



2023 ISX Financial EU PLC October-December '23 Quarterly Report (Q4 FY2023) (unaudited)



FCA Authorised EMI
FRN #901034



EEA Authorised
EMI #115.1.3.17



SEPA
Single Euro Payments Area



Diners Club
INTERNATIONAL



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.



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

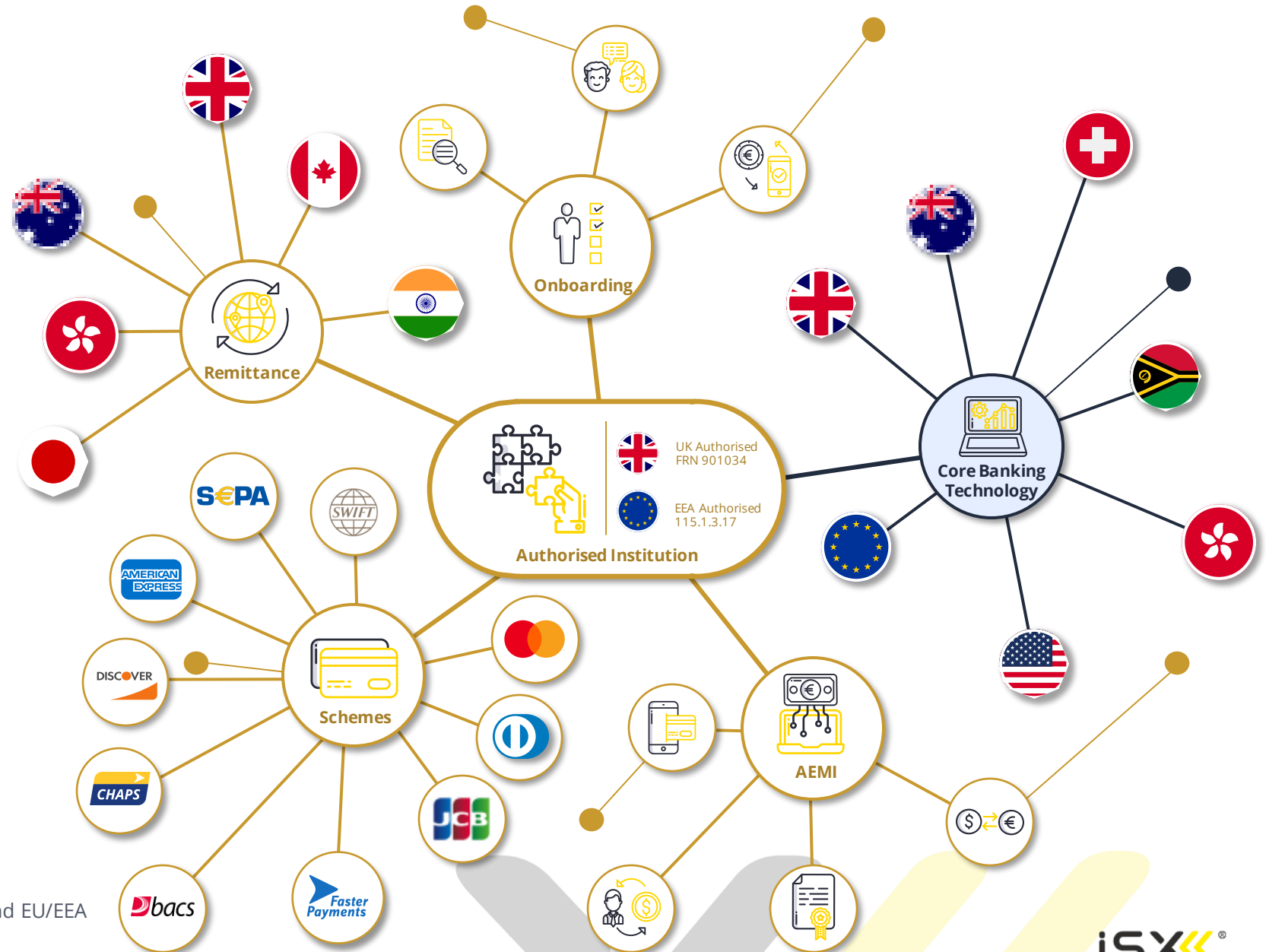
Principal Member of Mastercard, Diners, Discover & JCB
SEPA, FPS, CHAPs Membership
SWIFT Membership
ISEMICY22 & Eurozone Central Banking

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



Inhouse ISX Developed Technology Stack

Wholly owned Probanx develops the ISX technology stack inhouse for ISX use, and SaaS licenses modules to 3rd parties.

ISX MONEY
Business Facing

ISX PAY

Card Services

Card Issuing | Diners Club International

PAIDBY

Open Banking Partners

PAYDENTITY

Identity Verification

Know Your Customer

Merchant Integration | Payouts

Also licensed as SAAS

flykk
Retail Facing

PROBANX | CoreConnect

Interbank Connectivity

Also licensed as SAAS

PROBANX | CorePlus

Core Banking:

Deposits | Ledgers | Compliance

Accounts | Screening | Loans

Also licensed as SAAS

PROBANX

ISX Developed Supporting Technology

SIIN | Fraud | AML

Risk | Reporting | Reconciliation

Also licensed as SAAS

Central Bank Connections | **pay.uk** | **LIETUVOS BANKAS** EUROSISTEMA | **CENTRAL BANK OF CYPRUS** EUROSISTEMA



Financial Results & Commentary

(Q4 FY2023) (unaudited)



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Q4 FY2023 Key Updates

- We're excited to share the impressive developments from Q4 FY2023, wrapping up the year on a high note and achieving new milestones since our demerger in 2021.
- **Solid Growth:** Our revenues saw a substantial 35% year-on-year increase, with an impressive 39% growth quarter-over-quarter. Notably, Net Assets experienced a significant 50% year-on-year boost, accompanied by an 18% quarter-over-quarter uptick.
- **Profitability Assurance:** Maintaining financial strength, our EBITDA margin stands at 31%, reinforcing our position as a robust 'banktech' payments company.
- **Investing in the Future:** We're dedicated to innovation, evident in our €2.5 million investment in Research and Development this year, propelling our vision forward.
- **Guidance for 2024:** Looking ahead, our target is to achieve €45 million in revenue for the full year 2024, while keeping our EBITDA/profitability margin within the 25-35% range.

Financial Update

- Profit Milestones: Q4 FY2023 brought an unaudited profit of €2.6 million. Excluding National Stock Exchange of Australia (NSX) write-downs, our profit after income tax for the quarter reached €3.1 million, marking a substantial 162% YoY increase and a €1.1 million (+90%) uptick from Q3 2023.
- Transaction Volume Surge: Witnessed a remarkable 39% YoY increase in transaction volumes (27% quarter-over-quarter), exceeding expectations. Noteworthy growth observed in EMA Accounts (17%) and Open Banking (46%) quarter-over-quarter.
- Revenue Growth: Q4 revenues hit €10.2 million, surpassing expectations with a 39% increase. Achieved new monthly highs consecutively, fueled by increased transactions while maintaining margins.
- Expenses (Operating and COGs): Expenses rose by €1.8 million (32% increase), driven by a compensation provision, NSX investment impairments, and higher cost of goods sold due to increased transaction volumes.

Financial Updates

- Investments and Team Expansion: Strategic investments in core technology and team growth played a crucial role in sustaining overall growth momentum. Committed to research and development with an expenditure of approximately €2.5 million this year.
- Financial Strength Highlights: Cash and Cash Equivalents grew by €4.3 million (46.1%) quarter-over-quarter and €7.6 million (127.7%) year-on-year, indicating robust liquidity and financial stability.
- Merchant Funds and Assets: Experienced a Quarter-over-quarter increase of €10 million (9.9%) in funds held for merchants, influenced by the high-interest rate environment. Net Assets demonstrated growth, increasing by €2.6 million (18.4%) quarter-over-quarter.
- Net Assets Per Share: Net Assets/Book value per Share increased by €0.024 (18.4%) in Q4 FY2023, reaching €0.151, underscoring our continuous progress.
- In summary, our Q4 FY2023 performance showcases sustained growth, solid profitability, and strategic investments, positioning us well as we enter 2024.

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

	29-Dec-23	29-Sep-23	31-Dec-22	Variance	Variance	Variance	Variance
	Quarter 4	Quarter 3	Quarter 4	4Q23 v 3Q23	4Q23 v 3Q23	4Q23 v 4Q22	4Q23 v 4Q22
	eur	eur	eur	eur	%	eur	%
Revenue from Customers	10,211,596	7,344,645	7,573,082	2,866,951	39%	2,638,514	35%
Other income	248,931	33,724	27,160	215,207	638%	221,771	817%
Expenses	(7,385,900)	(5,583,434)	(5,248,394)	(1,802,466)	32%	(2,137,506)	41%
Profit/(loss) before income tax expense	3,074,627	1,794,935	2,351,848	1,279,692	71%	722,779	31%
Income tax expense	(502,296)	(316,112)	(422,719)	(186,184)	59%	(79,577)	19%
Profit/(loss) after income tax expense for the year	2,572,331	1,478,823	1,929,129	1,093,508	74%	643,202	33%
Profit/(loss) after income tax expense for the year - Excluding NSX Write Downs	3,124,552	1,641,836	1,193,367	1,482,716	90%	1,931,185	162%

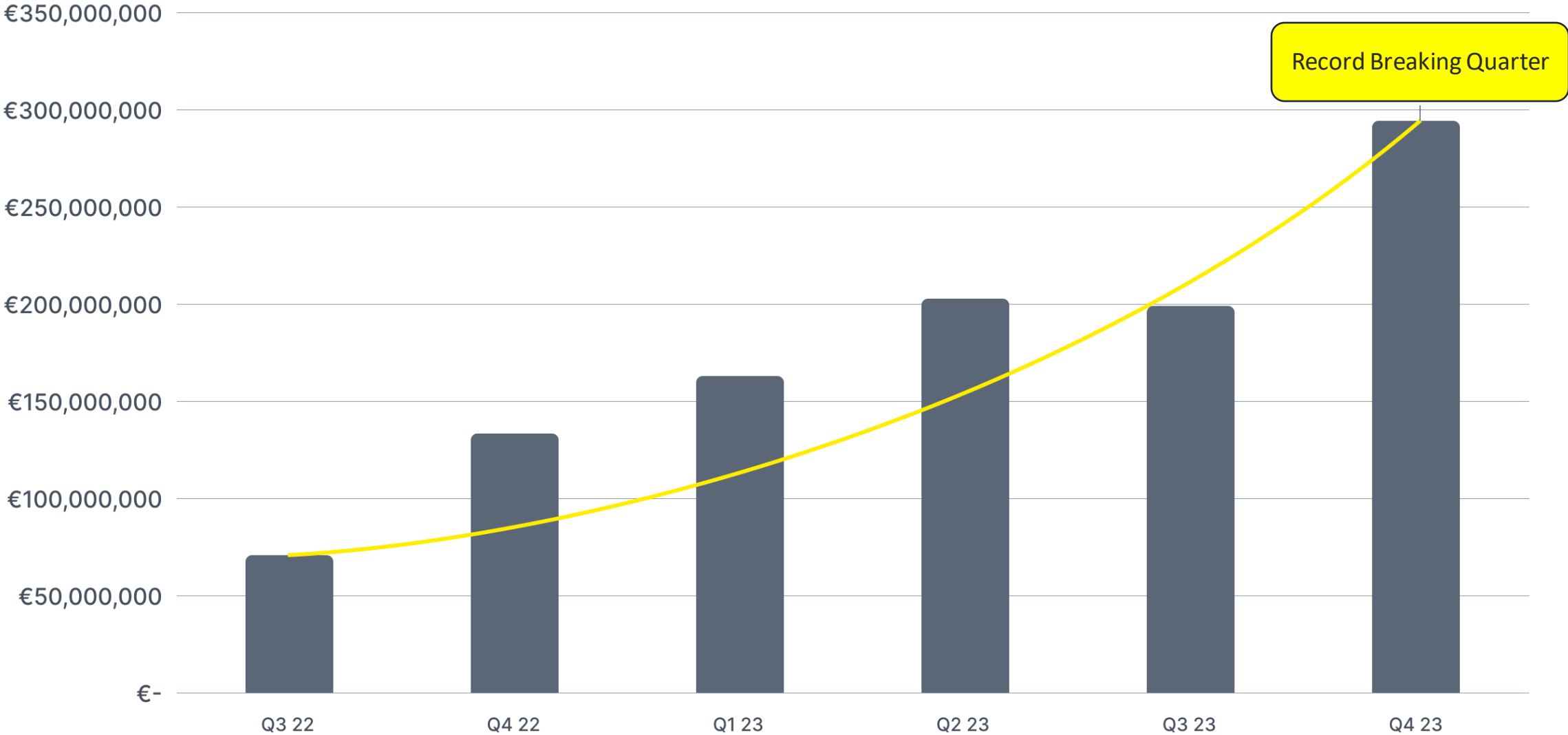
Key Metrics

	29-Dec-23	29-Sep-23	31-Dec-22	Variance	Variance	Variance	Variance
	Quarter 4	Quarter 3	Quarter 4	4Q23 v 3Q23	4Q23 v 3Q23	4Q23 v 4Q22	4Q23 v 4Q22
	eur	eur	eur	eur	%	eur	%
Earnings before Interest, Tax, D&A, FX and Impairments	4,482,604	2,802,220	2,384,492	1,680,384	60.0%	2,098,112	88.0%
Cash and Cash Equivalents	13,623,588	9,324,941	5,983,161	4,298,647	46.1%	7,640,427	127.7%
Funds held on behalf of merchants	115,254,596	104,907,933	103,761,600	10,346,663	9.9%	11,492,996	11.1%
Total Processing Volume (TPV)	701,801,065	550,378,674	504,480,057	151,422,391	27.5%	197,321,007	39.1%
Net Assets	16,660,503	14,069,562	11,129,419	2,590,941	18.4%	5,531,084	49.7%
Net Assets per Share	€ 0.151	€ 0.128	€ 0.101	€ 0.024	18.4%	€ 0.050	49.7%

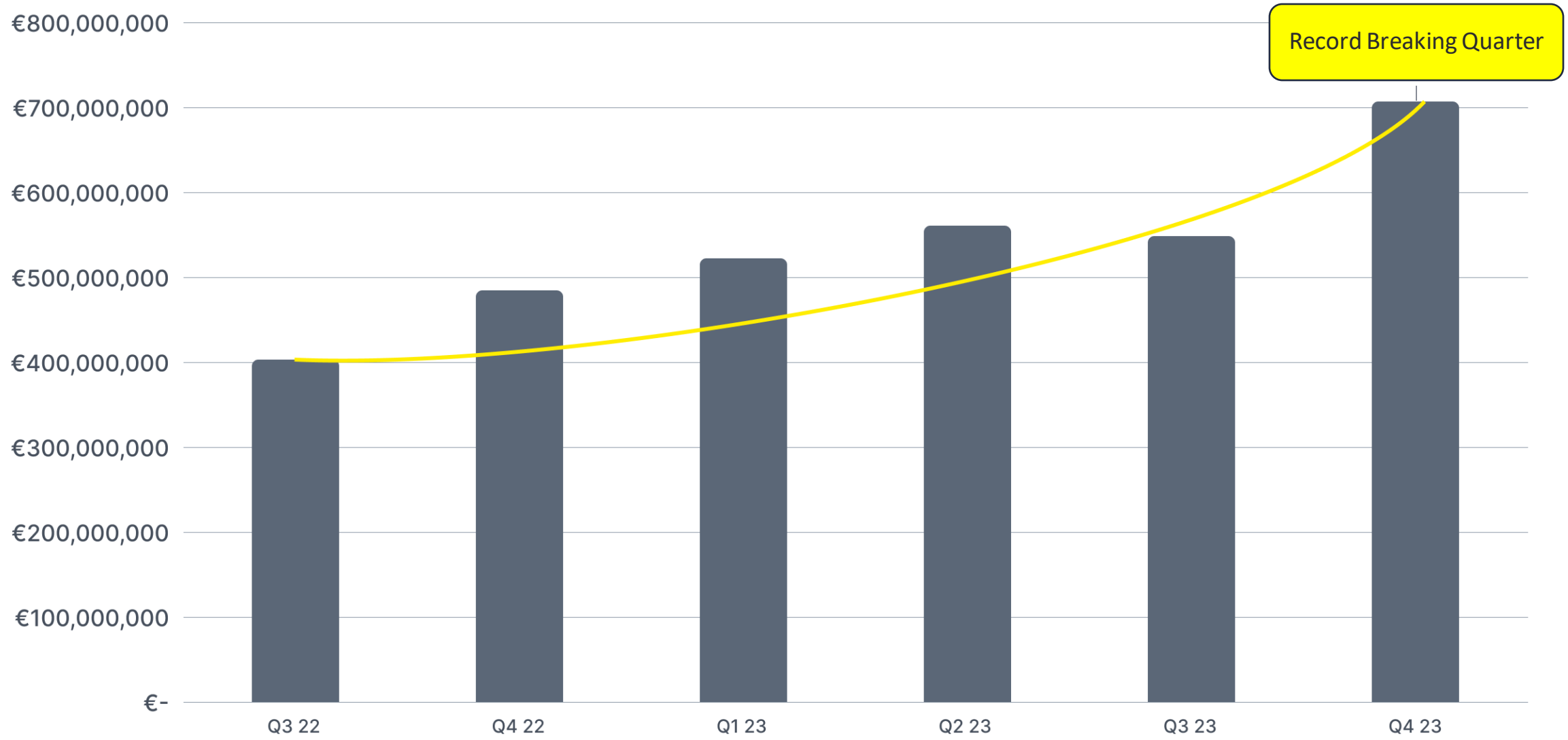
Balance Sheet	Supplementary Data									
	Quarterly Trends					Twelve month ended December 29th				
	29-Dec-23	29-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	Q423 Change		2023	2022	Change
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Q323	Q422	12 Months	12 Months	
eur	eur	eur	eur	eur	eur	eur	eur	eur	eur	
Cash and Cash Equivalent	13,623,588	9,324,941	8,770,276	7,270,758	5,983,161	46%	128%	13,623,588	5,983,161	128%
Funds Held on behlaf of Merchants	115,254,596	104,907,933	120,419,786	123,396,782	103,761,600	10%	11%	115,254,596	104,006,452	11%
Other	3,108,560	3,095,358	3,040,424	2,708,353	2,843,410	0%	9%	3,108,560	2,843,408	9%
Current Assets	131,986,744	117,328,232	132,230,486	133,375,892	112,588,171	12%	17%	131,986,744	112,833,021	17%
Non Current Assets	9,694,480	10,735,217	9,924,911	10,819,515	11,140,456	-10%	-13%	9,694,480	11,140,456	-13%
Total Assets	141,681,224	128,063,449	142,155,396	144,195,407	123,728,627	11%	15%	141,681,224	123,973,477	14%
Funds Held on behlaf of Merchants	(115,254,596)	(104,907,933)	(120,419,786)	(123,396,782)	(103,761,600)	10%	11%	(115,254,596)	(104,006,452)	11%
Other Current Liabilities	(6,012,698)	(4,540,556)	(4,745,829)	(4,029,268)	(4,079,698)	-	32%	(6,012,698)	(4,079,697)	47%
<i>Current Liabilities</i>	<i>(121,267,294)</i>	<i>(109,448,489)</i>	<i>(125,165,615)</i>	<i>(127,426,049)</i>	<i>(107,841,298)</i>	<i>11%</i>	<i>12%</i>	<i>(121,267,294)</i>	<i>(108,086,149)</i>	<i>12%</i>
Non Current Liabilities	(3,753,427)	(4,545,398)	(4,474,443)	(4,781,082)	(4,757,909)	-17%	-21%	(3,753,427)	(4,757,909)	-21%
Total Liabilities	(125,020,721)	(113,993,887)	(129,640,058)	(132,207,131)	(112,599,207)	10%	11%	(125,020,721)	(112,844,058)	11%
Net Assets	16,660,503	14,069,562	12,515,339	11,988,276	11,129,420	18%	50%	16,660,503	11,129,419	50%
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%
Reserv es	1,789,216	1,884,052	1,808,651	2,067,067	2,007,213	-5%	-11%	1,789,216	2,007,213	-11%
Accumulated Prof it/(Loss)	(3,232,782)	(5,920,997)	(7,400,013)	(8,186,128)	(8,982,515)	-45%	-64%	(3,232,782)	(8,982,515)	-64%
Non Controlling Interest	423,652	426,091	426,284	426,920	424,304	-1%	0%	423,652	424,304	0%
Total Equity	16,660,503	14,069,562	12,515,339	11,988,276	11,129,420	18%	50%	16,660,503	11,129,419	50%

	29-Dec-23	29-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	Q423 Change		2023	2022	Change
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Q323	Q422	12 Months	12 Months	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Revenues	10,460,527	7,378,369	7,503,586	7,229,064	7,600,242	42%	38%	32,571,546	27,500,719	18%
Gross Profit	9,489,599	6,231,946	6,604,985	5,807,110	5,735,445	52%	65%	28,133,639	20,519,860	37%
Profit/(loss) before Tax	3,074,627	1,908,380	1,156,736	1,124,170	2,351,848	61%	31%	7,263,913	4,634,587	57%
Net Income	2,572,331	1,592,268	773,404	799,002	1,929,129	62%	33%	5,737,005	3,651,717	57%

Open Banking Volume



Total Processed Volume





Listing Update



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Listing Update

- Board has resolved to commence process for admission to list to a UK or EU regulated market.
- Preliminary discussions with regulated markets held regarding a direct entry listing.
- Clifford Chance and Chrysses Demetriades appointed as legal advisors.
- HWLE will continue in background with Australian legal advice for the admission.
- Work on new prospectus has commenced, which will need to include audited financial results, which are due by May 2024.
- The new prospectus will comply with EU Directive and will be suitable for either UK and/or EU regulated market listing.
- Cyprus Securities and Exchange Commission and National Competent Authority in listing jurisdiction will require 3-6 months to review a full EU Directive compliant prospectus.
- Top Hat reconstruction process documentation complete and ready for court submission, with court process taking approximately 3 months to complete.
- Company is challenging ASIC decision to not grant Top Hat prospectus relief under RG72 in AAT as it believes it can reconstruct before approval of Australian prospectus. This is in order to save time by allowing paralleling of activities, and to save costs and unnecessary effort.
- Australian supplemental prospectus will be prepared addressing ASIC requirements (if any beyond EU requirements) for Australian shareholders only.
- Hall Chadwick appointed as valuer to meet Australian prospectus requirements.
- IR advisors appointed to assist with institutional and retail investors. www.dr-reuter.eu



Thank you

ISX Financial EU Plc

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