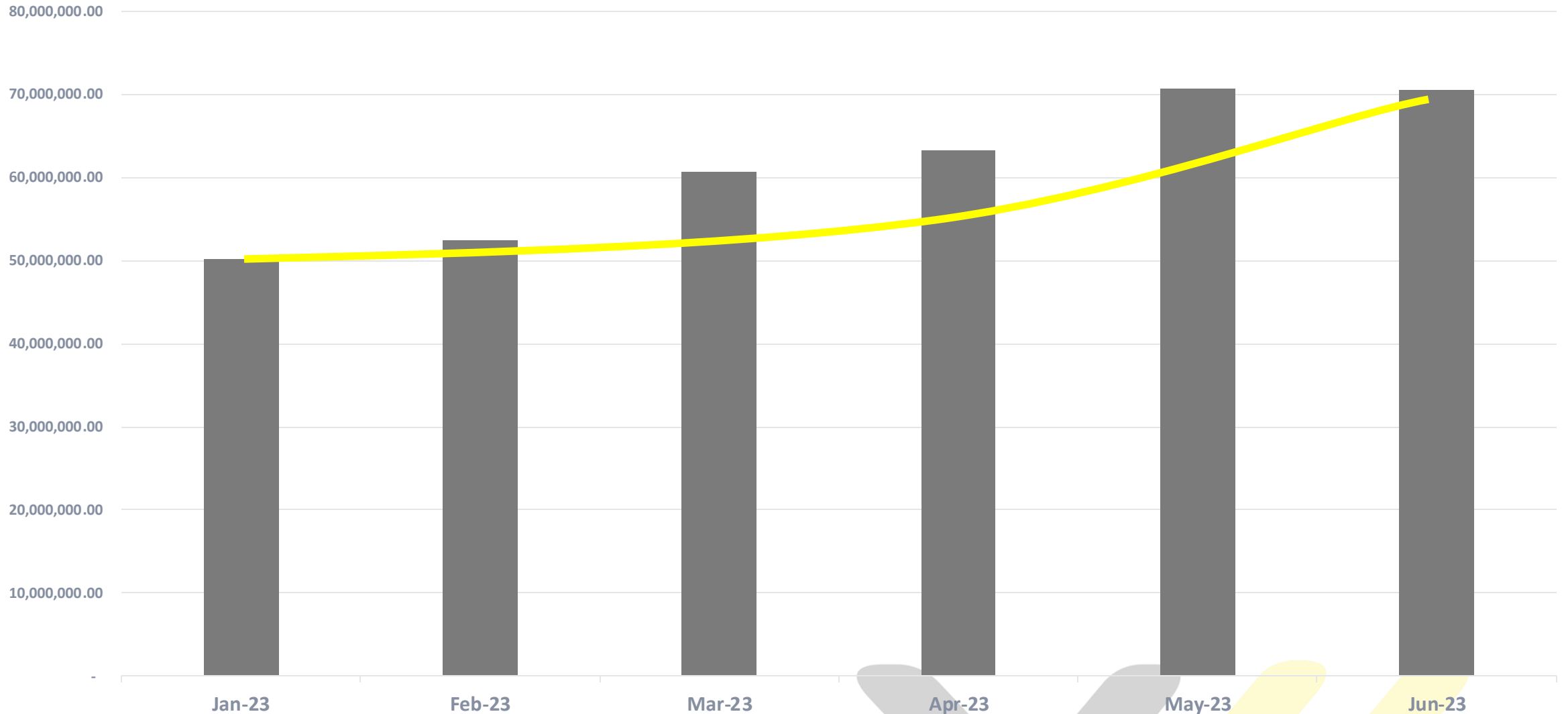
Consolidated Statement of Profit or Loss – ISX Financial EU 30 June 2023 Unaudited									
	30-Jun-23	31-Mar-23		30-Jun-22		Variance	Variance	Variance	Variance
	Quarter 2	Quarter 1		Quarter 2		2Q23 v 1Q23	2Q23 v 1Q23	2Q23 v 2Q22	2Q23 v 2Q22
	€	€		€		€	%	€	%
Revenue from Customers	7,514,525	7,201,937		6,653,681		312,589	4%	860,844	13%
Other income	1,135	27,127		11,995		(25,992)	-96%	(10,860)	-91%
Expenses	(6,346,850)	(6,104,893)		(5,601,530)		(241,957)	4%	(745,320)	13%
Profit/(loss) before income tax expense	1,168,811	1,124,170		1,064,146		44,640	4%	104,665	10%
Income tax expense	(383,332)	(325,168)		(445,424)		(58,164)	18%	62,092	-14%
Profit/(loss) after income tax expense for the year	785,479	799,002		618,722		(13,524)	-2%	166,757	27%
Profit/(loss after income tax expense for the year - Excluding NSX Write Downs	1,290,999	1,428,950		1,093,094		(137,951)	-10%	197,906	18%

Key Metrics								
	30-Jun-23	31-Mar-23		30-Jun-22		Variance	Variance	Variance
	Quarter 2	Quarter 1		Quarter 2		2Q23 v 1Q23	2Q23 v 1Q23	2Q23 v 2Q22
	€	€		€		€	%	€
Earnings before Interest, Tax, D&A, FX and Impairments	2,308,469	2,507,159		1,966,798		(198,690)	-7.9%	341,672
Cash and Cash Equivalents	8,770,276	7,270,758		5,397,728		1,499,518	20.6%	3,372,548
								-
Funds held on behalf of merchants	120,419,786	123,396,782		97,503,549		(2,976,996)	-2.4%	22,916,237
								-
Total Processing Volume (TPV)	581,330,161	539,494,335		504,480,057		41,835,826	7.8%	76,850,103
								-
Net Assets	12,515,339	11,988,276		8,590,054		791,132	6.7%	3,925,285
								-
Net Assets per Share	€ 0.114	€ 0.109		€ 0.078		€ 0.007	6.7%	€ 0.036

Balance Sheet		Quarterly Trends							Six month ended June 30th			
	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22		Q223 Change			2023	2022	Change
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2		Q123	Q222		Half 1	Half 1	
	€	€	€	€	€		€	€		€	€	€
Cash and Cash Equivalent	8,770,276	7,270,758	5,983,161	4,571,141	5,538,249		21%	58%		8,770,276	5,538,249	58%
Funds Held on behlaf of Merchants	120,419,786	123,396,782	104,006,452	89,229,672	96,976,189		-2%	24%		120,419,786	96,976,189	24%
Other	3,040,424	2,708,353	2,843,408	2,667,313	2,735,108		12%	11%		3,040,424	2,735,108	11%
Current Assets	132,230,486	133,375,892	112,833,021	96,468,127	105,249,546		-1%	26%		132,230,486	105,249,546	26%
Non Current Assets	9,924,911	10,819,515	11,140,456	10,435,975	9,170,791		-8%	8%		9,924,911	9,170,791	8%
Total Assets	142,155,396	144,195,407	123,973,477	106,904,102	114,420,337		-1%	24%		142,155,396	114,420,337	24%
Funds Held on behlaf of Merchants	(120,419,786)	(123,396,782)	(104,006,452)	(89,229,672)	(96,976,189)		-2%	24%		(120,419,786)	(96,976,189)	24%
Other Current Liabilities	(4,745,829)	(4,029,268)	(4,079,697)	(3,751,043)	(4,098,751)	-	1%	0%		(4,745,829)	(4,098,751)	0%
Current Liabilities	(125,165,615)	(127,426,049)	(108,086,149)	(92,980,715)	(101,074,941)		-2%	24%		(125,165,615)	(101,074,941)	24%
Non Current Liabilities	(4,474,443)	(4,781,082)	(4,757,909)	(4,984,726)	(5,095,620)		-6%	-12%		(4,474,443)	(5,095,620)	-12%
Total Liabilities	(129,640,058)	(132,207,131)	(112,844,058)	(97,965,442)	(106,170,561)		-2%	22%		(129,640,058)	(106,170,561)	22%
Net Assets	12,515,339	11,988,276	11,129,419	8,938,660	8,249,777		4%	52%		12,515,339	8,249,777	52%
Ordinary Shares	17,680,417	17,680,417	17,680,417	17,680,417	17,680,417		0%	0%		17,680,417	17,680,417	0%
Reserves	1,808,651	2,067,067	2,007,213	1,773,374	2,167,478		-13%	-17%		1,808,651	2,167,478	-17%
Accumulated Profit/(Loss)	(7,400,013)	(8,186,128)	(8,982,515)	(10,939,533)	(12,023,754)		-10%	-38%		(7,400,013)	(12,023,754)	-38%
Non Controlling Interest	426,284	426,920	424,304	424,402	425,636		0%	0%		426,284	425,636	0%
Total Equity	12,515,339	11,988,276	11,129,419	8,938,660	8,249,777		4%	52%		12,515,339	8,249,777	52%

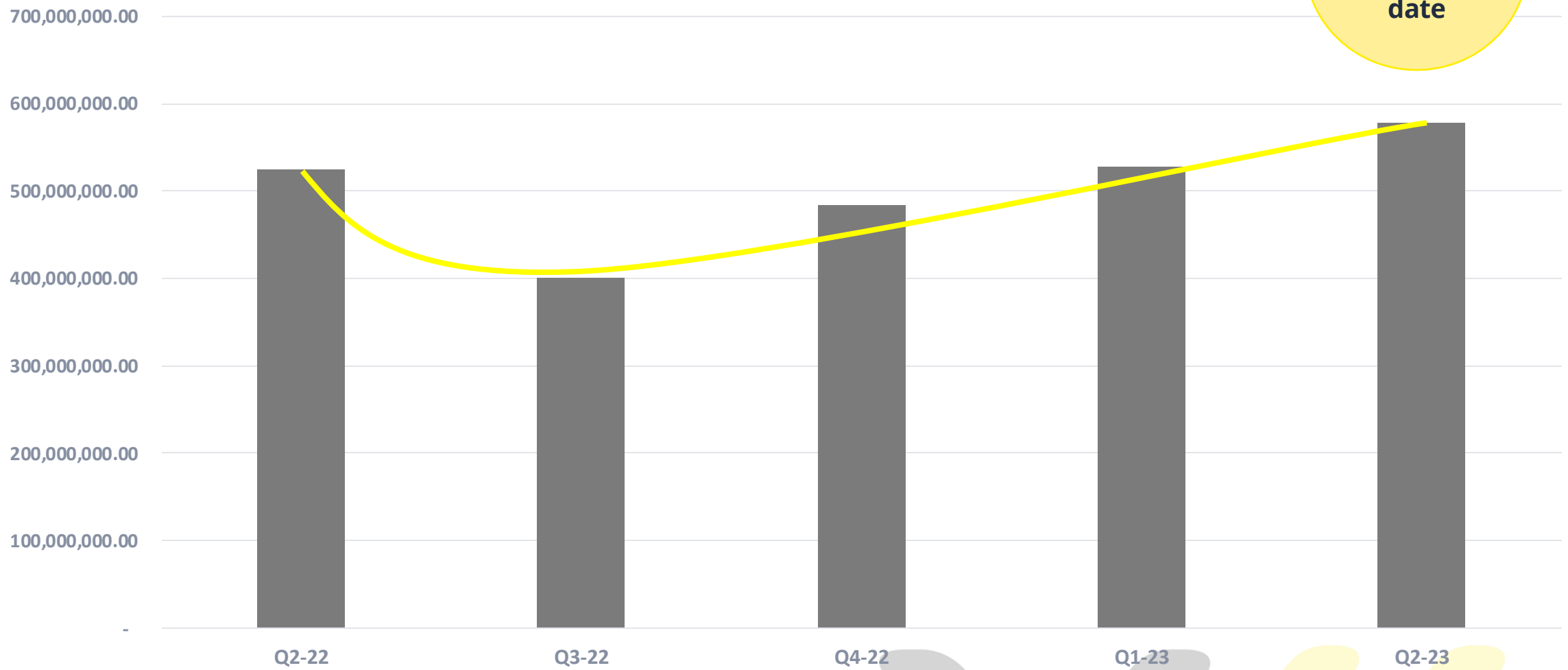
Profit or Loss																	
Quarterly Trends																	
Six month ended June 30th																	
	30-Jun-23	31-Mar-23	31-Dec-22		30-Sep-22		30-Jun-22		Q223 Change				2023		2022		Change
	Quarter 2	Quarter 1	Quarter 4		Quarter 3		Quarter 2		Q123		Q222		Half 1		Half 1		
	€	€	€		€		€		%		%		€		€		%
Revenues	7,515,661	7,229,064	7,600,242		6,352,132		6,665,518		4%		13%		14,744,724		13,548,345		9%
Gross Profit	6,604,985	5,807,110	5,735,445		4,864,829		4,931,794		14%		34%		12,412,094		9,919,586		25%
Profit/(loss) before Tax	1,156,736	1,124,170	2,805,130		1,181,627		1,064,146		3%		-9%		2,280,906		1,101,114		107%
Net Income	785,479	799,002	2,382,412		1,082,987		618,722		-2%		-27%		1,584,481		639,602		148%

# Open Banking Volume – 6 months





# Total Processed Inflow Volume





**Thank you**

ISX Financial EU Plc

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