



2024

ISX Financial EU PLC

April-June 2024 Quarterly Report

(Q2 FY2024) (unaudited)



FCA Authorised EMI
FRN #901034



EEA Authorised
EMI #115.1.3.17



SEPA
Single Euro Payments Area



JCB

UnionPay



Diners Club
INTERNATIONAL

DISCOVER

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ISX Financial EU Plc (ISX Plc) : Background

ISX Financial EU PLC is a 'banktech' company that leverages its own 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

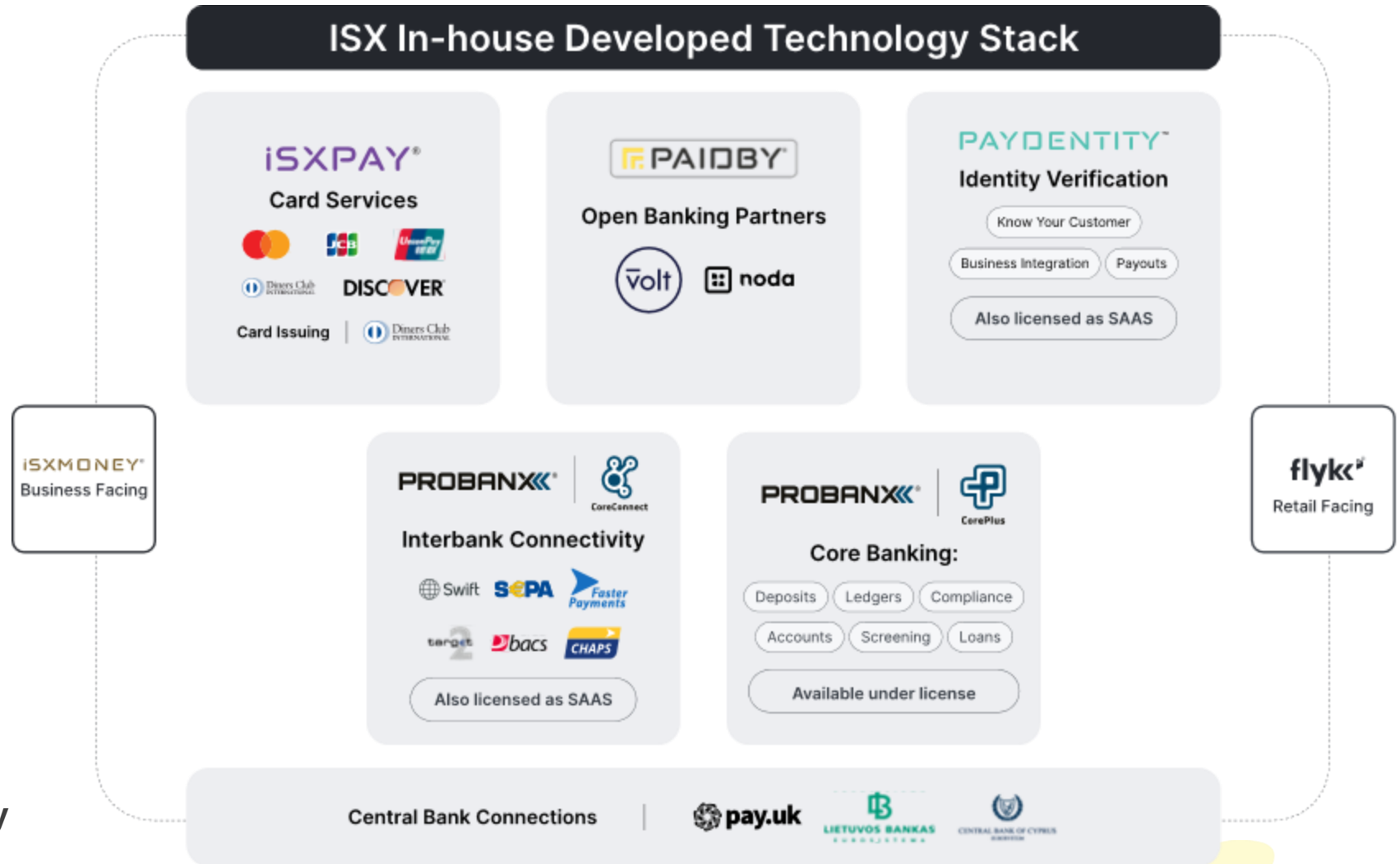
Principal Member of Mastercard, Diners, Discover, UnionPayInternational & JCB
SEPA, FPS, CHAPs & BACS Membership
SWIFT Membership : ISEMCY22 & ISFIGB22
Eurozone Central Banking

Complete Customer Onboarding

For EU/EEA & UK Business via Paydentity®

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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Q1 FY2024 Key Updates

- **ISX Financial CFO, Ajay Treon:** "As we carry forward the momentum from our successes in 2023 and the first quarter of 2024, ISX continues to demonstrate strong performance this quarter, exceeding expectations. Our focus and strategic initiatives have enabled us to achieve significant milestones, reinforcing our commitment to growth and innovation in the 'banktech' and payments sector. These accomplishments highlight the progress we've made since our demerger in 2021."
- **Robust Growth:** Our revenues scaled by an impressive **74% year-on-year**, accompanied by a small drop of 2% quarter-on-quarter. Additionally, Net Assets experienced a substantial **123% year-on-year** increase, coupled with a **35% quarter-on-quarter** increase.
- **Financial Strength:** With a EBITDA margin, currently of **56%**, we maintain a solid financial footing, demonstrating resilience and stability in the market as a 'banktech' payments company, delivering both financial services directly to customers and deep infrastructure to other financial institutions.
- **Innovation Focus:** We're committed to innovation, evident in our Q2 investment of **€0.7 million in Research and Development**. These investments drive customer-centric solutions and keep us ahead in technological advancements. Award of further patents during this quarter included formal US Patent and Trade Mark Office (USPTO) Notice of Allowance for grant of a patent for a new family "Verifying identity with uninterrupted video".
- **Future Outlook:** We are revising our **2024 revenue target to €50** million with strategic planning and execution, we are confident reaching and even exceeding these targets and driving sustained growth in the years to come and based on the current mix of business lines, to also increase our EBITDA margin range to 30%-40%.

Financial Insights

- **Profit Milestones:** Q2 2024 brought an unaudited profit of **€5.2 million**. Excluding National Stock Exchange of Australia (NSX) write-downs, our anticipated profit after income tax for the quarter reached €5.6 million, marking a substantial 337% YoY increase with a €0.9 million profit (-14% drop from Q1 2024).
- **Transaction Volume:** We have witnessed a remarkable 72% YoY increase in transaction volumes (12% quarter-on-quarter), exceeding expectations. Noteworthy growth observed in Open Banking (16%) quarter-on-quarter.
- **Revenue:** Q2 revenues hit **€14.1 million**, representing a small drop of 2% quarter-on-quarter.
- **Cost Management:** Overall expenses increased by €1.2 million (16% increase), mainly due to listing expenses provisions, provision for employee compensation and increase in sales commissions.
- **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 **€0.7 million** this quarter.

Financial Insights

- **Financial Strength Overview:** Own Funds surged by **€5.8 million (30.7%)** compared to the previous quarter and by €15.8 million (180.1%) year-on-year, underscoring our strong liquidity and financial stability. Our Own Funds includes €11 million (+€3 million in Q2) in short-term, high-quality liquid money market funds. Our total own funds as at end of last quarter were **€24.5m**.
- **Funds held on behalf of Business Customers and Assets:** Experienced a quarter-on-quarter increase of €17 million (12.4%) in funds held on behalf of Business Customers. Net Assets demonstrated growth, increasing by €7.3 million (35.4%) quarter-on-quarter.
- **Net Assets Per Share:** Net Assets/Book value per Share increased by **€0.07 (35.4%)** in Q2 2024, reaching €0.253, underscoring our continuous progress.
- **Summary:** Our Q2 2024 performance showcases sustained growth, solid profitability, and strategic investments, positioning us well for the remainder of 2024 and our forthcoming admission to list.

Consolidated Statement of Profit or Loss – ISX Financial EU 30 June 2024 Unaudited

	30-Jun-24	31-Mar-24	30-Jun-23	Variance	Variance	Variance	Variance
	Quarter 2	Quarter 1	Quarter 2	2Q24 v 1Q24	2Q24 v 1Q24	2Q24 v 2Q23	2Q24 v 2Q23
	eur	eur	eur	eur	%	eur	%
Revenue from Customers	13,099,488	13,356,889	7,514,525	(257,401)	-2%	5,584,963	74%
Other income	1,045,749	893,783	1,135	151,966	17%	1,044,614	92022%
Expenses	(8,139,850)	(6,990,123)	(6,346,850)	(1,149,727)	16%	(1,793,000)	28%
Profit/(loss) before income tax expense	6,005,388	7,260,549	1,168,811	(1,255,161)	-17%	4,836,577	414%
Income tax expense	(775,350)	(890,175)	(383,332)	114,826	-13%	(392,017)	102%
Profit/(loss) after income tax expense for the year	5,230,038	6,370,374	785,479	(1,140,336)	-18%	4,444,559	566%
Profit/(loss after income tax expense for the year - Excluding NSX Write Downs)	5,642,023	6,586,978	1,290,999	(944,955)	-14%	4,351,024	337%

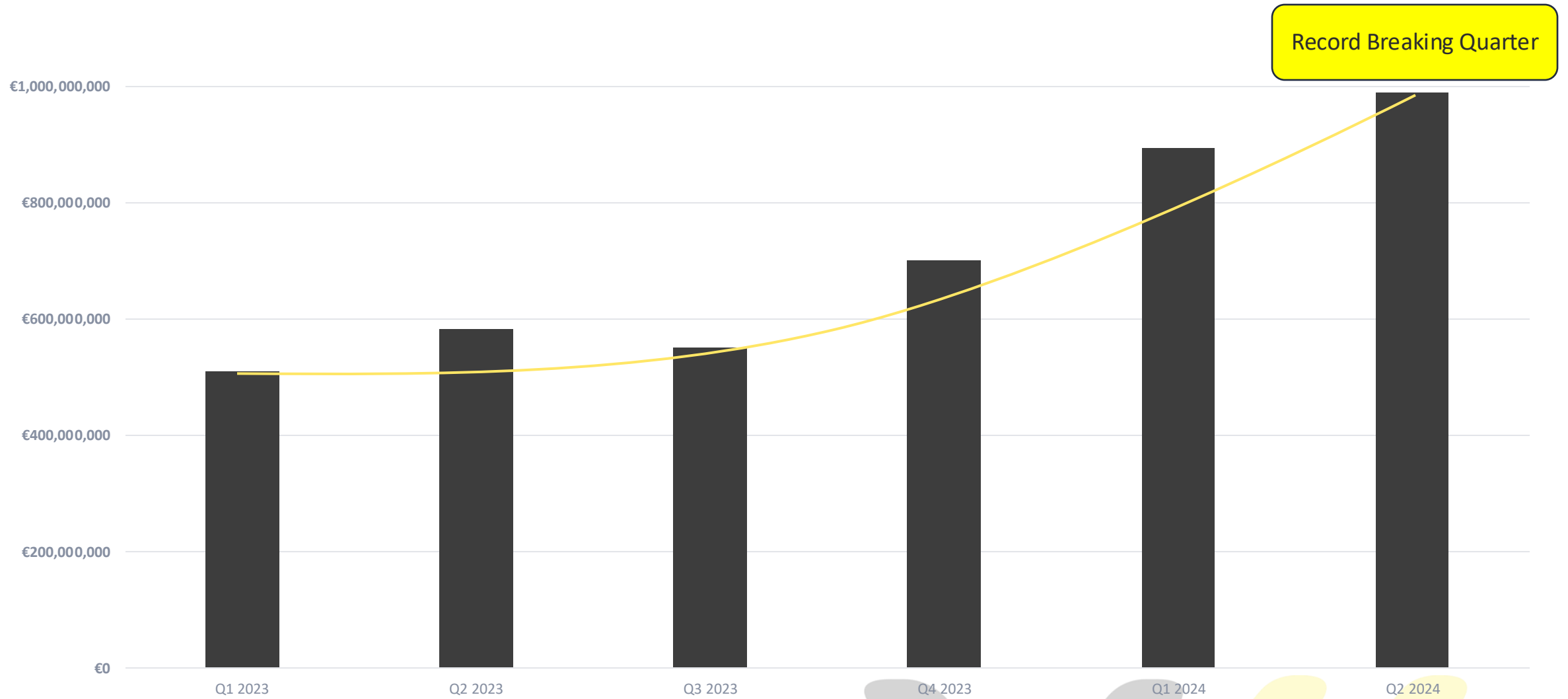
Key Metrics

	30-Jun-24	31-Mar-24	30-Jun-23	Variance	Variance	Variance	Variance
	Quarter 2	Quarter 1	Quarter 2	2Q24 v 1Q24	2Q24 v 1Q24	2Q24 v 2Q23	2Q24 v 2Q23
	eur	eur	eur	eur	%	eur	%
Earnings before Interest, Tax, D&A, FX and Impairments	7,354,934	8,186,253	2,308,469	(831,319)	-10.2%	5,046,465	218.6%
Own Funds	24,564,298	18,790,724	8,770,276	5,773,573	30.7%	15,794,021	180.1%
Funds held on behalf of Business Customers	154,774,613	137,728,395	120,419,786	17,046,218	12.4%	34,354,827	28.5%
Total Processing Volume (TPV)	989,462,755	894,590,246	581,330,161	94,872,509	10.6%	408,132,595	70.2%
Net Assets	27,864,931	20,572,936	12,515,339	7,291,995	35.4%	15,349,592	122.6%
Net Assets per Share	€ 0.253	€ 0.187	€ 0.114	€ 0.066	35.4%	€ 0.139	122.6%

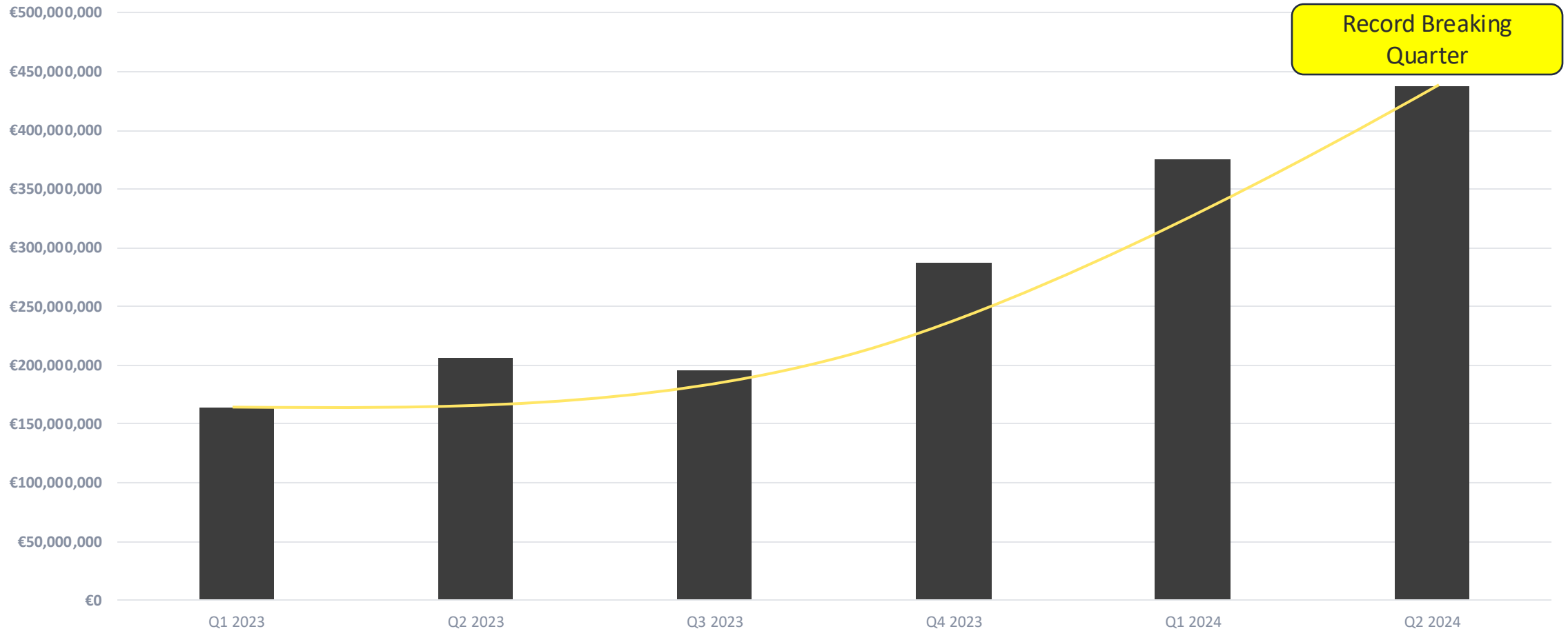
Balance Sheet	Supplementary Data									
	Quarterly Trends						Six month ended June 30th			
	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	2Q24 Change		2024	2023	Change
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	1Q24	2Q23	Half 1	Half 1	
eur	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Cash and Cash Equivalent	13,564,298	11,790,724	8,126,279	9,324,941	8,770,276	15%	55%	13,564,298	8,770,276	55%
Fair Value through P&L	11,000,000	7,000,000	5,500,311	-	-	57%		11,000,000	-	#DIV/0!
Funds Held on behalf of Business Customers	154,774,613	137,728,395	121,280,815	104,907,933	120,419,786	12%	29%	154,774,613	120,419,786	29%
Other	3,961,615	3,460,003	3,109,603	3,095,358	3,040,424	14%	30%	3,961,615	3,040,424	30%
Current Assets	183,300,526	159,979,122	138,017,008	117,328,232	132,230,486	15%	39%	183,300,526	132,230,486	39%
Non Current Assets	10,678,449	8,320,164	9,031,765	10,735,217	9,924,911	28%	8%	10,678,449	9,924,911	8%
Total Assets	193,978,975	168,299,286	147,048,773	128,063,449	142,155,396	15%	36%	193,978,975	142,155,396	36%
Funds Held on behalf of Business Customers	(154,774,613)	(137,728,395)	(121,280,815)	(104,907,933)	(120,419,786)	12%	29%	(154,774,613)	(120,419,786)	29%
Other Current Liabilities	(8,055,286)	(6,395,007)	(6,076,432)	(4,540,556)	(4,745,829)	-	26%	(8,055,286)	(4,745,829)	70%
Current Liabilities	(162,829,899)	(144,123,402)	(127,357,247)	(109,448,489)	(125,165,615)	13%	30%	(162,829,899)	(125,165,615)	30%
Non Current Liabilities	(3,284,144)	(3,602,948)	(3,503,020)	(4,545,398)	(4,474,443)	-9%	-27%	(3,284,144)	(4,474,443)	-27%
Total Liabilities	(166,114,044)	(147,726,350)	(130,860,267)	(113,993,887)	(129,640,058)	12%	28%	(166,114,044)	(129,640,058)	28%
Net Assets	27,864,931	20,572,936	16,188,506	14,069,562	12,515,339	35%	123%	27,864,931	12,515,339	123%
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	11,869,482	11,749,459	11,793,460	11,858,906	11,783,505	1%	1%	11,869,482	11,783,505	1%
Accumulated Profit/(Loss)	7,860,545	689,238	(3,734,168)	(5,920,997)	(7,400,013)	1040%	-206%	7,860,545	(7,400,013)	-206%
Non Controlling Interest	429,342	428,677	423,652	426,091	426,284	0%	1%	429,342	426,284	1%
Total Equity	27,864,931	20,572,936	16,188,506	14,069,562	12,515,339	35%	123%	27,864,931	12,515,339	123%

Profit or Loss	Quarterly Trends						Six month ended June 30th			
	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	2Q24 Change		2024	2023	Change
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	1Q24	2Q23	Half 1	Half 1	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Revenues	14,145,237	14,250,672	10,452,581	7,170,148	7,503,586	-1%	89%	28,395,910	14,673,734	94%
Gross Profit	12,614,304	12,987,695	9,496,855	6,023,725	6,604,985	-3%	91%	25,601,999	12,628,710	103%
Profit/(loss) before Tax	6,005,388	7,260,549	2,931,261	1,700,159	1,168,811	-17%	414%	13,265,937	2,868,970	362%
Net Income	5,230,038	6,370,374	2,279,166	1,384,047	785,479	-18%	566%	11,600,412	2,169,526	435%

Total Processed Inflow Volume



Open Banking Volume





Thank you

ISX Financial EU Plc

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