



2023 ISX Financial EU PLC July-September '23 Quarterly Report (3Q23) (unaudited)



FCA Authorised EMI
FRN #901034



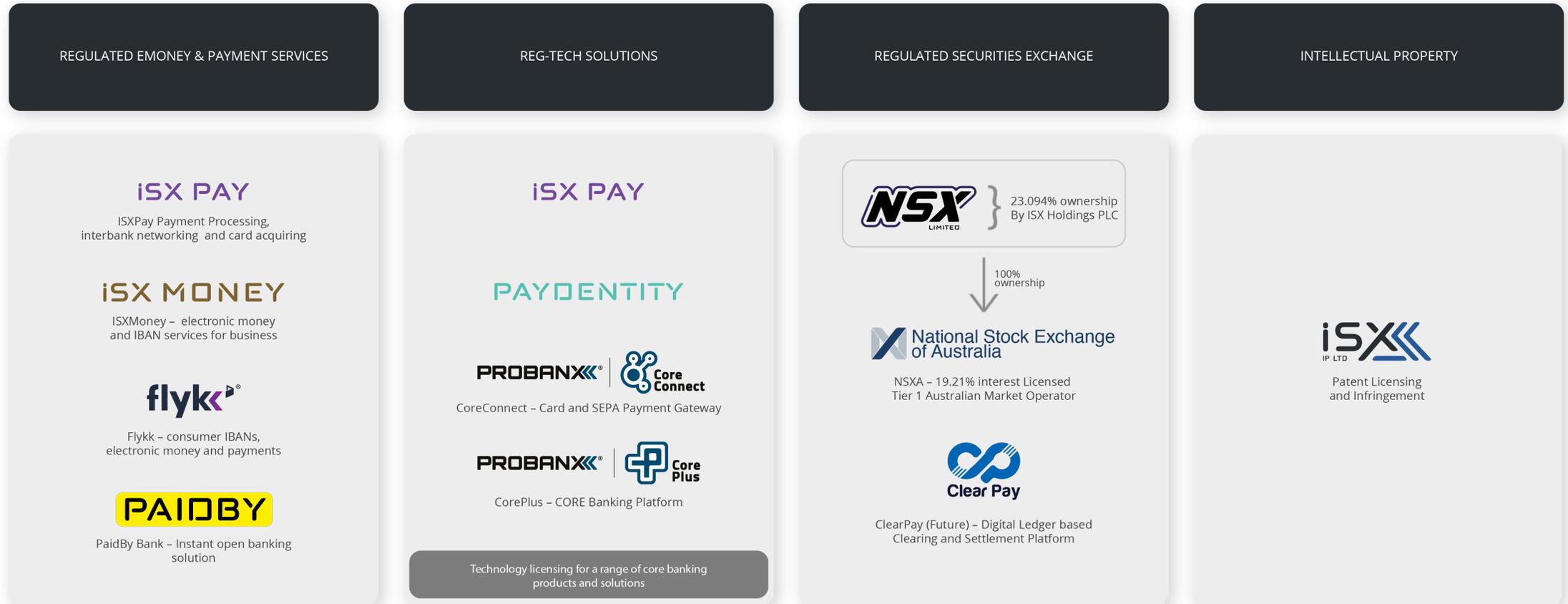
EEA Authorised
EMI #115.1.3.17



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 transfers instant open banking provides merchants with a tailored payment solution to reach any UK or EEA bank account holders.



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

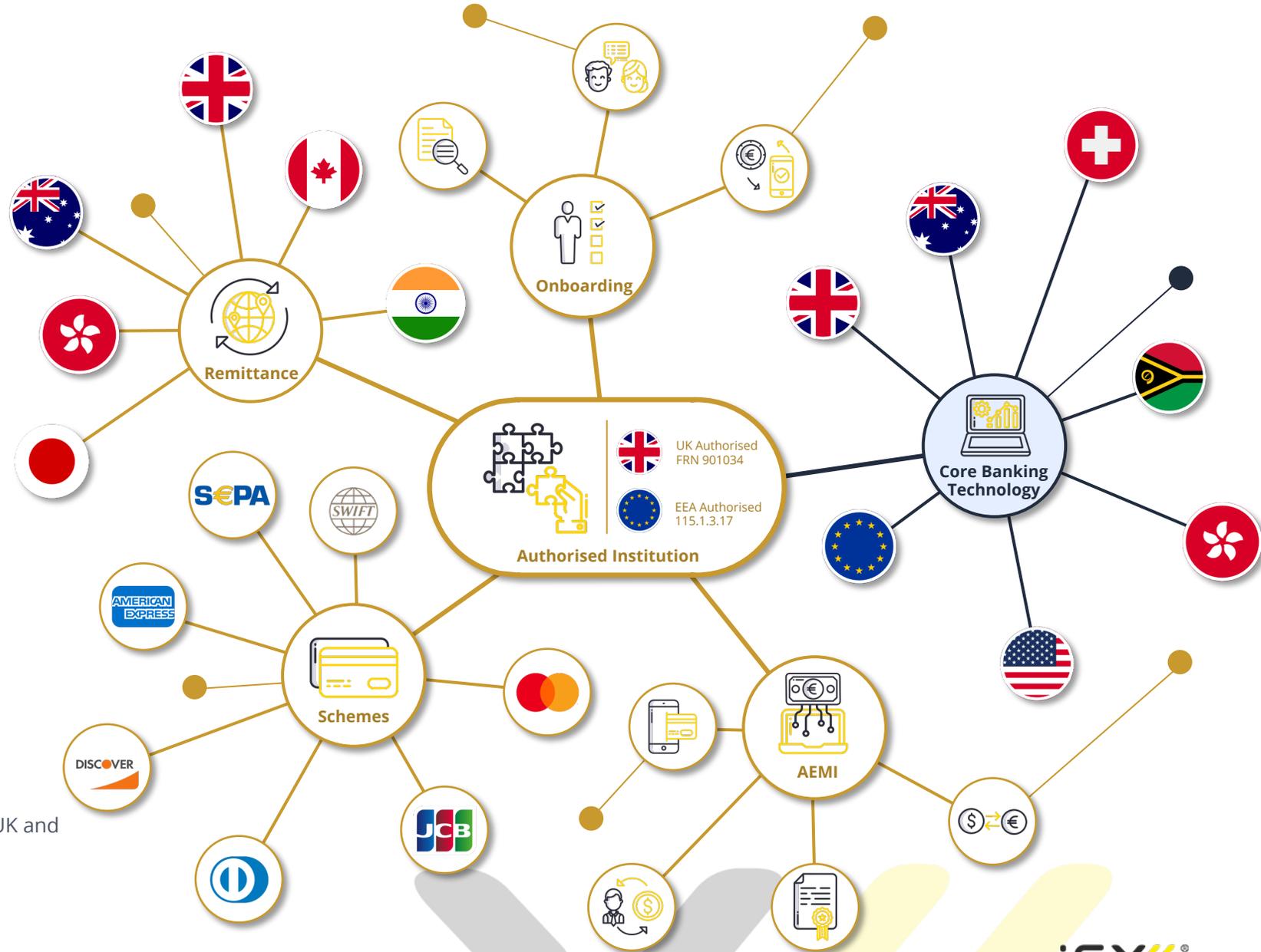
- Principal Member of Mastercard, Diners, Discover & JCB
- SEPA, FPS, CHAPs Membership
- SWIFT Membership
- ISEMCY22 & Eurozone Central Banking

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



Technology Stack





Financial Results & Commentary (3Q23) (unaudited)



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SEPA
Single Euro Payments Area



JCB



Diners Club
INTERNATIONAL

DISCOVER



3Q 2023 Key Updates

- Sustained Growth: Our revenues increased 11% YoY. This growth demonstrates our ability to capture new opportunities and expand our presence in the market. Furthermore, our Net Assets have surged by 64% year-on-year (12% QoQ).
- Solid Profitability: We continue to maintain our profitability with an EBITDA margin of 24%. This solidifies our position as a thriving and financially robust fintech payments company.
- Investing in the Future: We remain dedicated to innovation, having invested approximately €2 million in Research and Development year-to-date. These investments are driving our vision.
- Innovation: Our commitment to innovation is evident in our latest product developments. flykk[®] has been significantly enhanced with a major new version to be launched in the coming days. Our flykk[®] linked Diners card has been certified for production and is (finally) in pre-rollout stage. We have also been granted further patents during this last quarter.
- Expanding Market Presence: We continue to secure new customers and explore exciting segments in the market. For example, we have extended our PaidBy[®] bank transfers offering to a major marketplace, such that it is accessible by over 30,000 UK retail merchants.
- 2023 Guidance: We are well on track to reach our goal of achieving €30 million in revenue by the end of 2023 and maintain our EBITDA/profitability margin within 20-30%

Financial Update

- A strong performance in Q3 2023 resulted in an unaudited profit of €1.5m. Profit after income tax expense for the quarter, excluding National Stock Exchange of Australia (NSX) write-downs, reached €1.6m, marking a 50% YoY increase, and an increase of €0.4m (+27%) compared to Q2 2023.
- In Q3, transaction volumes experienced the usual seasonal dip, decreasing by 5.3%, less than our expectations (Q3 2022 posted a -24% decline). Nevertheless, it's noteworthy that we sustained our continued growth trajectory, achieving an YoY increase of 9.1% in transaction volumes.
- In Q3, our revenue performance met our expectations, remaining steady. Although it exhibited a marginal 2% dip compared to the previous quarter (-4% in Q3 2022), we are delighted to report a robust 10% YoY revenue growth. This growth underscores the resilience of our business and our dedication to expansion. Furthermore, we take pride in the sustained and substantial expansion of our gross margin over the past five quarters, reflecting a commendable 10% YoY increase. This growth serves as a validation of our ongoing commitment to growth and strategic investments in our payment infrastructure.
- Expenses decreased by €0.8 million (a 12% reduction) in the most recent quarter, primarily driven by reduced impairments in our NSX investments (€0.15m Q3 vs €0.5m Q2) and staff compensation. Nevertheless, our strategic investments in core technology and the addition of new team members persist, playing a crucial role in sustaining our overall growth momentum. This year, we remain committed to investing in research and development, with an expenditure of approximately €2 million.

Financial Updates

- Our strong financial position is evident in the growth of Cash and Cash Equivalents by €0.6m (6.3%) QoQ and €3.9m (72.8%) YoY, indicating robust liquidity and financial stability.
- There was a QoQ decrease of €16m (-12.9%) in funds held on behalf of merchants, which can be attributed to the continued global elevated interest rate environment as well as continued regulatory focus on gaming; however, there was continued growth of €7.4m (7.6%) YoY. The team are very much aware of this and have initiatives in the pipeline to address these headwinds.
- Net Assets demonstrated positive growth, increasing by €1.6m (12.4%) QoQ.
- Our Net Assets/Book value per Share rose by €0.014 (12.4%) in Q3 2023, reaching €0.128, emphasizing the progress we continue to make.

Consolidated Statement of Profit or Loss – ISX Financial EU 29 Sep 2023 Unaudited

	29-Sep-23	30-Jun-23	30-Sep-22	Variance	Variance	Variance	Variance
	Quarter 3	Quarter 2	Quarter 3	3Q23 v 2Q23	23Q23 v 2Q23	3Q23 v 3Q22	3Q23 v 3Q22
	eur	eur	eur	eur	%	eur	%
Revenue from Customers	7,344,645	7,514,525	6,653,681	(169,880)	-2%	690,964	10%
Other income	33,724	1,135	11,995	32,589	2871%	21,729	181%
Expenses	(5,583,434)	(6,346,850)	(5,601,530)	763,416	-12%	18,096	0%
Profit/(loss) before income tax expense	1,794,935	1,168,811	1,064,146	626,124	54%	730,789	69%
Income tax expense	(316,112)	(383,332)	(445,424)	67,220	-18%	129,312	-29%
Profit/(loss) after income tax expense	1,478,823	785,479	618,722	693,344	88%	860,101	139%
Profit/(loss after income tax expense - Excluding NSX Write Downs)	1,641,836	1,290,999	1,093,094	350,837	27%	548,742	50%

Key Metrics

	29-Sep-23	30-Jun-23	30-Sep-22	Variance	Variance	Variance	Variance
	Quarter 3	Quarter 2	Quarter 3	3Q23 v 2Q23	23Q23 v 2Q23	3Q23 v 3Q22	3Q23 v 3Q22
	eur	eur	eur	eur	%	eur	%
Earnings before Interest, Tax, D&A, FX and Impairments	2,802,220	2,308,469	1,966,798	493,750	21.4%	835,422	42.5%
Cash and Cash Equivalents	9,324,941	8,770,276	5,397,728	554,665	6.3%	3,927,213	72.8%
Funds held on behalf of merchants	104,907,933	120,419,786	97,503,549	(15,511,853)	-12.9%	7,404,384	7.6%
Total Processing Volume (TPV)	550,378,674	581,330,161	504,480,057	(30,951,487)	-5.3%	45,898,616	9.1%
Net Assets	14,069,562	12,515,339	8,590,054	1,554,224	12.4%	5,479,508	63.8%
Net Assets per Share	€ 0.128	€ 0.114	€ 0.078	€ 0.014	12.4%	€ 0.050	63.8%

Supplementary Data										
Balance Sheet	Quarterly Trends						Nine month ended September 29th			
	29-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	Q323 Change		2023	2022	Change
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Q223	Q322	9 Months	9 Months	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Cash and Cash Equivalent	9,324,941	8,770,276	7,270,758	5,983,161	4,571,141	6%	104%	9,324,941	4,571,141	104%
Funds Held on behlaf of Merchants	104,907,933	120,419,786	123,396,782	104,006,452	89,229,672	-13%	18%	104,907,933	89,229,672	18%
Other	3,095,358	3,040,424	2,708,353	2,843,408	2,667,313	2%	16%	3,095,358	2,667,314	16%
Current Assets	117,328,232	132,230,486	133,375,892	112,833,021	96,468,127	-11%	22%	117,328,232	96,468,127	22%
Non Current Assets	10,735,217	9,924,911	10,819,515	11,140,456	10,435,975	8%	3%	10,735,217	10,435,975	3%
Total Assets	128,063,449	142,155,396	144,195,407	123,973,477	106,904,102	-10%	20%	128,063,449	106,904,102	20%
Funds Held on behlaf of Merchants	(104,907,933)	(120,419,786)	(123,396,782)	(104,006,452)	(89,229,672)	-13%	18%	(104,907,933)	(89,229,672)	18%
Other Current Liabilities	(4,540,556)	(4,745,829)	(4,029,268)	(4,079,697)	(3,751,043)	-4%	21%	(4,540,556)	(3,751,043)	21%
<i>Current Liabilities</i>	<i>(109,448,489)</i>	<i>(125,165,615)</i>	<i>(127,426,049)</i>	<i>(108,086,149)</i>	<i>(92,980,715)</i>	<i>-13%</i>	<i>18%</i>	<i>(109,448,489)</i>	<i>(92,980,715)</i>	<i>18%</i>
Non Current Liabilities	(4,545,398)	(4,474,443)	(4,781,082)	(4,757,909)	(4,984,726)	2%	-9%	(4,545,398)	(4,984,726)	-9%
Total Liabilities	(113,993,887)	(129,640,058)	(132,207,131)	(112,844,058)	(97,965,442)	-12%	16%	(113,993,887)	(97,965,441)	16%
Net Assets	14,069,562	12,515,339	11,988,276	11,129,419	8,938,660	12%	57%	14,069,562	8,938,661	57%
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	1,884,052	1,808,651	2,067,067	2,007,213	1,773,374	4%	6%	1,884,052	1,773,374	6%
Accumulated Profit/(Loss)	(5,920,997)	(7,400,013)	(8,186,128)	(8,982,515)	(10,939,533)	-20%	-46%	(5,920,997)	(10,939,533)	-46%
Non Controlling Interest	426,091	426,284	426,920	424,304	424,402	0%	0%	426,091	424,403	0%
Total Equity	14,069,562	12,515,339	11,988,276	11,129,419	8,938,660	12%	57%	14,069,562	8,938,661	57%

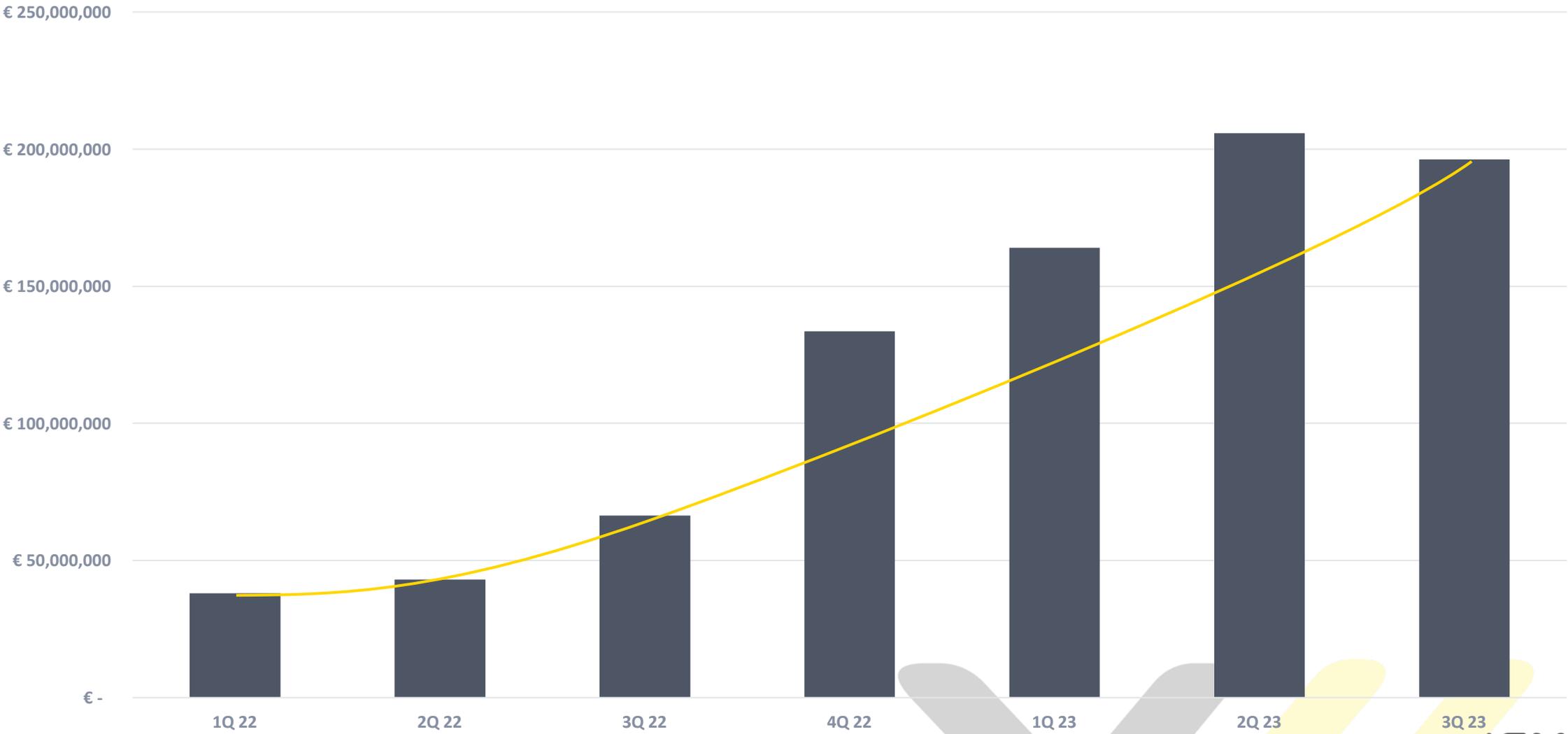
Profit or Loss

Quarterly Trends

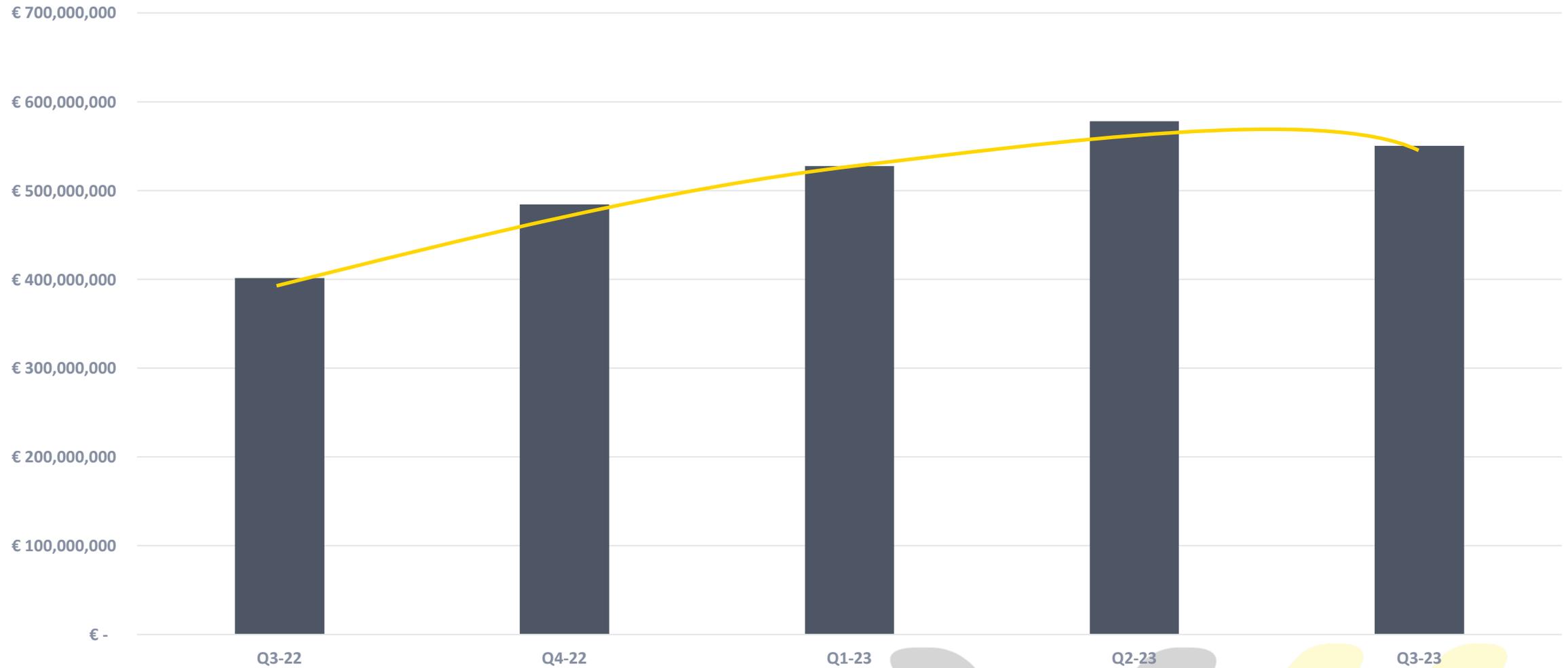
Nine month ended September 29th

	29-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	Q323 Change		2023	2022	Change
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Q223	Q322	9 Months	9 Months	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Revenues	7,378,369	7,515,661	7,229,064	7,600,242	6,352,132	-2%	16%	22,123,093	19,900,477	11%
Gross Profit	6,231,946	6,604,985	5,807,110	5,735,445	4,864,829	-6%	28%	18,644,040	14,784,415	26%
Profit/(loss) before Tax	1,794,935	1,156,736	1,124,170	2,805,130	1,181,627	55%	52%	4,075,841	2,282,742	79%
Net Income	1,478,823	785,479	799,002	2,382,412	1,082,987	88%	37%	3,063,304	1,722,590	78%

Open Banking Volume



Total Processed Volume - Inflow





Thank you

ISX Financial EU Plc

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