Interim Report

ISX Financial EU Plc

#HE348009 // LEI: 213800NGHVYL5PFZI692 // Code : ISXX

H1 2025

(Unaudited interim 6 month results)

For the six month period ended
30 June 2025

Ajay Treon

Group Chief Financial Officer, ISX Financial EU Plc

CFO's Commentary — H1 2025

The first half of 2025 reflects another period of consistent performance for ISX Financial EU Plc (ISXX), underpinned by the strength of our operating model and disciplined approach to profitable growth. We advanced across our commercial, operational, and financial priorities, while pursuing to scale responsibly.

For the six months ended 30 June 2025, profit after tax increased by 6% year-on-year to €12.3 million, supported by revenue growth of 5% and disciplined cost control. Revenues rose to €27.7 million, driven by both new and existing customers and underpinned by sustained growth in our open banking payment services. Our strategic shift toward lower-cost, instant interbank payments continues to gain momentum as our customers seek greater efficiency, transparency, and control.

Operating expenses rose by 3% to €15.6 million, reflecting investment in people and technology to support long-term growth. We also recorded a €0.9 million fair value gain on our NSX investment, alongside a reduction in impairments.

Our balance sheet remains a source of resilience, with net assets rising by 29% to €54.1 million and own funds increasing by €10.1 million to €44.7 million. Working capital improved to €39.4 million, while liabilities decreased by 8%, reflecting a reduction in customer funds and stronger capital efficiency. These indicators affirm the soundness of our business and our ability to invest in growth while adhering to financial discipline.

As we look to the second half of the year, we remain confident in the scalability of our platform, the strength of our customer base, and the resilience of our strategy. We are continuing to invest in innovation, network upgrades, product delivery, and regulatory readiness across our key markets, to ensure that ISXX remains a trusted transactional banktech partner for the evolving payments landscape.

A key element has been our work to upgrade our indirect connection to the Eurosystem T2 Real Time Gross Settlement System (RTGS) network, to connect as a direct participant. This follows receipt of approval from the Eurosystem (Central) Bank of Latvia, with approval also expected for the (Central) Bank of Lithuania. Once either or both of the T2 network connections are finalised, ISXX will be in a position to move Euros (€) cross border globally, without reliance on any sponsor bank.

Similar preparation has taken place for access to the UK RTGS network.

I want to thank our customers, employees, and shareholders for their continued support. Together, we are building a next-generation transactional banking platform that provides trusted, efficient, and innovative solutions.

Ajay Treon
Group Chief Financial Officer

Management Report

Financial Review

Group Financial Performance

During the period ended 30 June 2025, ISXFEU Group continued to scale its operations, achieving a profit after tax of €12.3 million—a 6% increase compared to the prior period (30 June 2024: €11.6 million). This uplift in profitability was driven by 5% increase in revenues combined with disciplined cost management, with expenses rising by 3%.

Revenue from business and consumer customers rose to €27.7 million, up from €26.4 million previous period. This growth was fuelled by both new and existing customers, particularly in open banking-related payment services. The Group remains focused on diversifying revenue away from card acquiring toward lower-cost, instant, and batched interbank payment methods.

Operating expenses increased by €0.5 million, or 3%, to €15.6 million in June 2025. The primary contributors to this increase were:

- **Employee benefits expenses**, up €1.6 million, driven by higher compensation provisions and increased headcount.
- **Operating Cost and IT expenses,** up €0.3 million, driven by higher bank charges, referral fees and due to increased third-party service costs.
- Partly offset by decrease of **impairment cost and share of loss** €1.4 million. The Group recorded a reversal of impairment and fair value gain of €0.9 million on its investment and convertible loan receivable in NSX, driven due to the increase of the share price as a result of CSE takeover approach of NSX - an improvement compared to the €0.6 million impairment recorded last period. In addition share of loss €0.1 million was recognised for our investment in BeEmotion AI.

Financial Position

The Group's net assets rose by 29% or €12.1 million year-over-year to reach €54.1 million, driven mainly by Group's profitability.

ISXFEU Group maintained a robust financial position, with own funds of €44.7 million as at 30 June 2025 (31 December 2024: €34.6 million).

Total assets declined by 2%, or €3.9 million from December 2024, to €235.6 million as at 30 June 2025. This decrease was primarily attributable to:

- A €17.8 million decrease in funds held on behalf of business customers.
- A €0.7 million decrease in financial assets through OCI, reflecting the Group decision to recognise investment in BeEmotion AI as an investment in associate.

The above decrease was partly offset by:

- A net cash increase of €10.1 million;
- A €0.9 million rise in convertible loan receivables acquired from NSX Limited which is classified in financial asset at fair value through profit or loss;
- A €0.6 million increase in tangible and intangible assets reflecting Group's additional investments;
- A €2.5 million increase in investment in associate, reflecting the reversal of impairment due to share price increase and recognition of BeEmotion as an investment in associate (transfer from financial asset through OCI); and
- A €0.4 million increase in right of use assets, reflecting the additional offices leased.

ISXFEU holds intraday liquidity reserves with the Bank of Lithuania (part of the Eurosystem) to ensure sufficient liquidity for day-to-day demand. These balances carry a zero-risk weighting. The remaining funds are placed with partner monetary financial institutions (MFIs) or invested in high-quality liquid assets (HQLA). Most customer funds are denominated in euros (€).

Total liabilities decreased by 8%, or €16.1 million, to €181.4 million, largely reflecting the €17.8 million decrease in business customer liabilities and €0.8 million reduction in convertible loan payable. This was partially offset by:

- A €1.7 million increase in tax liability;
- A €0.4 million increase in trade and other payables; and
- A €0.4 million increase in lease liability.

The Group's working capital (defined as current assets minus current liabilities) stood at €39.4 million at 30 June 2025, up from €33.3 million at 31 December 2024.

Likely developments and results of operations

In 2024, our business witnessed significant growth as we continued to expand our operations and integrate new business opportunities. This enabled us to process transactions more efficiently and generate increased revenues. Looking ahead to the remainder of 2025, our focus remains on executing our strategic initiatives to further grow and scale our operations. This includes expanding our banking business in Europe and the UK, as well as exploring new market opportunities to drive innovation and growth.

Significant regulatory change brought about by the European Central Bank with regards to access to Central Bank settlement accounts through its Decision (EU) 2025/222 of 27 January 2025. The ECB has announced that by Q2 2026 each participating non bank institution must either be a direct participant or have a sponsor credit institution. At present, the Company's access is by proxy through the Central Bank of Lithuania with T2 access being critical for the Company to operate its SEPA SCT and SEPA Instant payments. An advantage to direct participation is that the Company will also be able to clear and settle international EURO € movements via SWIFT similar to any other credit institution or bank, without the need for a correspondent or sponsor bank as is currently the case. Further advantages include the Company being able to manage its own liquidity, set its own risk appetite policies independently of any sponsor credit institution and scale its operations without third party bottlenecks.

For direct participation, the ECB Decision means that the Company must first be approved by its home state regulator the CBC or another EuroSystem regulator, with regards to its governance, anti-money laundering, client funds safeguarding and wind down policies (amongst others) in order to access the T2 RTGS. The Company has made submissions to its home state regulator to access the (Central) Bank of Lithuania and in addition independently to the (Central) Bank of Latvia for such T2 access. As of the date of the Prospectus, the technical connectivity is underway however approval has not as yet been granted by the CBC for the (Central) Bank of Lithuania T2 access. However, the (Central) Bank of Latvia has approved T2 RTGS access. The Company has been processing SEPA payments via the (Central) Bank of Lithuania to date, and will shortly have the optionality of processing via either central bank (pending CBC approval per above). This exercise has required significant management, legal, compliance and technical focus given its criticality to the operation.

As such, for the balance of 2025, a key focus will be on deeper integration to the Central Banks of Latvia and Lithuania T2 RTGS, to allow for central bank settlement account movements between our liquidity pool accounts and other banks connected to the central banks, facilitating 'international' movement of EUROS (€) by SWIFT in the process, deprecating the current necessity of a correspondent bank and associated fees.

These central bank upgrades follow authorisation from the UK FCA to allow the Company's subsidiary, ISXFUK, to open a settlement account at the Bank of England. The Bank of England settlement account provides access to the CHAPS network. T2 and CHAPS, in combination with SWIFT alliance membership and network connectivity, allows the Company to make 'international' transfers of EURO (€) and Pounds Sterling (£) respectively to any direct or indirectly connected bank globally.

The Company is also in early stages of submission of commercial banking licenses in two jurisdictions. At least one submission is expected to be submitted by Q1 2026, with expected authorisation within 12 months. A banking license will allow the Company to extend its product offerings to include safeguarding of client funds on behalf of other institutions, expand its foreign exchange operations and margins.

Our commitment to delivering outstanding products and services to our existing customers remains unwavering. We are dedicated to expanding our customer base and increasing revenues in the upcoming 2026 financial year following the deep infrastructure upgrades of 2025.

Statement of Directors' responsibility

The directors of ISX Financial EU Plc ('the Group') are responsible for the maintenance of adequate accounting records and the preparation of the interim consolidated financial statements and related information in a manner that fairly presents the state of affairs of the Group. These interim consolidated financial statements are prepared in accordance with, and containing the information required by IAS 34 Interim Financial Reporting, the framework concepts and the measurements and recognition requirements of IFRS Accounting Standards and incorporate full disclosure in line with the accounting policies of the Group, which are supported by prudent judgement.

The directors are also responsible for the maintenance of effective systems of internal control, which are based on established organisational structures and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The preparation of these interim results was supervised by the Chief Finance Officer, Ajay Treon.

The directors, whose names are stated below, hereby confirm that:

- the interim set of consolidated financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting; and
- the Interim Financial Report includes a fair review of:
  - i. important events that have occurred during the first six months of the year, and their impact on the Interim Consolidated Financial Statements;
  - ii. a description of the principal risks and uncertainties for the next six months of the financial year;
  - iii. details of any related party transactions that have materially affected the Group's financial position or performance in the six months ended 30 June 2025; and
  - iv. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

The interim consolidated financial statements have been prepared on a going concern basis, as the directors believe that the Group will continue to be in operation in the foreseeable future. The interim consolidated financial statements have been approved by the board of directors and are signed on their behalf by:

Mr. Christakis Taoushanis	Mr. Nikogiannis Karantzis
Non-executive Chairman	Managing Director and Chief Executive Officer
2 October 2025	2 October 2025

ISX Financial EU Plc
Interim Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2025

	Note	30 June 2025	30 June 2024
		€	€
Revenue	5	27,672,562	26,431,707
Other income	6	2,035,869	1,964,203
Expenses			
Corporate expenses [1]		(3,550,146)	(3,771,165)
Advertising & marketing expense		(281,525)	(334,805)
Employee benefits expense	7	(6,271,540)	(4,700,149)
Research & development expenses		(167,829)	(222,074)
Depreciation & amortisation expense	7	(1,650,985)	(1,514,544)
Fair value gain on financial assets	10	102,302	-
Reversal of impairment/(Impairment) of investment in associates	17	807,536	(116,617)
Share of loss from investment in associates	17	(102,321)	(511,973)
IT expenses		(602,171)	(1,027,753)
Other expenses		(45,491)	-
Operating costs[2]		(3,569,820)	(2,793,911)
Share based payments		-	(4,864)
Net realised/unrealised foreign exchange (loss)/gain		(165,661)	(24,200)
Finance costs		(93,400)	(108,364)
Profit before income tax expense		14,117,380	13,265,491
Income tax expense	8	(1,785,649)	(1,665,525)
Profit after income tax expense for the period		12,331,731	11,599,966
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences from foreign operations		(254,307)	71,158
Other comprehensive loss for the period, net of tax		(254,307)	71,158
Total comprehensive income for the period		12,077,424	11,671,124
Profit/(loss) for the period is attributable to:			
Non-controlling interests		-	2,287
Owners of ISX Financial EU Plc		12,331,731	11,597,679
		12,331,731	11,599,966
Total comprehensive income/(loss) for the period is attributable to:			
Non-controlling interests		-	2,287
Owners of ISX Financial EU Plc		12,077,424	11,668,837
		12,077,424	11,671,124
Earnings per share			
Basic (in cents)	30	11.20	10.54
Diluted (in cents)	30	11.14	10.26

[1] Corporate expenses consist mainly of professional fees, recruitment expenses and irrecoverable VAT.

[2] Operating costs consist mainly of cost of card schemes, sales commissions and cost of referral fees.

The above interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

ISX Financial EU Plc
Interim Consolidated statement of financial position
As at 30 June 2025

	Note	30 June 2025	31 December 2024
		€	€
Assets			
Current assets			
Cash and cash equivalents	9	44,654,944	34,583,361
Funds held on behalf of Business Customers	12	171,428,140	189,226,154
Trade and other receivables	11	729,360	869,700
Loans receivable	19	-	1,762,047
Other assets	13	1,827,073	1,683,608
Total current assets		218,639,517	228,124,870
Non-current assets			
Financial assets at fair value through profit or loss	10	2,120,148	1,209,340
Financial assets at fair value through OCI	18	-	677,065
Loans receivable	19	1,641,193	-
Investment in associate	17	4,377,864	1,909,231
Right-of-use assets	15	2,045,200	1,624,288
Plant and equipment	14	670,083	586,571
Intangibles	16	5,959,060	5,360,448
Deferred tax assets		76,424	76,424
Total non-current assets		16,889,972	11,443,367
Total assets		235,529,489	239,568,237
Liabilities			
Current liabilities			
Funds held on behalf of Business Customers	12	171,428,140	189,226,154
Trade and other payables	20	4,520,648	4,108,789
Current tax liability		2,417,563	721,443
Contract liabilities	21	17,038	20,212
Employee benefits	23	274,025	306,873
Lease liability	22	543,620	491,232
Total current liabilities		179,201,034	194,874,703
Non-current liabilities			
Employee benefits	25	66,061	57,413
Lease liability	24	1,774,779	1,400,034
Convertible note payable	26	340,492	1,166,388
Deferred tax liabilities		55,741	55,741
Total non-current liabilities		2,237,073	2,679,576
Total liabilities		181,438,107	197,554,279
Net assets		54,091,382	42,013,958
Equity			
Issued capital	27	7,705,562	7,705,562
Reserves	28	10,657,135	10,853,763
Retained earnings		35,728,685	23,454,633
Equity attributable to owners of the parent		54,091,382	42,013,958
Contribution to equity from non-controlling interest	29	-	-
Total equity		54,091,382	42,013,958

We the Members of the Board of Directors and the officials responsible for the drafting of the Interim Consolidated Financial Statements of ISX Financial EU Plc for the 6 month period ended 30 June 2025, confirm that to the best of our knowledge the Interim Consolidated Statement of financial position give a true and fair view of the assets and liabilities of ISX Financial EU Plc and of the entities included in the Interim Consolidated Financial Statements.

Christakis Taoushanis
Independent, Non-Executive Director, Chairman of the Board

Panikos Pouros
Independent, Non-Executive Director of the Board

Nikogiannis Karantzis
Chief Executive Officer & Managing Director of the Board

Paul Barnes
Independent, Non-Executive Director of the Board

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes

ISX Financial EU Plc
Interim Consolidated statement of changes in equity
For the period ended 30 June 2025

Consolidated	Issued capital €	Retained earnings €	Non-controlling interest €	Reserves €	Total equity €
Balance at 1 January 2025	7,705,562	23,454,633	-	10,853,763	42,013,958
Profit/(loss) after income tax expense for the period	-	12,331,731	-	-	12,331,731
Other comprehensive income for the period, net of tax	-	(57,679)	-	(196,628)	(254,307)
Total comprehensive income/(loss) for the period	-	12,274,052	-	(196,628)	12,077,424
Balance at 30 June 2025	7,705,562	35,728,685	-	10,657,135	54,091,382

Consolidated	Issued capital €	Retained Earnings / (Accumulated Losses) €	Non-controlling interest €	Reserves €	Total equity €
Balance at 1 January 2024	7,705,562	(3,721,511)	410,996	11,793,460	16,188,507
Profit/(loss) after income tax expense for the period	-	11,597,679	2,287	-	11,599,966
Other comprehensive income for the period, net of tax	-	-	-	71,158	71,158
Total comprehensive income/(loss) for the period	-	11,597,679	2,287	71,158	11,671,124
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	4,863	4,863
Balance at 30 June 2024	7,705,562	7,876,168	413,283	11,869,481	27,864,494

(1) Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ISX Financial EU Plc
Interim Consolidated statement of cash flows
For the period ended 30 June 2025

	Note	Consolidated 30 June 2025 €	Consolidated 30 June 2024 €
Cash flows from operating activities			
Receipts from customers		27,954,633	25,503,236
Payments to suppliers and employees		(14,291,317)	(12,450,490)
Income taxes paid		(47,744)	-
Other (Business Customer security received and card scheme membership security)		(146,059)	272
Net cash generated from operating activities	40	13,469,513	13,053,018
Cash from investing activities			
Payments for plant and equipment	14	(182,632)	(97,069)
Payments for intangibles	16	(1,755,486)	(1,318,539)
Increase in financial assets at fair value through profit or loss (1)	10	(964,389)	(5,802,339)
Increase in financial assets at fair value through OCI	18	(1,248,962)	-
Payment for purchase of business		(1,712)	(1,879,365)
Repayment of loans receivable/(Loans given)		150,000	(150,000)
Interest received		1,861,818	1,939,533
Net cash used in investing activities		(2,141,363)	(7,307,779)
Cash flows from financing activities			
Repayment of borrowings	26	(747,994)	-
Repayment of interest	26	(16,787)	(60,488)
Lease payments	22	(326,125)	(295,338)
Net cash used in financing activities		(1,090,906)	(355,826)
Net increase in cash and cash equivalents		10,237,244	5,389,413
Cash and cash equivalents at the beginning of the financial period		34,583,361	8,126,279
Effects of exchange rate changes on cash and cash equivalents		(165,661)	(24,200)
Cash and cash equivalents at the end of the financial period	9	44,654,944	13,491,492

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The interim consolidated financial statements cover ISX Financial EU Plc as a group consisting of ISX Financial EU Plc and the entities it controlled at the end of, or during, the period ended 30 June 2025. The interim consolidated financial statements are presented in Euros, which is ISX Financial EU Plc's functional and presentation currency.

ISX Financial EU Plc is a public company limited by shares, incorporated, and domiciled in Cyprus. Its registered office and principal place of business is:

Makrasykas 1, KBC North Building
Strovolos, Nicosia, 2034,
Cyprus

Principal activities of the Company remained unchanged from the previous period. The Company has built its own monetary financial services technology stack including payment gateway, core banking, interbank networking, and KYC platforms. The Company uses this technology stack to deliver payment and eMoney services to businesses and consumers under EU and UK monetary financial services authorisations. The Company also provides the platforms as a technology provider to other regulated financial institutions under either SaaS or a licensing plus service fees model.

The Company also possesses the capability to license its know-how, including extensive software systems and intellectual property rights (in the form of patents granted across several jurisdictions) to prospective customers. The Company is in the deployment and commercialisation stage of its business life as an emerging neo-banking, payments, identity/KYC, and technology provider to both the consumer and AML regulated business sectors.

The Company ('ISXFEU') is the holder of EEA regulatory authorisation as an eMoney Institution authorised by the Central Bank of Cyprus. ISXFEU was granted a transitional authority to operate in the UK by the FCA as an interim measure following Brexit and until a licence is granted in the UK.

The Company's subsidiaries hold payment services licences in both the EEA and UK for major payment schemes, including SWIFT, SEPA, FPS, BACS, CHAPS, Mastercard Inc., Diners Club, Discover, JCB International, UnionPay International and other APM's.

Independent auditor's review
BDO Limited, the independent auditor, has conducted a review in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, and their unmodified review report is available on page 32

Note 2. Basis of preparation

Statement of Compliance
These interim consolidated financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024 ("last annual financial statements") which have been prepared in accordance with IFRS Accounting Standards. These interim consolidated financial statements do not include all the information required for full consolidated financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 31 December 2024.

Basis of measurement
The interim consolidated financial statements are prepared on the historical cost basis except for certain financial instruments that are stated at fair value.

Going concern
These interim consolidated financial statements have been prepared on a going concern basis.

Note 2. Basis of preparation (continued)

Use of estimates and judgements
Preparing the interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Note 3. Material accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024.

Standards and interpretations adopted in the current year
The Group has adopted the following revised standards, amendments and interpretations which became effective for the period ending 30 June 2025:

- Amendments to the Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The adoption of these standards, amendments and interpretations had no material impact on the results for the period ended 30 June 2025.

Standards and interpretations issued but not yet effective
The new standards, interpretations and amendments to standards listed below are not effective and have not been early adopted but will be adopted once they become effective. The Group does not expect these to have a material impact on the Group's results. The Group notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt these. There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Lack of Exchangeability (Amendments to IAS 21)
- Presentation and Disclosure in Financial Statements - IFRS 18
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

Note 4. Operating segments

Identification of reportable operating segments
The operating segments are analysed by the Executives of the group who ultimately report to the board of Board of Directors, based on the internal reports that are reviewed and used by the Executives in assessing performance and in determining the allocation of resources.

The Executives review revenues and relevant expenses. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Group consists of three primary operational divisions, an investment in a regulated exchange, and a centralised corporate center:

- **Individual and Consumer Services Transactional Banking** offers Electronic Money Accounts, Open Banking, Card Issuing, and Flykk, providing seamless digital transactions and innovative banking experiences to meet the diverse needs of individuals and consumers.
- **Business Transactional Banking** segment offers a range of services tailored for businesses, including Electronic Money Accounts, SWIFT/Cross Border Transfers, ISXPay's Card Acquiring, Masspay Payroll and Payout Services, and API-based notifications, ensuring efficient and secure financial transactions for corporate clients.
- **Technology Services** segment provides essential infrastructure and software solutions for financial institutions, including core banking systems, core networking platforms, identity management, and various other banking software services, enabling streamlined and secure operations in the digital age.
- **Regulated Securities Exchange** segment encompasses our investments in leading financial platforms, notably the National Stock Exchange of Australia Ltd, a publicly quoted exchange, and ClearPay, our innovative digital ledger technology company specializing in delivery versus payment solutions.
- **Corporate Centre** segment primarily manages interest income and other non-operating gains, serving as a central hub for financial activities and strategic oversight within the Group.

Note 4. Operating segments (continued)

Consolidated – 30 June 2025	Individual and Consumer Services €	Business Transactional Banking €	Technology Services €	Regulated Securities Exchanges €	Corporate Centre €	Total €
Revenue and other income						
Revenue	24,461	26,714,416	933,685	-	-	27,672,562
Other income	-	-	-	-	174,051	174,051
Interest	-	-	-	-	1,861,818	1,861,818
Total revenue and other income	24,461	26,714,416	933,685	-	2,035,869	29,708,431
Expenses						
Corporate expenses (1)	(3,138)	(3,427,224)	(119,784)	-	-	(3,550,146)
Advertising & marketing	(249)	(271,777)	(9,499)	-	-	(281,525)
Employee benefits expense	(5,544)	(6,054,392)	(211,604)	-	-	(6,271,540)
Research & development expenses	(148)	(162,018)	(5,663)	-	-	(167,829)
Depreciation & amortisation expense	(1,459)	(1,593,821)	(55,705)	-	-	(1,650,985)
Fair value gain on financial assets	-	-	-	102,302	-	102,302
Reversal of Impairment of investment in associates	-	-	-	807,536	-	807,536
Share of loss from investment in associates	-	-	-	(102,321)	-	(102,321)
IT expenses	(532)	(581,321)	(20,318)	-	-	(602,171)
Other expenses	(40)	(43,916)	(1,535)	-	-	(45,491)
Operating Costs (2)	(3,156)	(3,446,217)	(120,447)	-	-	(3,569,820)
Share based payments	-	-	-	-	-	-
Net realised foreign exchange loss	(147)	(159,925)	(5,589)	-	-	(165,661)
Finance costs	(83)	(90,166)	(3,151)	-	-	(93,400)
Profit/(Loss) before income tax benefit	9,965	10,883,639	380,390	807,517	2,035,869	14,117,380
Income tax expense	(1,578)	(1,723,822)	(60,249)	-	-	(1,785,649)
Profit/(Loss) after income tax benefit	8,387	9,159,817	320,141	807,517	2,035,869	12,331,731

(1) Corporate expenses consist mainly of professional fees, recruitment expenses and irrecoverable VAT.

(2) Operating costs consist mainly of cost of card schemes, sales commissions and cost of referral fees.

Note 4. Operating segments (continued)

Consolidated – 30 June 2024	Individual and Consumer Services €	Business Transaction al Banking €	Technology Services €	Regulated Securities Exchanges €	Corporate Centre €	Total €
Revenue and other income						
Revenue	35,940	25,440,965	954,802	-	-	26,431,707
Other gains	-	-	-	-	24,670	24,670
Interest	-	-	-	-	1,939,533	1,939,533
Total revenue and other income	35,940	25,440,965	954,802	-	1,964,203	28,395,910
Expenses						
Corporate expenses [(1)]	(5,128)	(3,629,810)	(136,227)	-	-	(3,771,165)
Advertising & marketing	(455)	(322,255)	(12,095)	-	-	(334,805)
Employee benefits expense	(6,391)	(4,523,973)	(169,785)	-	-	(4,700,149)
Research & development expenses	(302)	(213,750)	(8,022)	-	-	(222,074)
Depreciation & amortisation expense	(2,059)	(1,457,774)	(54,711)	-	-	(1,514,544)
Impairment of investment in associate	-	-	-	(116,617)	-	(116,617)
Share of loss from investment in associates	-	-	-	(511,973)	-	(511,973)
IT expenses	(1,397)	(989,230)	(37,126)	-	-	(1,027,753)
Operating Costs [(2)]	(3,799)	(2,689,187)	(100,925)	-	-	(2,793,911)
Share based payments	(7)	(4,682)	(175)	-	-	(4,864)
Net realised foreign exchange gain	(33)	(23,293)	(874)	-	-	(24,200)
Finance costs	(147)	(104,302)	(3,915)	-	-	(108,364)
Profit/(Loss) before income tax benefit	16,222	11,482,709	430,947	(628,590)	1,964,203	13,265,491
Income tax expense	(2,265)	(1,603,096)	(60,164)	-	-	(1,665,525)
Profit/(Loss) after income tax benefit	13,957	9,879,613	370,783	(628,590)	1,964,203	11,599,966

[(1)] Corporate expenses consist mainly of professional fees, recruitment expenses and irrecoverable VAT.

[(2)] Operating costs consist mainly of cost of card schemes, sales commissions and cost of referral fees.

Note 5. Revenue

	30 June 2025 €	30 June 2024 €
Contracted service fees		
- Recognised at a point in time	27,312,484	26,240,532
- Recognised over time	360,078	191,175
Revenue	27,672,562	26,431,707

Revenue is disaggregated as indicated in note 4 to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data and geographical dispersion.

Note 6. Other income

	30 June 2025 €	30 June 2024 €
Interest income	1,861,818	1,939,533
Other Income	174,051	24,670
Total other income	2,035,869	1,964,203

Interest income
Interest income on customer balances is earned from holding customer funds as cash and cash equivalents or investing them into highly liquid permitted financial assets. These amounts are recognised in the income statement using the effective interest rate method.

Note 7. Expenses

	30 June 2025 €	30 June 2024 €
Profit before income tax includes the following specific expenses:		
Depreciation		
Land and buildings right-of-use assets	278,019	235,689
Computers and office equipment	91,114	96,043
Total depreciation	369,133	331,732
Amortisation		
Intangible assets	1,281,852	1,182,812
Total depreciation and amortisation	1,650,985	1,514,544
Employee benefits expense	6,271,540	4,700,149

Note 7. Expenses (continued)

Below is the breakdown of employee benefits expense:

	30 June 2025 €	30 June 2024 €
Salaries	5,518,991	4,085,749
Social securities	683,179	535,000
Pensions	69,370	79,400
Employee benefits expense	6,271,540	4,700,149

The average number of employees, for the first six month, of the Group in 2025 is 183 (first six month of 2024: 149).

Note 8. Income tax

	30 June 2025 €	30 June 2024 €
Current income tax charge	1,797,513	1,659,801
Prior year income tax adjustment	(11,864)	5,724
Charge for the period	1,785,649	1,665,525

Note 9. Current assets – cash and cash equivalents

	30 June 2025 €	31 December 2024 €
Cash at bank	44,654,944	34,583,361

Note 10. Financial assets at fair value through profit or loss

	30 June 2025 €	31 December 2024 €
Balance at 1 January	1,209,340	5,500,311
Additions	964,389	6,840,382
Disposal	-	(11,000,000)
Fair value gain/(loss)	102,302	(105,290)
Exchange differences	(155,883)	(26,063)
Balance 30 June 2025/31 December 2024	2,120,148	1,209,340

In 2023, a portion of our Own Funds was invested in short-dated, liquid money market funds managed by Goldman Sachs Asset Management and State Street Global Advisors.

In 2024, following management decision, the Group decided to hold all Own Funds in operational and overnight interest bearing accounts.

On 23 July 2024 the Group acquired a convertible loan amounting to AUD 2,200,000 (EUR 1,340,693) from NSX Limited. The loan is convertible into NSX Limited shares at a price AUD 0.025. The loan is repayable in cash or shares on 5 August 2026, except to the extent repaid earlier. The loan bears an interest charge of 0% for the first four months of the loan and 10% per annum thereafter.

Note 10. Financial assets at fair value through profit or loss (continued)

On 10 January 2025, the Group entered into a convertible loan deed, whereas the Group granted the amount of AUD 1,600,000 (EUR 964,389) to NSX Limited, which bears interest at the rate of the Reserve Bank of Australia (RBA) Cash rate + 4% per annum. The loan repayment date was the earlier of the issue and distribution of any share from NSX Limited to the Company or 24 months from the loan date.

Note 11. Trade and other receivables

	30 June 2025 €	31 December 2024 €
Trade receivables	456,034	616,937
Other receivables	273,326	252,763
	729,360	869,700

Note 12. Funds held on behalf of business customers and consumers

	30 June 2025 €	31 December 2024 €
Funds held on behalf of business customers and consumers		
Funds received – current asset	171,428,140	189,226,154
Funds payable – current liability	(171,428,140)	(189,226,154)
	-	-

The funds held on behalf of business customers and consumers in current asset and current liability noted above represent rolling reserve (initial and additional requirements under each agreement depending on the volume of transactions with each Business Customer), eMoney issued and settlement funds which were yet to be settled back or redeemed to the respective business customers and consumers at the end of the period.

Note 13. Other assets

	30 June 2025 €	31 December 2024 €
Prepayments	767,923	686,180
Security deposits	230,610	231,270
Card scheme collateral	828,540	766,158
	1,827,073	1,683,608

The card scheme collateral requirements as noted above are largely held by Mastercard Inc in relation to business customers clients whereby ISX Financial EU Plc offers card acquiring, processing and settlement services and are held to meet capital adequacy and security requirements by each party.

Note 14. Plant and equipment

	30 June 2025	31 December 2024
	€	€
Computer and office equipment – at cost	1,582,900	1,598,019
Less: Accumulated depreciation	(912,817)	(1,011,448)
	670,083	586,571

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

	Computer and office equipment
	€
Balance at 1 January 2024	575,071
Additions	223,793
Exchange differences	(19,398)
Depreciation expense	(192,895)
Balance at 31 December 2024	586,571
Balance at 1 January 2025	586,571
Additions	182,632
Exchange differences	(8,006)
Depreciation expense	(91,114)
Balance at 30 June 2025	670,083

Note 15. Right-of-use assets

	30 June 2025	31 December 2024
	€	€
Buildings – right-of-use	3,889,176	3,212,256
Less: Accumulated depreciation	(1,843,976)	(1,587,968)
	2,045,200	1,624,288

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

	Building right-of-use assets
	€
Balance at 1 January 2024	1,865,642
Additions	240,317
Exchange differences	(8,284)
Depreciation expense	(473,387)
Balance at 31 December 2024	1,624,288
Balance at 1 January 2025	1,624,288
Additions	723,085
Leases not renewed	(16,011)
Exchange differences	(8,143)
Depreciation expense	(278,019)
Balance at 30 June 2025	2,045,200

Right of use assets mainly relate to the lease of Cyprus and UK offices.

Note 16. Intangibles

	30 June 2025 €	31 December 2024 €
Goodwill – at cost	104,622	104,622
Intellectual property – at cost	841,004	882,104
Less: Accumulated amortisation	(387,721)	(428,821)
Less: Impairment	(453,283)	(453,283)
	-	-
Software – at cost	1,167,760	1,043,483
Less: Accumulated amortisation	(1,020,534)	(1,009,876)
	147,226	33,607
Internally developed software – at cost	13,653,802	11,959,146
Less: Accumulated amortisation	(7,946,590)	(6,736,927)
	5,707,212	5,222,219
	5,959,060	5,360,448

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Goodwill €	Software €	Internally developed software €	Total €
Balance at 1 January 2024	104,622	30,235	4,846,930	4,981,787
Additions	-	318,525	2,473,190	2,791,715
Exchange differences	-	716	1,455	2,171
Amortisation expense	-	(315,869)	(2,099,356)	(2,415,225)
Balance at 31 December 2024	104,622	33,607	5,222,219	5,360,448
Balance at 1 January 2025	104,622	33,607	5,222,219	5,360,448
Additions	-	124,277	1,631,209	1,755,486
Exchange differences	-	-	124,978	124,978
Amortisation expense	-	(10,658)	(1,271,194)	(1,281,852)
Balance at 30 June 2025	104,622	147,226	5,707,212	5,959,060

Note 17. Investment in Associate

	30 June 2025 €	31 December 2024 €
Balance as at 1 January	1,909,231	1,550,769
Additions	-	695,036
Reversal of impairment of investment in associate	807,536	441,257
Share of loss from investment in associates	(102,321)	(733,394)
Transfer from financial assets at fair value through OCI (note 18)	1,926,027	-
Foreign currency translation difference	(162,609)	(44,437)
Total Investment in associate	4,377,864	1,909,231

Investment in NSX Limited
As at 30 June 2025, the Company held a 27,595% stake (31 December 2024: 30,345%) in NSX Limited ('NSX'). NSX operates NSXA, Australia's second-largest Tier 1 securities market operator. NSX Limited is incorporated in Australia which is also the principal place of business.

Investment in BeEmotion AI SA (formerly known as nViso Ltd)
As at 30 June 2025, the Company held a 15,7% stake (31 December 2024: 5,8%) in BeEmotion AI SA a Swiss based artificial intelligence company. During 2025, following the appointment of 1 out of 4 directors, the Group has significant influence over BeMotion AI SA and the investment transferred under investment in Associate from Financial assets at fair value through other comprehensive income (Note 18).

Note 18. Financial assets at fair value through other comprehensive income

	30 June 2025 €	31 December 2024 €
Balance at 1 January	677,065	-
Additions	1,248,962	677,065
Transfer to investment in associate (note 17)	(1,926,027)	-
Balance 30 June	-	677,065

During 2024 and first half of 2025 our subsidiary company Probanx Solution Limited acquired 15,7% stake in a technology company for the total amount of AUD 3,246,376 (EUR 1,926,027). As part of the investment agreement Probanx Solutions has, during 2025, obtained the right to appoint 1 out of the 4 board members of BeMotion AI SA. Therefore management consider that the Group has significant influence over BeMotion AI SA and the investment transferred under investment in Associate (Note 17).

Note 19. Loans receivable

	30 June 2025 €	31 December 2024 €
Loans to related party (Note 33)	1,641,193	1,612,047
Loan to third party	-	150,000
	1,641,193	1,762,047

Note 19. Loans receivable (continued)

Reconciliations
Reconciliations of loan receivables of the current and previous financial period are set out below:

	€
Balance at 1 January 2024	1,664,052
Additions	150,000
Repayment of principal amount	(1,615)
Interest	78,208
Repayment of accrued interest	(128,598)
Balance at 31 December 2024/1 January 2025	1,762,047
Repayment of principal amount	(150,000)
Interest	29,146
Balance at 30 June 2025	1,641,193

Loan to related party:
The loan €1,641,193 (31 December 2024: €1,762,047) is secured by shares held in ISXFEU by related parties and is repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR).

Loan to third party:
The loan €- (31 December 2024: €150,000) was secured by 1,000 shares of the borrower capital. The loan bears interest 1.5% per annum above ESTR and repayable during the first half of 2024.

Note 20. Trade and other payables

	30 June 2025	31 December 2024
	€	€
Trade payables	264,475	398,075
GST/VAT payable	772,155	550,727
Other payables (includes Business Customer Security Payable)	3,484,018	3,159,987
	4,520,648	4,108,789

Note 21. Contract liabilities

	30 June 2025	31 December 2024
	€	€
Contract liabilities	17,038	20,212

Note 22. Lease liability - current

	30 June 2025 €	31 December 2024 €
Lease liability	543,620	491,232

Reconciliations of lease liability (current and non-current) of the current and previous financial period are set out below:

	Lease liability €
Balance at 1 January 2024	2,135,234
Additions	240,317
Repayments	(591,184)
Interest expense	92,032
Foreign exchange differences	14,867
Balance at 31 December 2024/1 January 2025	1,891,266
Additions	723,085
Repayments	(326,125)
Interest expense	51,696
Foreign exchange differences	(21,523)
Balance at 30 June 2025	2,318,399

The following are the amounts recognised in profit or loss:

	30 June 2025 €	30 June 2024 €
Depreciation expense of right-of-use assets	278,019	235,689
Interest expense on lease liabilities	51,696	47,729
Expense relating to short-term leases (included in corporate expenses)	258,677	203,701
Total amount recognised in profit or loss	588,392	487,119

Total amount recognised in profit or loss equals the total cash outflows.

Note 23. Employee benefits - current

	30 June 2025 €	31 December 2024 €
Annual leave	274,025	306,873

Note 24. Lease liability - Non-current

	30 June 2025 €	31 December 2024 €
Lease liability	1,774,779	1,400,034

Note 25. Employee benefits - Non-current

	30 June 2025 €	31 December 2024 €
Long service leave	66,061	57,413

Note 26. Convertible note payable

	30 June 2025 €	31 December 2024 €
Convertible note payable (note 33)	340,492	1,166,388

Reconciliations of convertible note payable of the current and previous financial period are set out below:

	Convertible note payable €
Balance at 1 January 2024	1,745,146
Repayment of principal amount	(538,690)
Interest	85,751
Repayment of accrued interest	(85,751)
Foreign exchange differences	(40,068)
Balance at 31 December 2024	1,166,388
Balance at 1 January 2025	1,166,388
Repayment of principal amount	(747,994)
Interest	16,787
Repayment of accrued interest	(16,787)
Foreign exchange differences	(77,902)
Balance at 30 June 2025	340,492

Note 27. Equity - issued capital

	No. of shares		Amount (€)	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Ordinary shares – fully paid	110,079,450	110,079,450	7,705,562	7,705,562

There is no movement in ordinary share capital during the period.

Note 28. Equity - reserves

	30 June 2025	31 December 2024
	€	€
Foreign currency reserve	473,634	670,262
Capital reserves	9,974,855	9,974,855
Share based payment reserve	208,646	208,646
Other reserves	-	-
	10,657,135	10,853,763

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Euros. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Capital reserve
Capital reserve balance represents the forgiveness of debt from Southern Cross Payments Ltd and transfer of investment from Southern Cross Payments Ltd to ISXFEU which has not been converted to issued shares capital as at the end of the period.

Share based payment reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Other reserves
This reserve was used to record the differences which arised because of transactions with non-controlling interests that do not result in a loss of control. Was representing the 59% (ISXFEU ownership of ClearPay Pty Ltd) of the NSX contribution of AUD3.2 million (equivalent to €1,844,384) into ClearPay Pty Ltd.

Movements in reserves
Movements in each class of reserve during the current and previous financial period are set out below:

	Foreign currency reserve	Capital reserve	Share Based payment reserve	Other reserve	Total
Consolidated	€	€	€	€	€
Balance at 1 January 2024	680,170	9,974,855	53,503	1,084,932	11,793,460
Foreign currency translation	(9,908)	-	-	-	(9,908)
Contribution of equity	-	-	155,143	-	155,143
Acquisition of NCI	-	-	-	(1,084,932)	(1,084,932)
Balance at 31 December 2024	670,262	9,974,855	208,646	-	10,853,763
Balance at 1 January 2025	670,262	9,974,855	208,646	-	10,853,763
Foreign currency translation	(196,628)	-	-	-	(196,628)
Balance at 30 June 2025	473,634	9,974,855	208,646	-	10,657,135

Note 29. Equity - Contribution to equity from non-controlling interest

	30 June 2025 €	31 December 2024 €
Balance at the beginning of the period	-	410,996
Non-controlling interest -share of profit	-	(2,186)
Acquisition of NCI	-	(408,810)
Balance at the end of the period	-	-

Non-controlling interest at the start of 2024 related to NSX Limited 41% investment in ClearPay Pty Ltd.

During 2024 the Group purchased the remaining 41% investment in ClearPay Pty Ltd for the amount of AUD500,000 (EUR 302,047).

Note 30. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares. For the purposes of diluted earnings per share it is assumed that any performance conditions attached to the schemes have been met at the balance sheet date.

	30 June 2025 €	30 June 2024 €
Profit for the period is attributable to owners of the Group	12,331,731	11,597,679
Profit for the period attributable to owners of the Group (diluted)	12,346,419	11,650,606
Weighted average number of Ordinary Shares for basic EPS	110,079,450	110,079,450
Plus the effect from the loan payable conversion	763,894	3,465,213
Plus the effect of dilution from share options	35,146	35,146
Weighted average number of Ordinary Shares adjusted for the effect of dilution	**110,878,490**	**113,579,809**
Basic EPS (in cents)	11.20	10.54
Diluted EPS (in cents)	11.14	10.26

Note 31. Financial instruments

Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by employees under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls, and risk limits. Finance identifies, evaluates and hedges financial risks within the group's operating units. Finance reports to the Board monthly.

During 2024, ISX Financial UK Ltd voluntarily undertook a Section 166[1] skilled persons report in order to access a settlement account at the Bank of England, as a non-bank financial institution. The Section 166 report remediation and review has been largely completed, with ISX Financial UK Ltd anticipating access to the Bank of England Q4 2025.

Capital risk

Capital risk is the risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements, both under normal operating environments and stressed conditions.

The Group's capital comprises ordinary share capital, other reserves and retained earnings.

The Group's objectives when managing capital risk are to:

- safeguard the Group's ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital
- adhere to regulatory requirements in each jurisdiction for compliance with regulatory capital requirements, including capital adequacy requirements. and
- fund an orderly wind-down in an adverse reverse scenario.

As at 30 June 2025, the Group was in compliance with all own funds requirements.

Market risk

Foreign currency risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. It however has no exposure to foreign currency on behalf of transactions for its clients, as all such transactions are converted at spot rate plus margin.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.
The exposure to the foreign currency risk is not significant for the current period.

Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the statement of financial position as at fair value through other comprehensive income (FVOCI).

Interest rate risk

The group's only exposure to interest rate risk is in relation to deposits held, the financial assets at fair value through profit and loss (convertible loan receivable), loans receivable and convertible note payable.

[1] *Of the United Kingdom's Financial Services and Markets Act*

Note 31. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references, and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the consolidated financial statements

The group holds security in relation to its card scheme business customer settlements (initial and additional requirements (rolling reserve) under each agreement depending on the volume of transactions with each business customer). This therefore mitigates the risk of default of the counterparty as the group holds sufficient security to cover amounts receivable by each party.

The group assesses on a forward-looking basis the Expected Credit Losses (ECL) for debt instruments (including loans) measured at amortised cost and Fair Value through Other Comprehensive Income (FVOCI). The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects:

(i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
(ii) time value of money; and
(iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within 'net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically: For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (''12 Months ECL''). If the Company identifies a significant increase in credit risk (''SICR'') since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (''Lifetime ECL''). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity, and a failure to make contractual payments for a period greater than one year.

Loans receivable at amortised cost consist of two loans:
The first loan €1,641,193 (30 June 2024: €1,707,042) is secured by shares held in ISXFEU by related parties and is repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR).

The second loan €- (30 June 2024: €150,000) was secured by 1,000 shares of the borrower capital. The loan bears an interest 1.5% per annum above ESTR and repaid during the first half of 2025.

Cash and Cash Equivalent and Funds held on behalf of Business Customers:
The credit risk related to financial institutions that hold cash and cash equivalents and funds held on behalf of business customers is managed as the group seeks to maintain funds with highly rated financial institutions and to maintain a diversified group of financial institutions.

Note 31. Financial instruments (continued)

Liquidity risk
Vigilant liquidity risk management requires the group to maintain regulatorily sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 32. Key management personnel disclosures

Directors
The following persons were directors of ISX Financial EU Plc during the financial period and up to the date of this report, unless otherwise stated:

Christakis Taoushanis	(Independent Non-Executive Director, Chairman)
Panikos Pouros	(Independent Non-Executive Director)
Adonis Pegasiou	(Independent Non-Executive Director)
Paul Barnes	(Independent Non-Executive Director)
Nikogiannis Karantzis	(Managing Director and Chief Executive Officer)
Dominic Melo	(Executive Director)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	30 June 2025 €	30 June 2024 €
Short-term employee benefits	832,826	960,402
	832,826	960,402

Note 33. Related party transactions

Ultimate controlling party
No person holds a controlling holding individually in the share capital of the Company. Moreover, whilst the interests of Nikogiannis Karantzis (together with his spouse Ada Caroline Karantzis via their holding vehicle Select All Enterprise Ltd) and Andrew Karantzis (brother of Nikogiannis Karantzis) are material, the absence of any agreement to act in concert, the regulated nature of the Group's activities, the presence of an experienced independent Board of Directors, and extensive policies and procedures that have been audited under a Section 166 'skilled persons' governance audit for access to a Bank of England settlement account and under an on-site audit of the Central Bank of Cyprus ("CBC"), provide comfort that control of the Company will not be abused. The Company's activities rely upon strong, consistent, auditable governance and reporting in order to maintain its regulatory authorizations.

Whilst there is an absence of any formal agreement to act in concert between Nikogiannis Karantzis, Ada Karantzis, Konstantina Karantzis and Andrew Karantzis, that for the purpose of the Takeover Law, ISX Financial EU Plc will be treated as controlled undertaking.

Parent entity
ISX Financial EU Plc is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the management report.

Note 33. Related party transactions (continued)

Transactions with related parties
For the period ended 30 June 2025 ISX Financial EU Plc was charged by Southern Cross Payments Ltd €16,787 (30 June 2024: €60,488) interest, per the terms of the convertible note.

For the period ended 30 June 2025 Authenticate Pty Ltd, a wholly owned subsidiary at the time, charged NSX Limited €63,872 for IT services (30 June 2024: €61,686).

As at 30 June 2025, there was €157,131 eMoney issued to Related Parties with non-zero account balances. This includes the foregoing eMoney issued liabilities and the corresponding client funds held as assets in Partner MFI's, with individual account balances as follows:

- Andrew Karantzis: €2,440
- Ada Caroline Karantzis: €26,684
- Nikogiannis Karantzis: €147
- Constantina Karantzis: €313
- Select All Enterprise Limited €19,449
- ISX Technologies Plc €57,391
- Indian Pacific Kinetics Ltd €45,443
- Authenticate Payments Ltd €1,200
- Numismeta Sp zoo €4,064

For the period ended 30 June 2025, Andrew Karantzis, brother of Managing Director and Chief Executive Officer Nikogiannis Karantzis, earned €331,016 before tax related to his role as the Chief Sales Officer. For the period ended 30 June 2024, Andrew Karantzis earned €623,164 before tax related to his role as the Group Global Sales Leader.

For the period ended 30 June 2025, NSX Limited owed €9,544 to Authenticate Pty Ltd as mentioned in the transactions with related parties note above. The amount is recorded in trade receivables in note 11. The receivable is interest-free and repayable on demand.

Loans to/from related parties
At 30 June 2025, Red 5 Solutions Limited owed Probanx Solutions Limited €1,641,193 (31 December 2024: €1,612,047). The loan is secured by shares held in ISXFEU by related parties and is repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR).

Fin*ancial asset at fair value through profit and loss*
At 30 June 2025, NSX Limited owed ISX Financial EU Plc €2,120,148 (31 December 2024: €1,209,340) arising from two convertible loans.

The first loan €1,227,456 is convertible into NSX Limited shares at a price AUD 0.025. The loan is repayable in cash or shares on 5 August 2026, except to the extent repaid earlier. Loans bears an interest charge of 0% for the first four months of the loan and 10% per annum after the first four months.

The second loan €892,692 is convertible into NSX Limited shares at a price AUD 0.025. The loan is repayable in cash or shares on 10 January 2027, except to the extent repaid earlier. Loans bears an interest charge of 4% per annum plus the reserve bank of Australia (RBA) cash rate.

Convertible note payable
The convertible note of AUD 6.6 million (EUR 4.2 million equivalent) was issued by Southern Cross Payments Ltd on 18 October 2021 from conversion of intercompany balance between Southern Cross Payments Ltd and ISX Financial EU Plc (ISXFEU). The convertible note charged an interest expense at the rate that is 1% above the Reserve Bank of Australia’s cash rate expressed on a per annum basis. The convertible note matures on the 10th anniversary of the Completion Date which is 30 August 2031. If Southern Cross Payments Ltd elects to convert the loan, Southern Cross Payments Ltd will hold the Conversion Shares and will be a shareholder in ISXFEU. The convertible note is recognised at amortised cost.

At 30 June 2025, the balance of the convertible loan was €340,492 (31 December 2024: €1,166,388).

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2025 %**	**31 December 2024 %**
Authenticate Pty Ltd	Australia	100%	100%
Authenticate Solutions Pty Ltd	Australia	100%	100%
Authenticate B.V.	Netherlands	100%	100%
Authenticate Ltd	Malta	100%	100%
ClearPay Pty Ltd	Australia	100%	100%
ISX Employee Plan Ltd	Cyprus	100%	100%
ISX Financial B.V.	Netherlands	100%	100%
ISX Financial Inc. (1)	USA	100%	-%
ISX IP Ltd	Cyprus	100%	100%
ISX Technologies Inc.	USA	100%	100%
ISX Financial UK Ltd	United Kingdom	100%	100%
ISXH Nederlands B.V.	Netherlands	100%	100%
Probanx Solutions UK Ltd	United Kingdom	100%	100%
Probanx Holdings Ltd	Cyprus	100%	100%
Probanx Solutions Ltd	Cyprus	100%	100%
UAB Authenticator	Lithuania	100%	100%
UAB Probanx Solutions	Lithuania	100%	100%

(1) Acquired during the first half of 2025.

Subsidiaries
The results of all entities where the Group has 100% ownership interest, are included within ISXFEU Group Semi Annual financial statements.

Entities with less than 100% ownership interest are reviewed by management and approved by the Board to determine whether the Group controls the entity. Where the Group has determined an entity is controlled by the ISXFEU Group, its results are included within ISX Financial EU Plc's consolidated financial statements.

Note 37. Operating environment

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus and globally with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and worldwide, which are difficult to precisely estimate if the war escalates.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. ISXFEU Group management will continue to monitor the situation closely and take appropriate actions when and if needed.

38. Commitments

On 4 December 2024 the subsidiary of the Group, Probanx Solutions Limited entered into an agreement with KG Capital Advisors (Europe) Limited to pay AUD 4.5 million (EUR 2.7 million) in exchange of 120 million fully paid ordinary shares at AUD 0.0375 cents per share of BeEmotion AI SA. As per the agreement, the amount of AUD 4.5 million (EUR 2.7 million) must be paid in 6 tranches following that specific requirements have been met.

Up to 30 June 2025 the Group paid AUD 3,246,376 (EUR 1,926,027) in exchange of 86,570,026 share. From June 2025 and up to the date of this report the Group acquired additional 13,333,333 shares for the amount of AUD 500,000 (EUR 281,297).

The Group had no other capital or other commitments as at 30 June 2025.

Note 39. Events after the reporting period

On 3 July 2025, ISX Financial EU Plc granted a loan to 67 Pall Mall Limited for GBP457.693 (EUR 522.952), which bears interest 8% per annum. Interest is accrued daily and is payable semi-annually. The principal amount is repayable on 2 July 2030.

On 25 July 2025, Probanx Solution Limited acquired 13,333,333 additional shares of BeEmotion AI SA for a total consideration of AUD 500,000 (EUR 281,297).

On 15 September 2025, Probanx Solution Limited acquired 11,470,769 additional shares of BeEmotion AI SA for a total consideration of AUD 430,154 (EUR 240,886).

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the group’s operations, the results of those operations, or the group’s state of affairs in future financial years.

Note 40. Reconciliation of profit after income tax to net cash from operating activities

	30 June 2025 €	30 June 2024 €
Profit after income tax expense for the period	12,331,731	11,599,966
Adjustments for:		
Depreciation and amortisation	1,650,985	1,514,544
Share of losses - investment in associate	102,321	511,973
(Reversal of impairment)/impairment of investment in associate	(807,536)	116,617
Interest income	(1,861,818)	(1,939,533)
Interest expense	16,787	60,488
Fair value loss on financial assets	(102,302)	
Expenses related to leases	588,392	487,119
Share based payments	-	4,864
Foreign exchange differences	165,661	24,200
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	140,340	(868,898)
Increase in other current assets	(143,465)	(102,267)
(Increase)/decrease in trade and other payables	1,570,498	1,651,433
Decrease/(increase) in employee benefits	(32,848)	8,824
Increase/(decrease) in contract liabilities	(3,174)	(16,584)
Increase in Other	(146,059)	272
Net cash from operating activities	13,469,513	13,053,018

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Thank you.

Investor Enquiries

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