



2024 ISX Financial EU PLC January-March '24 Quarterly Report (Q1 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, ChinaUnionPay & JCB

SEPA, FPS, CHAPS & BACS Membership

SWIFT Membership : ISEMCY22 & ISFIGB22

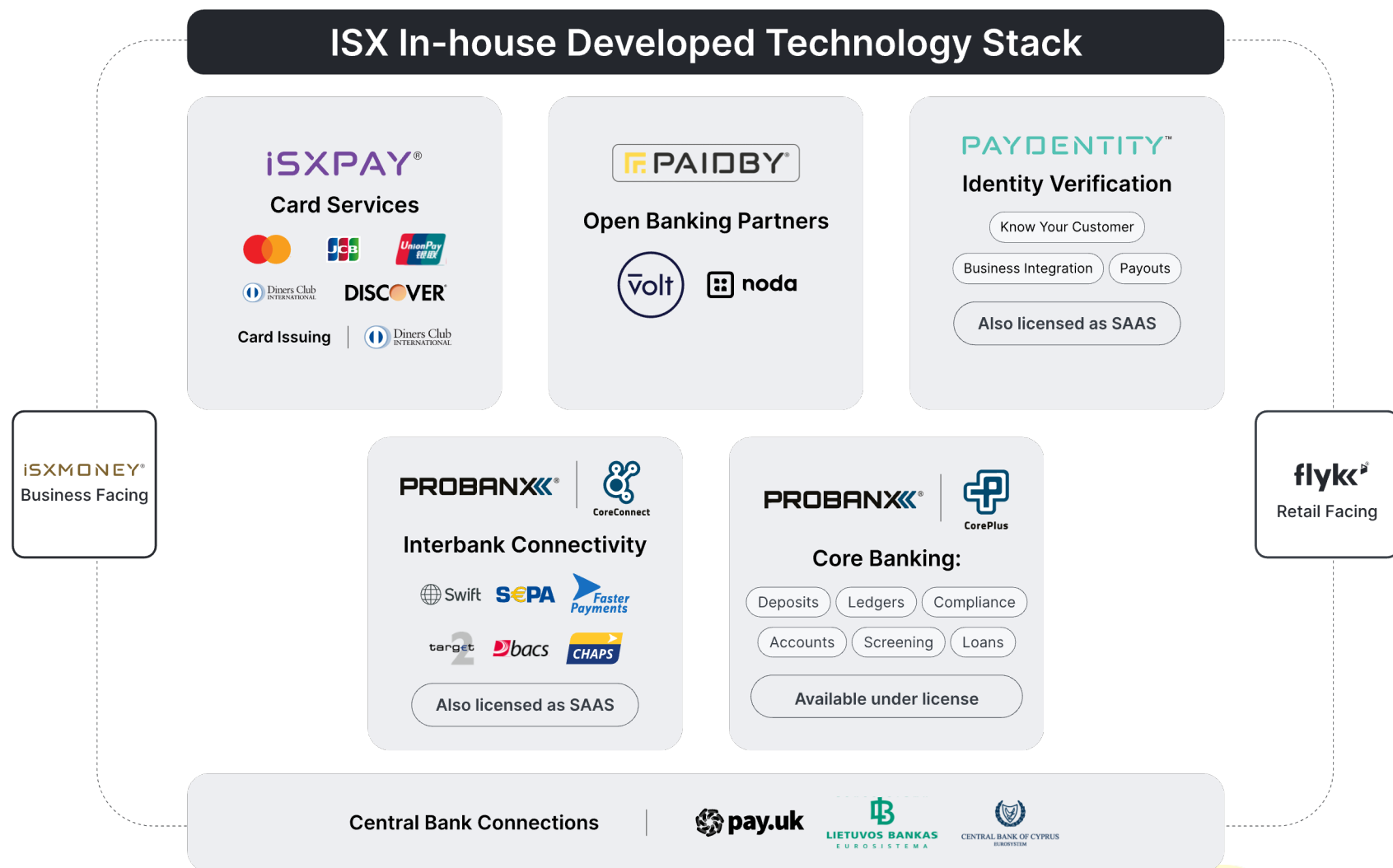
Eurozone Central Banking

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

(Q1 FY2024) (unaudited)



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Q4 FY2023 Key Updates

- **Continued Success:** In continuation of our 2023 successes, this quarter marks a record-breaking period for us. With determined focus and strategic initiatives, we've achieved significant milestones, underscoring our commitment to growth and innovation in the 'banktech' and payments sector, achieving new milestones since our demerger in 2021.
- **Robust Growth:** Our revenues surged by an impressive 85% year-over-year to €13.4 million, accompanied by a remarkable 31% quarter-over-quarter growth. Additionally, Net Assets grew to €20.6 million experiencing a 72% year-over-year increase, coupled with a 27% quarter-over-quarter increase.
- **Financial Strength:** With an EBITDA margin of 55%, we maintain a solid financial footing, demonstrating resilience and stability in the market as a 'banktech' payments company.
- **Innovation Focus:** We're committed to innovation, evident in our Q1 investment of €0.6 million in Research and Development. These investments drive customer-centric solutions and keep us ahead in technological advancements.
- **Future Outlook:** Looking ahead to 2024, we aim to achieve €45 million in revenue, while maintaining our EBITDA/profitability margin within the 25-35% range. With strategic planning and execution, we are confident in achieving our targets and driving sustained growth in the years to come.

Financial Insights

- **Profit Milestones:** Q1 2024 brought an unaudited profit of €6.4 million. Excluding National Stock Exchange of Australia (NSX) write-downs, our profit after income tax for the quarter reached €6.6 million, marking a substantial 361% year-over-year increase and a €3.8 million (+133%) increase from Q4 2023.
- **Transaction Volume Surge:** Witnessed a remarkable 70% year-over-year increase in transaction volumes to €895 million (28% quarter-over-quarter), exceeding expectations. Noteworthy growth observed in EMA Accounts (24%) and Open Banking (31%) quarter-over-quarter.
- **Revenue Growth:** Q1 revenues hit €14.3 million, surpassing expectations with a 31% quarter-over-quarter increase. Achieved new monthly highs consecutively, fueled by increased transactions while maintaining margins.
- **Cost Management:** Overall expenses decreased by €0.5 million (7% decrease), mainly due to the Q4 2023 annual compensation provision. However, excluding this provision, operating expenses and cost of goods sold in Q1 increased due to rising transaction volumes, expanded headcount, and higher compensation.

Financial Insights

- **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 €0.6 million this quarter.
- **Financial Strength Overview:** Cash and Cash Equivalents improved by €3.6 million (+45.1%) to €11.8 million compared to the previous quarter and by €4.5 million (62.2%) year-over-year, underscoring our strong liquidity and financial stability. Additionally, we maintained €7 million (+€1.5 million in Q1) in short-term, high-quality liquid money market funds.
- **Funds held on behalf of Business Customers and Assets:** Experienced a quarter-over-quarter increase of €16.5 million (13.6%) to €138.7 million in funds held on behalf of Business Customers. Net Assets demonstrated growth, increasing by €4.4 million (27.1%) quarter-over-quarter to €20.6 million.
- **Net Assets Per Share:** Net Assets/Book value per Share increased by €0.04 (27.1%) in Q1 2024, reaching €0.187, underscoring our continuous progress.
- **In summary:** Our Q1 2024 performance showcases sustained growth, solid profitability, and strategic investments, positioning us well for the remainder of 2024.

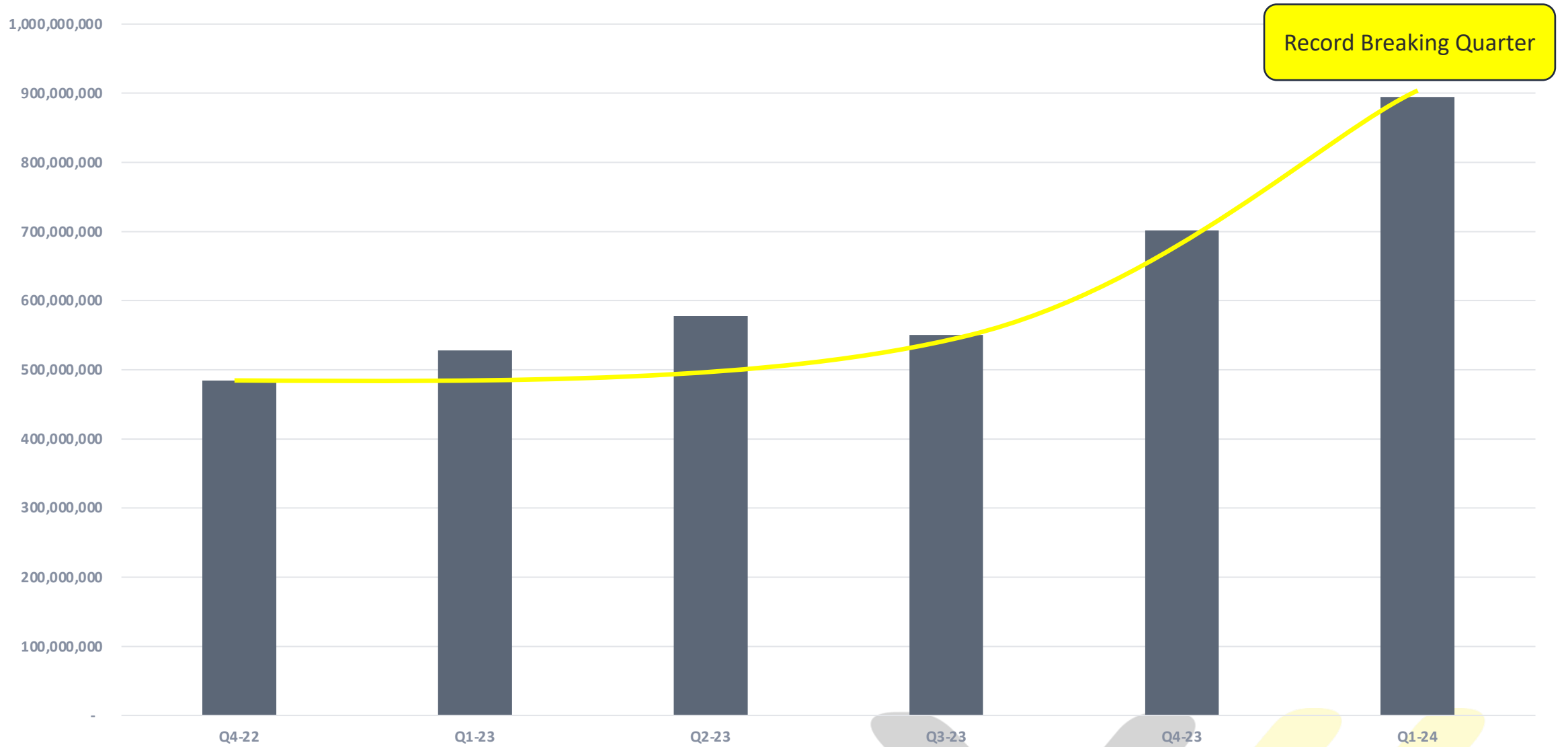
Consolidated Statement of Profit or Loss – ISX Financial EU 31 March 2024 Unaudited							
	31-Mar-24	31-Dec-23	31-Mar-23	Variance	Variance	Variance	Variance
	Quarter 1	Quarter 4	Quarter 1	1Q24 v 4Q23	1Q24 v 4Q23	1Q24 v 1Q23	1Q24 v 1Q23
	eur	eur	eur	eur	%	eur	%
Revenue from Customers	13,356,889	10,211,638	7,201,937	3,145,251	31%	6,154,952	85%
Other income	893,783	240,944	27,127	652,840	271%	866,656	3195%
Expenses	(6,990,123)	(7,521,321)	(6,104,893)	531,197	-7%	(885,230)	15%
Profit/(loss) before income tax expense	7,260,549	2,931,261	1,124,170	4,329,288	148%	6,136,379	546%
Income tax expense	(890,175)	(652,095)	(325,168)	(238,081)	37%	(565,007)	174%
Profit/(loss) after income tax expense for the year	6,370,374	2,279,166	799,002	4,091,207	180%	5,571,371	697%
Profit/(loss after income tax expense for the year - Excluding NSX Write Downs	6,586,978	2,831,387	1,428,950	3,755,591	133%	5,158,028	361%

Key Metrics							
	31-Mar-24	31-Dec-23	31-Mar-23	Variance	Variance	Variance	Variance
	Quarter 1	Quarter 4	Quarter 1	1Q24 v 4Q23	1Q24 v 4Q23	1Q24 v 1Q23	1Q24 v 1Q23
	eur	eur	eur	eur	%	eur	%
Earnings before Interest, Tax, D&A, FX and Impairments	8,186,253	4,365,210	2,507,159	3,821,043	87.5%	5,679,094	226.5%
Cash and Cash Equivalents	11,790,724	8,126,279	7,270,758	3,664,445	45.1%	4,519,966	62.2%
Funds held on behalf of Business Customers	137,728,395	121,280,815	123,396,782	16,447,579	13.6%	14,331,613	11.6%
Total Processing Volume (TPV)	894,590,246	701,865,263	527,638,009	192,724,983	27.5%	366,952,238	69.5%
Net Assets	20,572,936	16,188,506	11,988,276	4,384,430	27.1%	8,584,660	71.6%
Net Assets per Share	€0.187	€0.147	€0.109	€0.040	27.1%	€ 0.078	71.6%

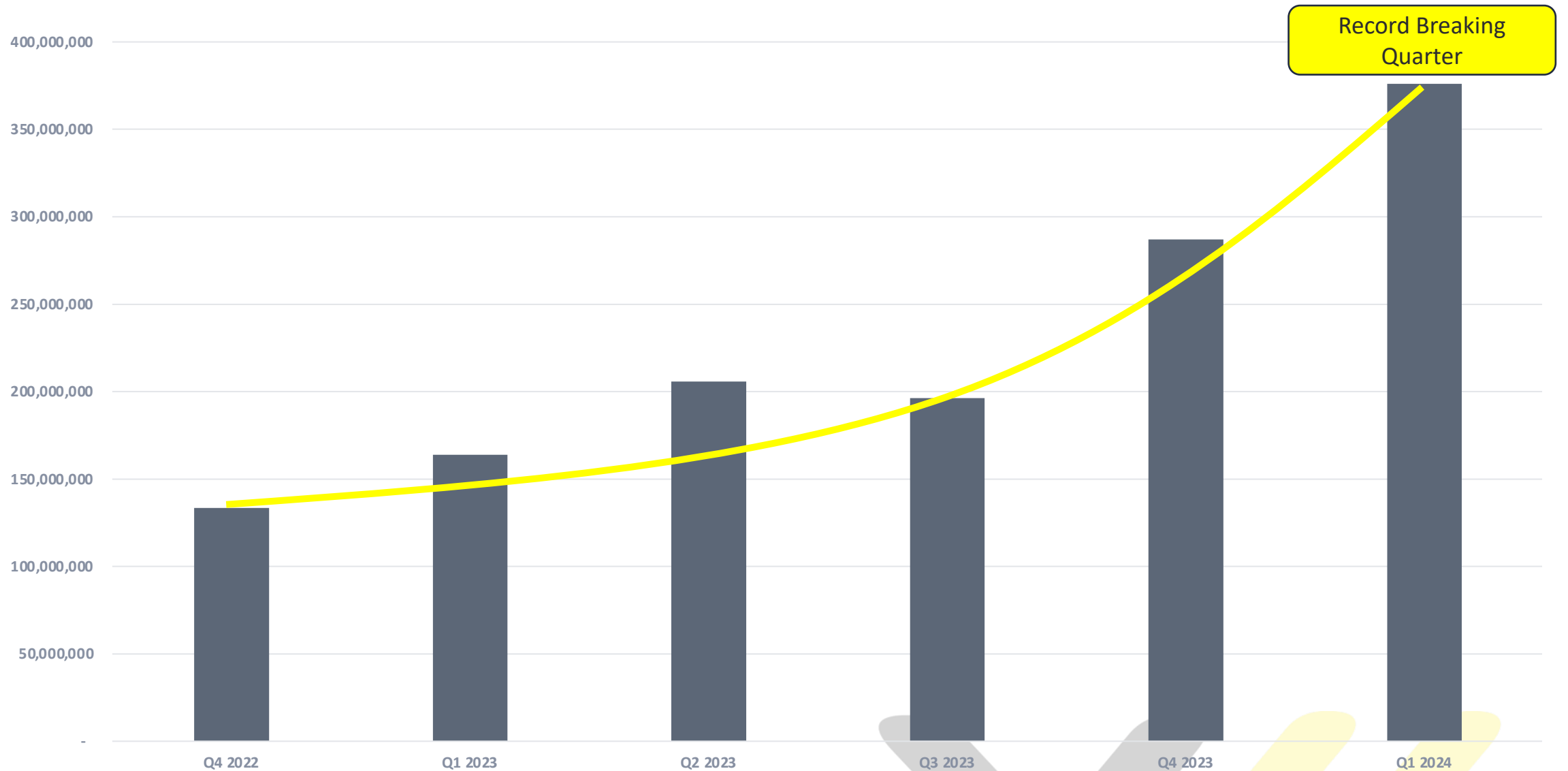
Balance Sheet		Supplementary Data								Three months ended 31 March		
		Quarterly Trends										
		31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	Q124 Change		2024	2023	Change
		Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Q423	Q123	3 Months	3 Months	
		eur	eur	eur	eur	eur	eur	eur	eur	eur	eur	
Cash and Cash Equivalent		11,790,724	8,126,279	9,324,941	8,770,276	7,270,758	5,983,161	45%	62%	11,790,724	7,270,758	62%
Fair Value through P&L		7,000,000	5,500,311	-	-	-	-			7,000,000	-	
Funds Held on behalf of Business	Customers	137,728,395	121,280,815	104,907,933	120,419,786	123,396,782	103,761,600	16%	17%	137,728,395	123,396,782	12%
Other		3,460,003	3,109,603	3,095,358	3,040,424	2,708,353	2,843,410	0%	9%	3,460,003	2,708,353	28%
Current Assets		159,979,122	138,017,008	117,328,232	132,230,486	133,375,892	112,588,171	18%	23%	159,979,122	133,375,892	20%
Non Current Assets		8,320,164	9,031,765	10,735,217	9,924,911	10,819,515	11,140,456	-16%	-19%	8,320,164	10,819,515	-23%
Total Assets		168,299,286	147,048,773	128,063,449	142,155,396	144,195,407	123,728,627	15%	19%	168,299,286	144,195,407	17%
Funds Held on behalf of Business Customers		(137,728,395)	(121,280,815)	(104,907,933)	(120,419,786)	(123,396,782)	(103,761,600)	16%	17%	(137,728,395)	(123,396,782)	12%
Other Current Liabilities		(6,395,007)	(6,076,432)	(4,540,556)	(4,745,829)	(4,029,268)	(4,079,698)	-	34%	(6,395,007)	(4,029,268)	59%
Current Liabilities		(144,123,402)	(127,357,247)	(109,448,489)	(125,165,615)	(127,426,049)	(107,841,298)	16%	18%	(144,123,402)	(127,426,049)	13%
Non Current Liabilities		(3,602,948)	(3,503,020)	(4,545,398)	(4,474,443)	(4,781,082)	(4,757,909)	-23%	-26%	(3,602,948)	(4,781,082)	-25%
Total Liabilities		(147,726,350)	(130,860,267)	(113,993,887)	(129,640,058)	(132,207,131)	(112,599,207)	15%	16%	(147,726,350)	(132,207,131)	12%
Net Assets		20,572,936	16,188,506	14,069,562	12,515,339	11,988,276	11,129,420	15%	45%	20,572,936	11,988,276	72%
Ordinary Shares		7,705,562	7,705,562	7,705,562	7,705,562	7,705,562	7,705,562	0%	0%	-	-	-
Reserves		11,749,459	11,793,460	11,858,906	11,783,505	12,041,922	11,982,068	-1%	-2%	11,749,459	2,067,067	468%
Accumulated Profit/(Loss)		689,238	(3,734,168)	(5,920,997)	(7,400,013)	(8,186,128)	(8,982,515)	-37%	-58%	689,238	(8,186,128)	-108%
Non Controlling Interest		428,677	423,652	426,091	426,284	426,920	424,304	-1%	0%	428,677	426,920	0%
Total Equity		20,572,936	16,188,506	14,069,562	12,515,339	11,988,276	11,129,420	15%	45%	20,572,936	11,988,276	72%

	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	Q124 Change		2024	2023	Change
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Q423	Q123	3 Months	3 Months	
	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur	eur
Revenues	14,250,672	10,452,581	7,170,148	7,503,586	7,229,064	7,600,242	46%	38%	14,250,672	7,229,064	97%
Gross Profit	12,987,695	9,496,855	6,023,725	6,604,985	5,807,110	5,735,445	58%	66%	12,987,695	5,807,110	124%
Profit/(loss) before Tax	7,260,549	2,931,261	1,700,159	1,168,811	1,124,170	2,351,848	72%	25%	7,260,549	1,124,170	546%
Net Income	6,370,374	2,279,166	1,384,047	785,479	799,002	1,929,129	65%	18%	6,370,374	799,002	697%

Total processed Inflow Volume



Open Banking Volume





Thank you

ISX Financial EU Plc

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