



2024

ISX Financial EU PLC

July-September 2024 Quarterly Report

(Q3 FY2024) (unaudited)



FCA Authorised EMI
FRN #901034



EEA Authorised
EMI #115.1.3.17



Diners Club
INTERNATIONAL

DISCOVER



ISX Financial EU Plc (ISX Plc) : Background

ISX Financial EU PLC is a 'banktech' company that leverages its own deep technology to provide financial services to consumer servicing businesses 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 consumer servicing businesses with a tailored payment solution to reach any UK or EEA bank account holders.



What does ISX Financial EU Plc Do?

EEA Authorised EMI

Authorised Electronic Money Institution (AEMI)

Transactional Banking Services

Payment Services

UK Authorised EMI

FCA Authorised EMI

Transactional Banking Services

Payment Services

+ Account Information Services

+ Payment Initiation Services

Payment Schemes

Principal Member of Mastercard, Diners, Discover, UnionPayInternational & JCB

SEPA, FPS, CHAPS & BACS Membership

SWIFT Membership : ISEMCY22 & ISFIGB22

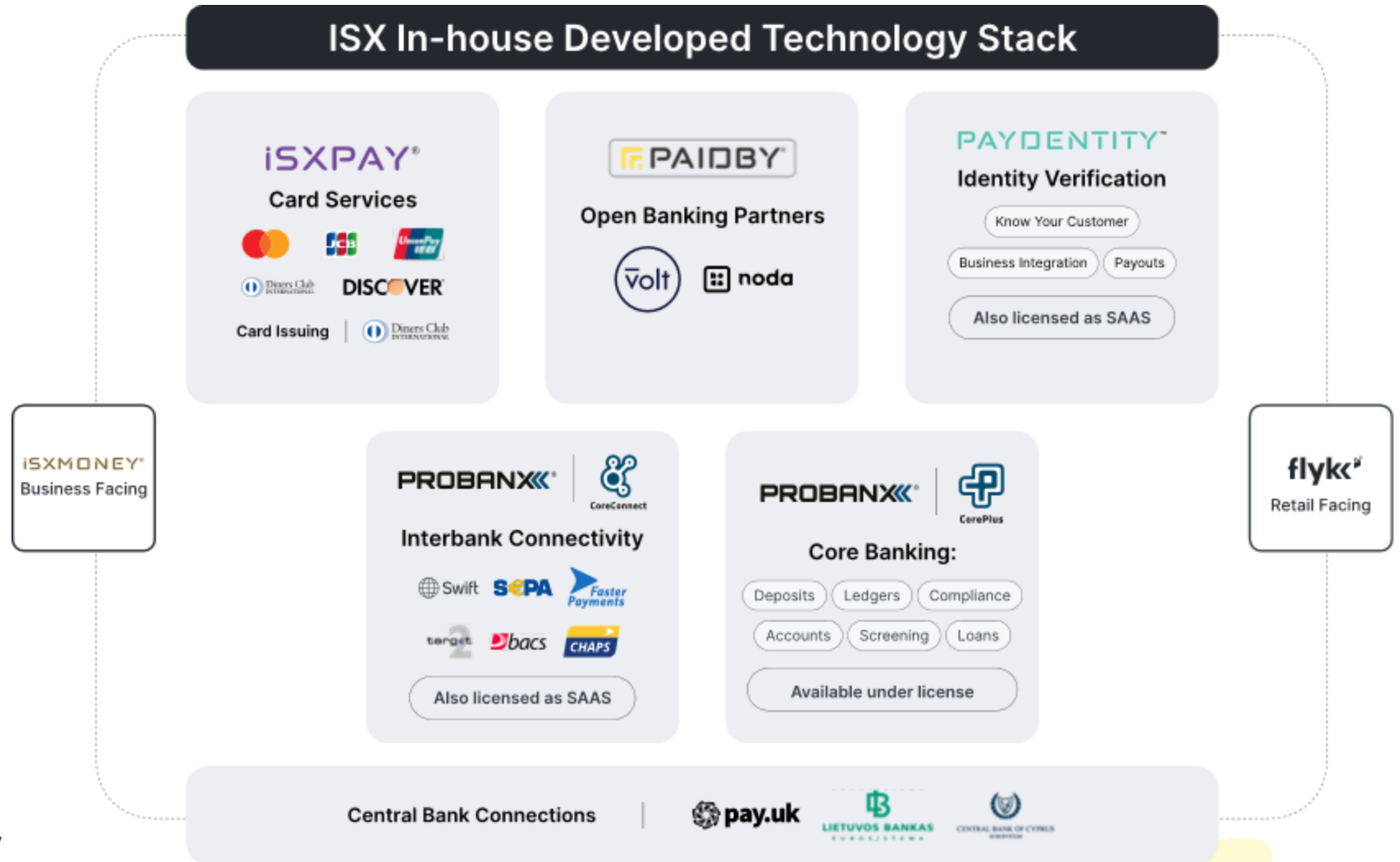
Eurozone Central Banking

Complete Customer Onboarding

For EU/EEA & UK Business via Payidentity®

Core Banking & Network Technology

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





Financial Results & Commentary

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ISX Financial Chief Financial Officer – Ajay Treon

Q3 2024 has been a quarter of impressive progress and milestones, marked by our July revenue record and surpassing €1 billion in transaction volumes for the first time. Additionally, we saw strong growth in client funds, reflecting our deepening commitment to supporting and advancing our clients' ambitions.

These achievements would not be possible without the dedication of our talented team, whose efforts have consistently driven our success, and the trust of our valued customers, who continue to choose us as their partner. It is pleasing to see this momentum continue into Q4, and we are confident in finishing the year strongly, with a focus on sustainable growth, innovation, and exceptional service.



Ajay Treon
Chief Financial Officer



Q3 FY2024 - Key Updates

- **ISX Financial CFO, Ajay Treon** "Building on the strong results of 2023 and the first half of 2024, Q3 has demonstrated continued positive momentum, fuelled by strategic growth initiatives and operational successes. These achievements reflect our dedication to advancing within the 'banktech' and payments sectors, following our demerger in 2021."
- **Strong Revenue Growth:** We reported a robust 71% year-over-year revenue increase, with a steady quarter-over-quarter rise of 3%. Additionally, our Net Assets grew by an impressive 143% year-on-year, with a further 23% increase from the previous quarter.
- **New Records Achieved:** Revenue in July reached a new high at €5.2 million, while Q3 transaction volumes exceeded €1 billion, marking significant milestones.
- **Financial Resilience:** With an EBITDA margin of 55%, we maintain a strong financial position, reinforcing our stability and resilience in the banktech payments market.
- **Investment in Innovation:** Our commitment to innovation is underscored by a €0.7 million investment in Research and Development during Q3. This focus on R&D drives customer-focused solutions and advances in our technological capabilities.
- **Expansion in Talent:** To support our growth, we have increased our workforce by 22% in 2024, reaching a total of 180 employees.
- **Outlook for 2024:** Looking ahead, we remain committed to achieving our revenue target of €50 million and have increased our EBITDA margin expectations to a range of 40-45%. Through thoughtful strategy and execution, we are well-positioned to meet or exceed these targets for sustained growth.

Financial Insights

- **Profit Milestones:** Q3 generated an unaudited profit of €6.4 million, including NSX write-downs. This profit figure represents a remarkable 313% year-over-year growth and a quarter-over-quarter increase of €0.8 million (+13%).
- **Transaction Volume Growth:** Q3 recorded a substantial 68% year-over-year increase in transaction volumes, with 6% growth quarter-over-quarter. Open Banking volumes alone saw a 9% increase over the previous quarter.
- **Revenue:** Q3 revenue reached €14.6 million, with a quarter-over-quarter increase of 3%, delivering our strongest quarterly performance of the year.
- **Expense Management:** Total expenses decreased by €1.3 million, reflecting an improvement of 16% quarter-over-quarter due to catch-up provisions related to staff compensation and potential listing costs taken in Q2.

Financial Insights

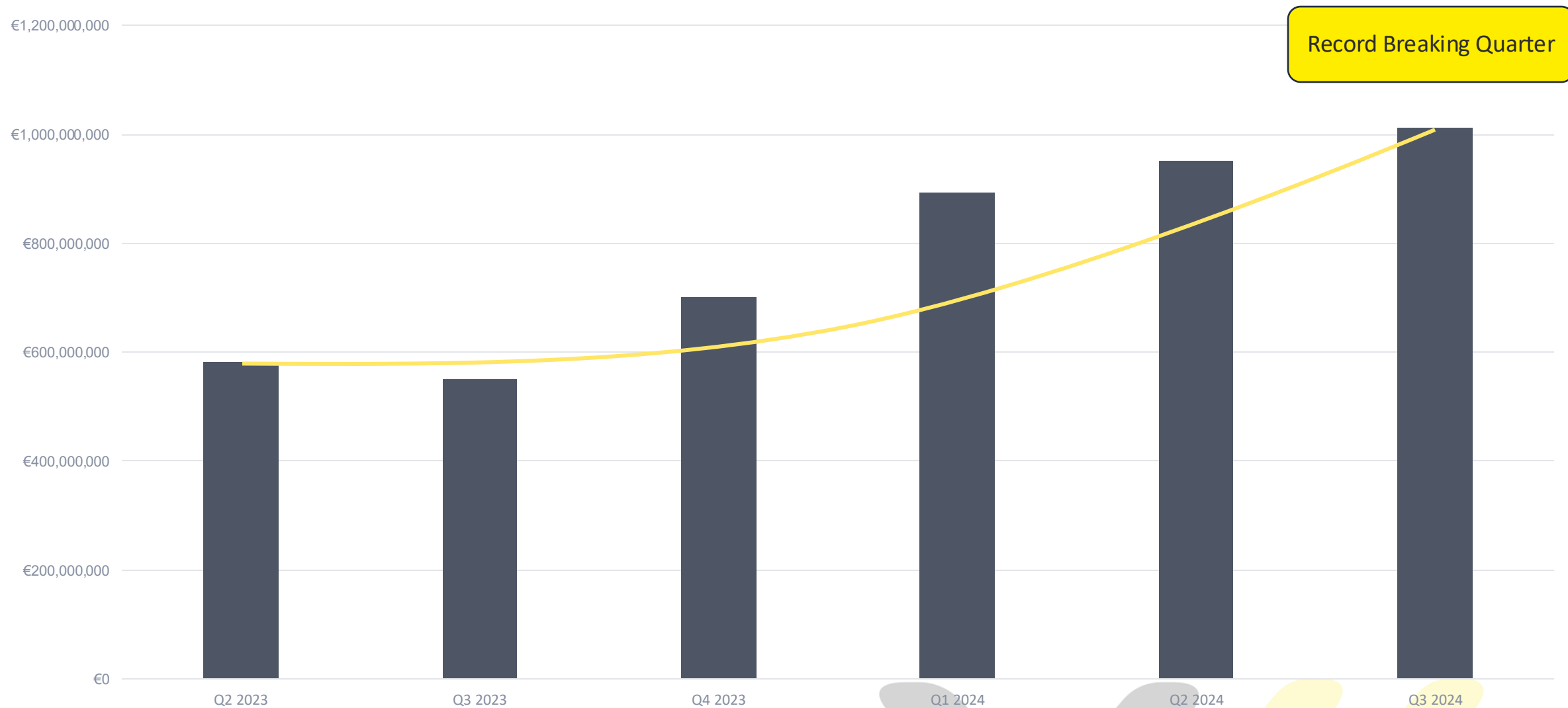
- **Investment in Core Technology and Team:** Our focus on strategic investments in core technologies and team expansion has driven sustained growth. R&D investments remained steady, with a Q3 spend of approximately €0.7 million.
- **Financial Strength:** Own Funds rose by €5.6 million (22.8%) quarter-over-quarter and by €20.8 million (223.5%) year-over-year, affirming our liquidity and financial stability.
- **Funds Held for Business Customers and Net Assets:** Funds held on behalf of Business Customers increased by €24 million (15.6%) quarter-over-quarter. Net Assets grew by €6.4 million (22.9%) over the quarter.
- **Net Assets Per Share:** Book value per share increased by €0.06 (22.9%) in Q3 2024, reaching €0.311, highlighting our consistent growth.
- **Conclusion:** Q3 2024 reflects our strong financial footing, sustained growth, and strategic investments that keep us well-prepared for the remainder of 2024 and set a solid foundation for continued success into 2025.

Consolidated Statement of Profit or Loss – ISX Financial EU 30 September 2024 Unaudited							
	30-Sep-24	30-Jun-24	30-Sep-23	Variance	Variance	Variance	Variance
	Quarter 3	Quarter 2	Quarter 3	3Q24 v 2Q24	3Q24 v2Q24	3Q24 v 3Q23	3Q24 v 3Q23
	eur	eur	eur	eur	%	eur	%
Revenue from Customers	13,518,938	13,099,488	7,136,424	419,449	3%	6,382,513	89%
Other income	1,048,998	1,045,749	33,724	3,249	0%	1,015,275	3011%
Expenses	(6,844,960)	(8,139,850)	(5,469,989)	1,294,890	-16%	(1,374,971)	25%
Profit/(loss) before income tax expense	7,722,976	6,005,388	1,700,159	1,717,588	29%	6,022,817	354%
Income tax expense	(1,330,129)	(775,350)	(316,112)	(554,779)	72%	(1,014,016)	321%
Profit/(loss) after income tax expense for the year	6,392,847	5,230,038	1,384,047	1,162,809	22%	5,008,801	362%
Profit/(loss after income tax expense for the year - Excluding NSX Write Downs	6,394,592	5,642,023	1,547,060	752,569	13%	4,847,532	313%
Key Metrics							
	30-Sep-24	30-Jun-24	30-Sep-23	Variance	Variance	Variance	Variance
	Quarter 3	Quarter 2	Quarter 3	3Q24 v 2Q24	3Q24 v2Q24	3Q24 v 3Q23	3Q24 v 3Q23
	eur	eur	eur	eur	%	eur	%
Earnings before Interest, Tax, D&A, FX and Impairments	8,601,995	7,354,934	2,654,561	1,247,060	17.0%	5,947,434	224.0%
Own Funds	30,169,170	24,564,298	9,324,941	5,604,873	22.8%	20,844,229	223.5%
Funds held on behalf of Business Customers	178,963,935	154,774,613	104,907,933	24,189,322	15.6%	74,056,002	70.6%
Total Processing Volume (TPV)	1,086,326,957	990,923,643	397,654,167	95,403,314	9.6%	688,672,790	173.2%
Net Assets	34,256,851	27,864,931	14,069,562	6,391,920	22.9%	20,187,289	143.5%
Net Assets per Share	€ 0.311	€ 0.253	€ 0.128	€ 0.058	22.9%	€ 0.183	143.5%

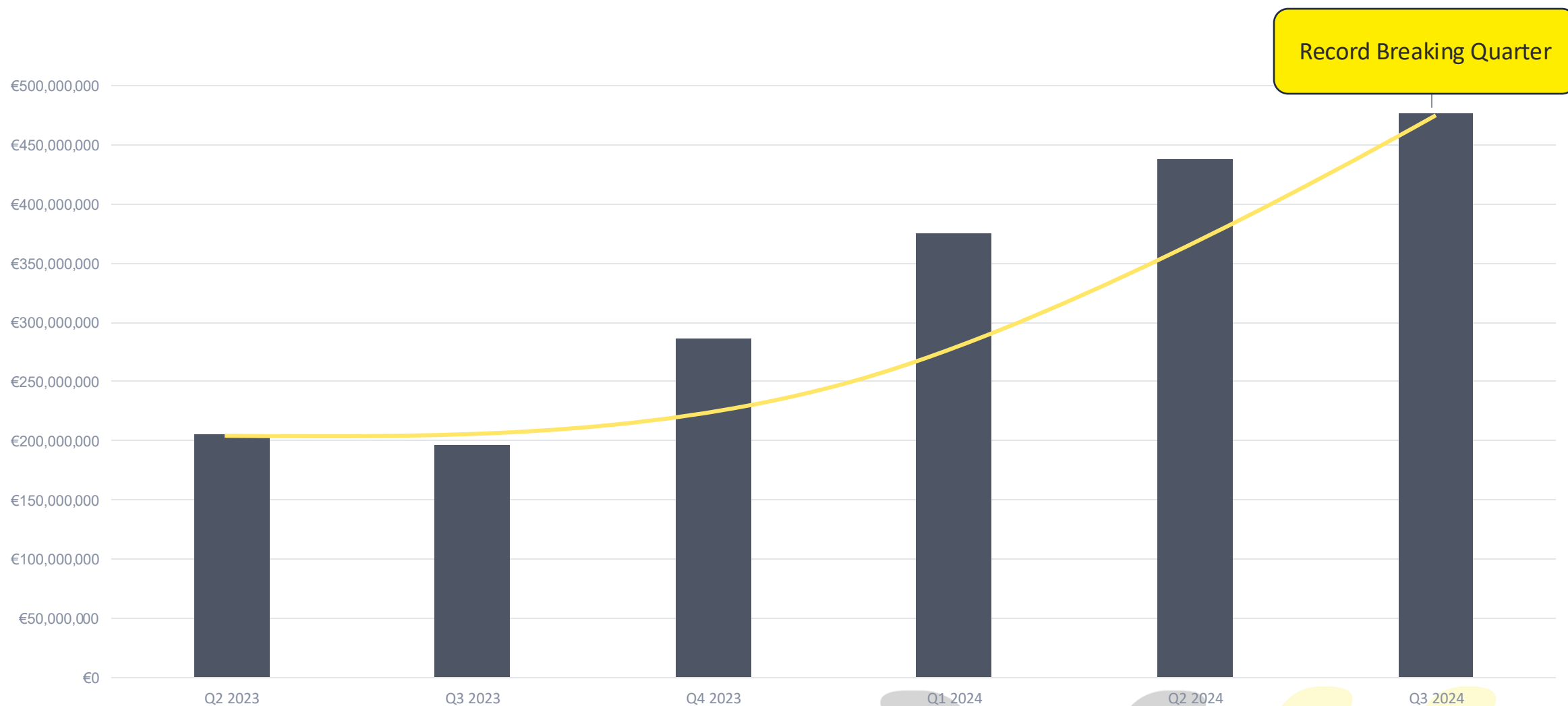
Supplementary Data										
Balance Sheet	Quarterly Trends						Nine month ended September 30th			
	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	2Q24 Change		2024	2023	Change
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	2Q24	2Q23	9 month	9 month	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Cash and Cash Equivalent	30,169,170	13,564,298	11,790,724	8,126,279	9,324,941	122%	224%	30,169,170	9,324,941	224%
Fair Value through P&L	-	11,000,000	7,000,000	5,500,311	-	-100%	0%	-	-	#DIV/0!
Funds Held on behalf of Business Customers	178,963,935	154,774,613	137,728,395	121,280,815	104,907,933	16%	71%	178,963,935	104,907,933	71%
Other	3,646,989	3,961,615	3,460,003	3,109,603	3,095,358	-8%	18%	3,646,989	3,095,358	18%
Current Assets	212,780,094	183,300,526	159,979,122	138,017,008	117,328,232	16%	81%	212,780,094	117,328,232	81%
Non Current Assets	10,893,552	10,678,449	8,320,164	9,031,765	10,735,217	2%	1%	10,893,552	10,735,217	1%
Total Assets	223,673,646	193,978,975	168,299,286	147,048,773	128,063,449	15%	75%	223,673,646	128,063,449	75%
Funds Held on behalf of Business Customers	(178,963,935)	(154,774,613)	(137,728,395)	(121,280,815)	(104,907,933)	16%	71%	(178,963,935)	(104,907,933)	71%
Other Current Liabilities	(7,374,866)	(8,055,286)	(6,395,007)	(6,076,432)	(4,540,556)	-	-8%	(7,374,866)	(4,540,556)	62%
Current Liabilities	(186,338,801)	(162,829,899)	(144,123,402)	(127,357,247)	(109,448,489)	14%	70%	(186,338,801)	(109,448,489)	70%
Non Current Liabilities	(3,077,994)	(3,284,144)	(3,602,948)	(3,503,020)	(4,545,398)	-6%	-32%	(3,077,994)	(4,545,398)	-32%
Total Liabilities	(189,416,795)	(166,114,044)	(147,726,350)	(130,860,267)	(113,993,887)	14%	66%	(189,416,795)	(113,993,887)	66%
Net Assets	34,256,851	27,864,931	20,572,936	16,188,506	14,069,562	23%	143%	34,256,851	14,069,562	143%
								-	-	
Ordinary Shares	7,705,562	7,705,562	7,705,562	7,705,562	7,705,562	0%	0%	7,705,562	7,705,562	0%
Reserves	11,868,555	11,869,482	11,749,459	11,793,460	11,858,906	0%	0%	11,868,555	11,858,906	0%
Accumulated Profit/(Loss)	14,257,864	7,860,545	689,238	(3,734,168)	(5,920,997)	81%	-341%	14,257,864	(5,920,997)	-341%
Non Controlling Interest	424,871	429,342	428,677	423,652	426,091	-1%	0%	424,871	426,091	0%
Total Equity	34,256,851	27,864,931	20,572,936	16,188,506	14,069,562	23%	143%	34,256,851	14,069,562	143%

Profit or Loss	Quarterly Trends							Nine month ended September 30th		
	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	2Q24 Change		2024	2023	Change
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	2Q24	2Q23	9 month	9 month	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Revenues	14,567,936	14,145,237	14,250,672	10,452,581	7,170,148	3%	103%	42,963,846	25,126,315	71%
Gross Profit	13,865,844	12,614,304	12,987,695	9,496,855	6,023,725	10%	130%	39,467,843	22,125,565	78%
Profit/(loss) before Tax	7,722,976	6,005,388	7,260,549	2,931,261	1,700,159	29%	354%	20,988,913	5,800,231	262%
Net Income	6,392,847	5,230,038	6,370,374	2,279,166	1,384,047	22%	362%	17,993,259	4,448,692	304%

Total Processed Inflow Volume



Open Banking Volume



Listing Update

- The Company is preparing for listing by:
 - Commencing the pre-onboarding process to its EU member state Central Securities Depository <https://www.cse.com.cy/en-GB/central-depository/general-information-of-central-depository/>
 - Continuing to engage in discussions with various exchanges, each of which appear to have slightly differing requirements for 'public free float', ranging from
 - 10% to 25% of issued securities (varies by exchange)
 - 10% of holders (by number)
 - 500 holders and 10% of issued securities
 - Free float must consist of shareholders who have had their identities verified under EU KYC / AML Regulations. Insiders are not considered public free float.
 - Commencing KYC verification of individual holders. To date, less than 400 individual shareholders have completed KYC to an EU standard. As this is a time consuming task for the Company, we have elected to use our flykk® app which collects KYC data as part of IBAN issuance.
 - Manual KYC applications can take between 6-20 minutes each to complete, thus the emphasis on using ISX's own automated KYC systems wherever possible.
 - No listing timetable has been determined as yet. This will be dependent upon meeting free float requirements, which will then be determinative of exchange options. Further details here <https://www.isx.financial/blog/prepforlist>



Thank you

ISX Financial EU Plc

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