

ISX Financial EU Plc Half Year Financial Update

28th July 2022



FCA Authorised EMI
FRN #901034



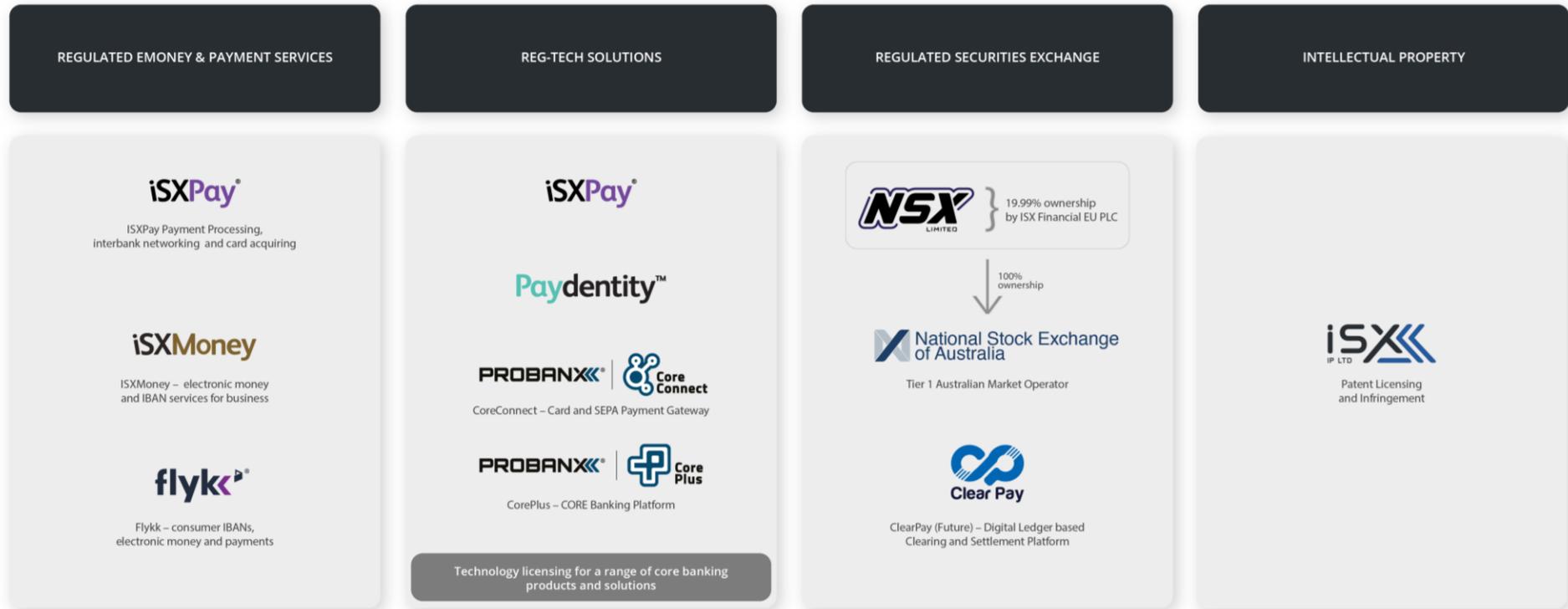
EEA Authorised
EMI #115.1.3.17



ISX Financial EU Plc (ISX Plc) : Background

ISX Plc is a profitable, diversified payments technology and regulated financial services group, founded in late 2016.

With around 140 staff, our operations are currently European centric, with more than 99% of our revenues derived from the UK and EEA, servicing customers in the gaming, CFD, FX, banking, credit union and ecommerce sectors. Our HQ is in Nicosia, with operations in London (UK), Sydney, Melbourne (AUS), Vilnius (LT), Raleigh (USA) and sales offices Amsterdam (NL), Tel Aviv (IL) and Valetta (MT). North America is our upcoming focus for growth, in particular Canada and Brazil, to continuing servicing our existing customers.



ISX Financial EU PLC © 2021

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

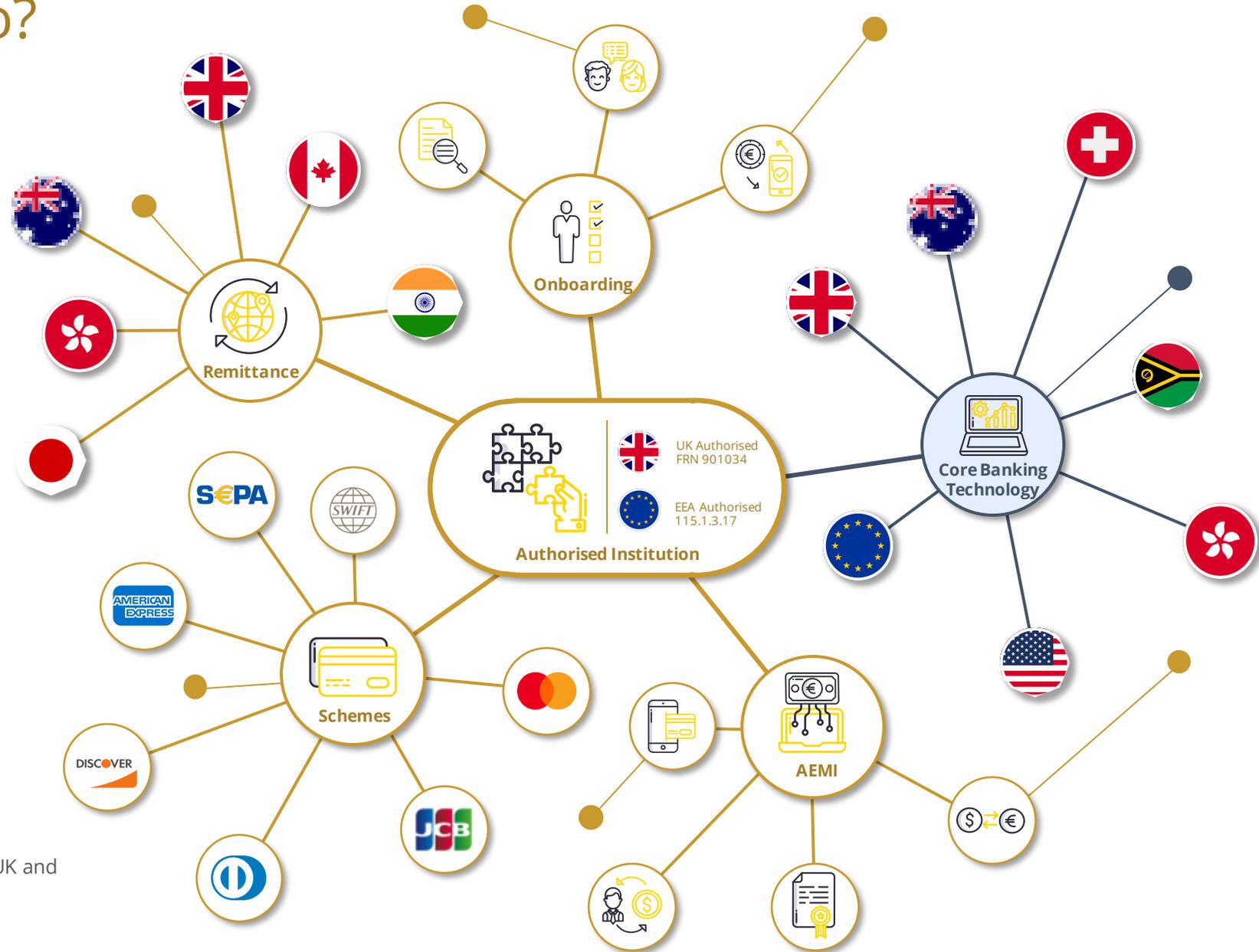
- Principal Member of Mastercard, Diners, Discover & JCB
- Aggregation Partner AMEX
- SEPA, FPS, BACs Membership
- SWIFT Membership
- ISEMCY22 & Eurozone Central Banking

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



What's unique about ISX Plc?



Onboarding speed and reach. Payidentity can reach, identify, verify and take payment at the same time from 4.2 billion people, or 69% of the world's population. We massively improve conversions by use of automation.



Diversified payment choice. ISXPay is a principal member of major card schemes in the EU and UK, including Mastercard, China UnionPay, Diners, Discover, JCB, and American Express, as well as a number of alternative payment methods (APM's).



Speed to payout. This is emerging as an important aspect for the customers of our financial services merchants. The ability to move funds quickly and to a variety of destination accounts is a critical selling point for merchants to their customers.



Multi-currency choice. We offer between 16 to 23 currencies natively to our merchants, so that they can accept and we will settle in the world's most popular currencies (with some exotics!).



Account Issuing. Use of IBAN account to link all the above services to a customer. Funds held at Lithuanian Central Bank.



Multi Region. Our customers operate in the UK and the EEA.



Single touch point. ISX is positioned to offer solutions via a single relationship and technical integration.



Unique IP. We have designed, developed and patented our key platforms inhouse. We can leverage our products to maximise our opportunities, without paying royalties or fees for core services. We own our technologies, including the software code base, allowing us to innovate and adapt to customer requirements rapidly.

Financials



Financial Performance : €

Consolidated Statement of profit or loss and other comprehensive income – ISXFEU Historicals and Unaudited 30 June 2022 Half Year

	31-Dec-20	31-Dec-21	30-Jun-22	1H22 Annualised
	Full Year	Full Year	Half Year	v FY21
	eur	eur	eur	%
Revenue from Customers	21,823,061	22,726,382	13,524,512	19.0%
Other income	511,802	118,071	23,833	-59.6%
Expenses	(18,191,439)	(20,355,119)	(12,447,231)	22.3%
Profit/(loss) before income tax expense	4,143,424	2,489,333	1,101,114	-11.5%
Income tax expense	(876,812)	(1,140,853)	(461,512)	-19.1%
Profit/(loss) after income tax expense for the year	3,266,611	1,348,480	639,602	-5.1%

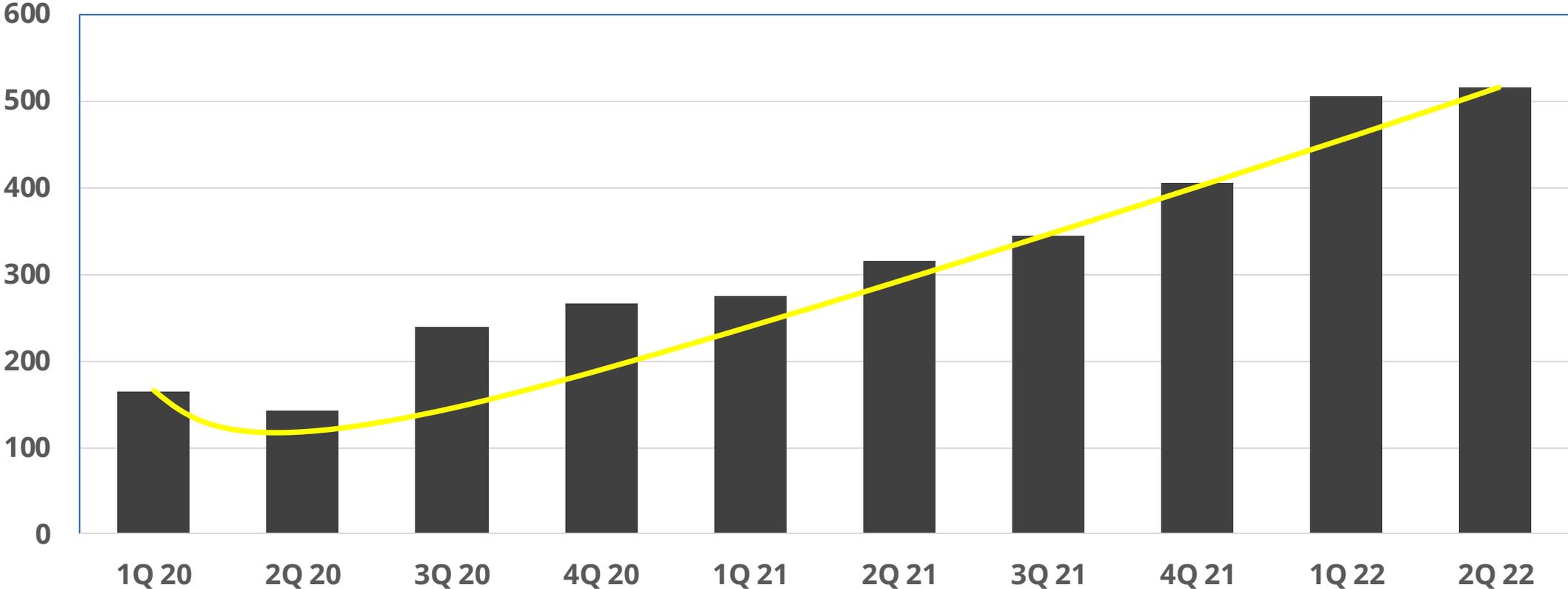
Key Metrics

	31-Dec-20	31-Dec-21	30-Jun-22	1H22 Annualised
	Full Year	Full Year	Half Year	v FY21
	eur	eur	eur	%
Earnings before Interest, Tax, D&A, FX and Impairments	5,036,784	5,545,544	3,862,442	39.3%
Profit After tax, excluding Impairments	3,572,050	2,810,508	2,256,746	60.6%
Cash and Cash Equivalents	8,342,312	4,968,402	5,538,249	11.5%
Funds held on behalf of merchants	62,021,528	94,097,050	96,976,189	3.1%
Total Processing Volume (TPV)	811,656,854	1,340,182,074	1,022,284,953	52.6%

- For the first half 2022 the Group has recorded an unaudited €0.6m profit inclusive of a €1.6m write down in the NSX investment. Excluding this write down the Group recorded a €2.25m profit after tax, up 61% on 2021 on an annualised basis.
- In the half the Group took a €1.6m write down in the NSX investment largely due to a lower share price at the end of the half year.
- In the first half 2022 the Group recorded €13.5m in revenue, up 19% on 2021 on an annualised basis. Revenue increased due to growth from new products, existing clients and new clients in the half year.
- Excluding the write down of the NSX Investment, expenses were €10.8m in the half, up 15% on an annualised basis versus FY 2021. Expenses increase due to higher employee costs, increased depreciation and amortisation costs as we continue to invest in building out the Group's technology stack, combined by increased operating costs, which were up 7% in the half.
- Cash and cash equivalents ended the half at €5.5m, up €0.6m due to €3.3m cash flows generated from operating activities, partially offset by €1.5m in payments for intangible assets as we continue to invest in building out the Group's technology stack, and €1.5m in repayments of borrowings.
- For the half, the Group has just over €1 billion in Total Processing Volume, up 53% on 2021 on an annualised basis. Consistent with prior period we continue to see growth shift from card acquiring, towards lower cost instant and batched interbank payments, and creating a multi-rail ecosystem centred on the Group's flykk® service

Overall Growth in Total Processed Volume (TPV)

2020-2022 Total Processed Volume

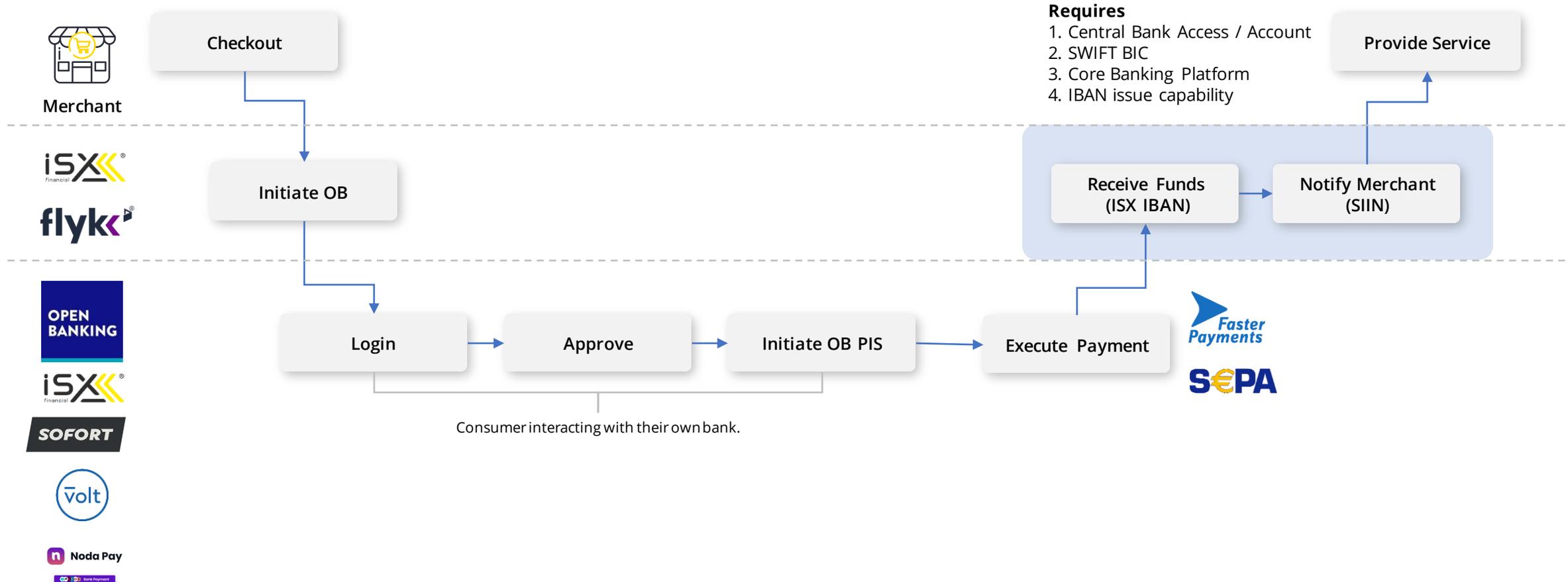


Initiation agnostic Open Banking



Bridging the gap between Cards and Banking

ISX has developed an ecosystem that is Open Banking initiator agnostic across EEA and UK bank rails as an alternative to Card Schemes. Open Banking offers the convenience and security of low friction payments, with up to €100k or £1m in under 15 seconds (for enabled host banks). Retail and business customers can enjoy the benefits of chargeback free instant settled funds an IBAN/Sort Account we issue to our customers, with advanced API based notifications from ISX Financial's SIIN service. SIIN provides rich details for each transaction, as a true alternative to card authorisations!



Technology Stack

flykk®

Bank Networks:



SEPA



target2

bacs

PROBANX®



CoreConnect

Interbank Connectivity

Also sold as software

PROBANX®



CorePlus

Core Banking: Deposits,
Loans, Accounts, Ledgers,
Compliance, Screening,
Reporting

Also sold as software

Paydentity™

E-Commerce Checkout, Card
Acquiring, SEPA Acquiring
Identity & Verification,
Merchant Integration,
Payouts

Card Schemes:



Fintech:



Open Banking, Fraud, AML, Risk, Reporting, Paydentity Platform

ISX Developed Supporting Technology – optimised for performance,
security and functionality.

Advantages of Flykk® ecosystem

Business/Merchants

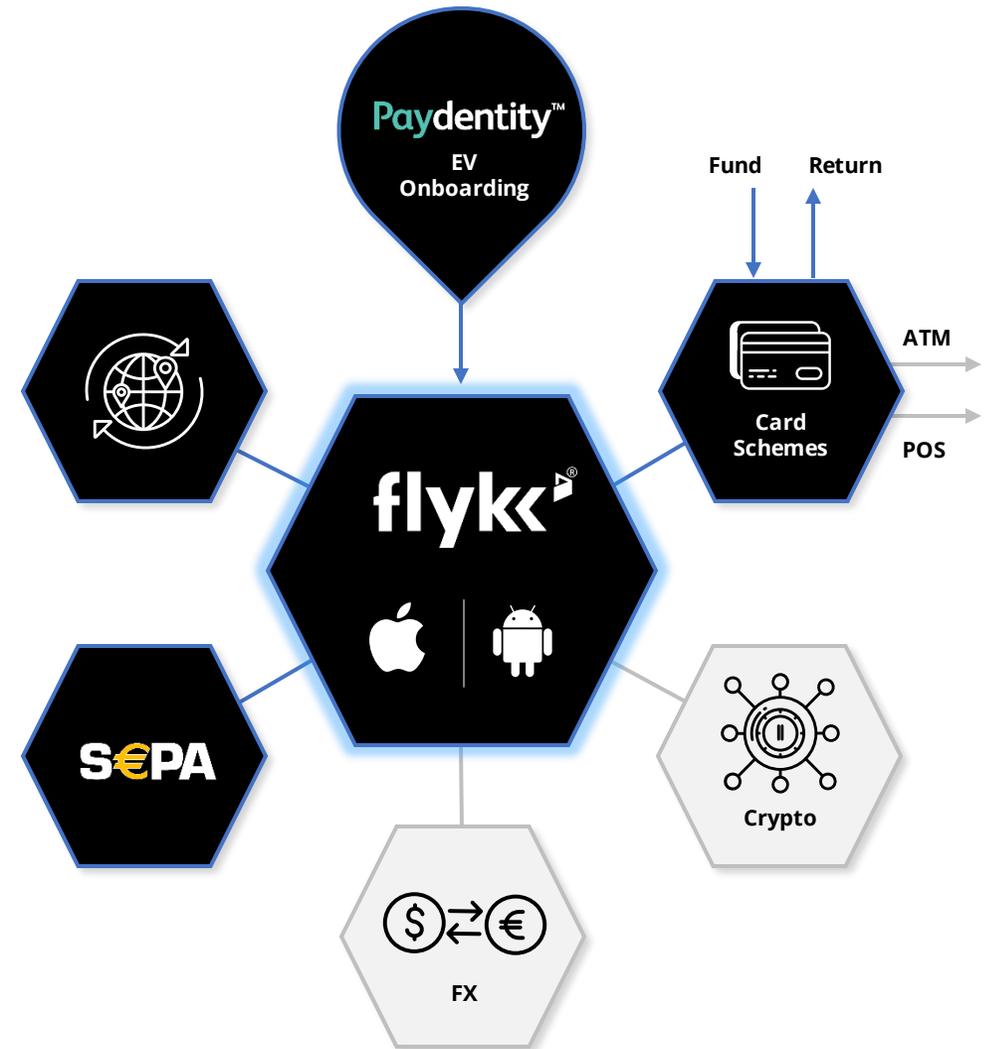
- Ultra low friction/fast Open Banking checkout
- Instant clearing to IBAN for EUROS € and GBP
- API driven SIIN cleared payment notification and reconciliation for IBAN transfers in 25 currencies
- SWIFT inbound payments along 25 major corridors
- Automated cleared payment notification and reconciliation of Sofort
- In most cases 0% rolling reserve / security

Consumer

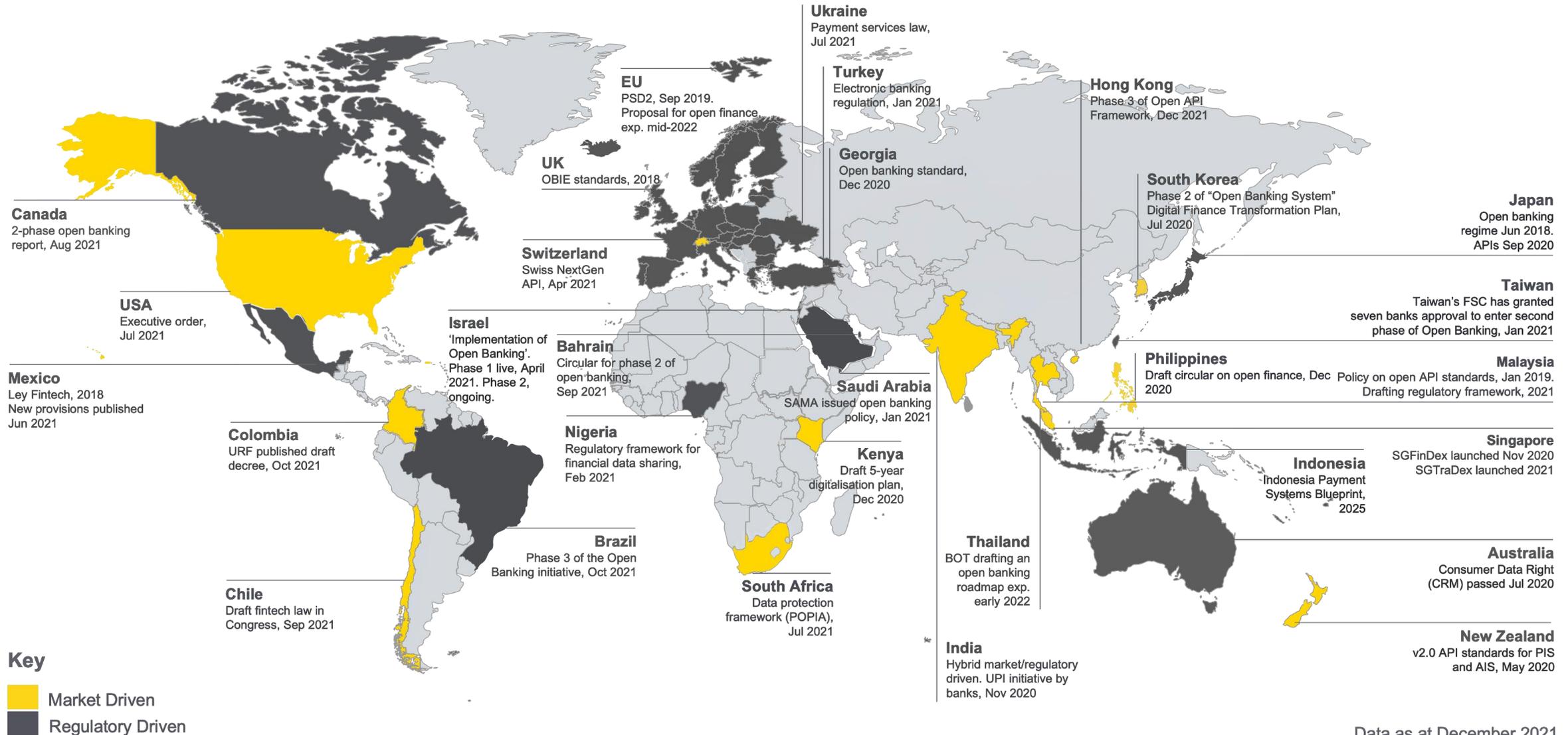
- Free money transfer
- International remittance

Near term

- Linked Diners and Mastercard debit cards
- Crypto currency fiat on/off ramp



Where to next with Open Banking?



Data as at December 2021

Team



Directors Overview



Takis Taoushanis

Independent Non-Executive Chairman

<https://www.linkedin.com/in/takis-taoushanis-24186235/>



Nikogiannis Karantzis

Managing Director & CEO

<https://www.linkedin.com/in/njkarantzis/>



Paul Barnes

Independent Non-Executive Director
(Proposed)



Timothy Hart

Independent Non-Executive Director (Proposed)

<https://www.linkedin.com/in/tim-hart-99739514/>



Dominic Melo

Executive Director & Chief Product Officer

<https://www.linkedin.com/in/paymentexpert/>



Elizabeth Warell

Executive Director & Chief Financial Officer

<https://www.linkedin.com/in/lizwarrell/>



Panikos Poulos

Independent Non-Executive Director

<https://www.isx.financial/blog/announcedirector>



Adonis Pegasiou

Independent Non-Executive Director

<https://www.linkedin.com/in/adonis-pegasiou-9ab09728/>

Executive Team Overview



Nikogiannis Karantzis

Managing Director & CEO

<https://www.linkedin.com/in/njkarantzis/>



James Cameron

Chief Risk Officer

<https://www.linkedin.com/in/james-cameron-15b1124/>



Elizabeth Warrell

Chief Financial Officer

<https://www.linkedin.com/in/lizwarrell/>



Dominic Melo

Chief Product Officer

<https://www.linkedin.com/in/paymentexpert/>



Andrew Evers

Chief Technology Officer

<https://www.linkedin.com/in/andrew-evers-3a1bab1/>



Paul Singh

Chief Compliance Officer

<https://www.linkedin.com/in/paul-singh-b1ab9012/>



Andrew Karantzis

Global Sales & Marketing Director

<https://www.linkedin.com/in/andrew-karantzis-4560186/>

Partners/Customers



Customers & Platform Partners

Regulated Services Target

- eCommerce / Retail
- Gaming
- Securities / Brokerage

Regtech Products Targets

- Banks
- Credit Unions
- Electronic Money Institutions
- Payment Services Providers
- Financial Services companies

Key Platform Partners:

Integrated 2018	Integrated 2018 Updated 2020	Integrated 2021
 Panda TRADING SYSTEMS	 DEVCODE <small>Worldline (EPA: WLN)</small>	 WIX <small>(NASDAQ: WIX)</small>
 MetaTrader 4	 Praxis	 playtech <small>SOURCE OF SUCCESS</small> <small>(LON: PTECH)</small>

Some of our customers include:

 KREDA <small>RASEINIŲ KREDITO UNIJA</small>	 Payoma	 CASINO	 SGBCy <small>SOCIETE GENERALE BANK-CYPRUS</small>
 MANO BANKAS	 wittix	 MFG <small>MANAGEMENT FINANCIAL GROUP</small>	 Lottoland
 evoke	 mr green™	 Entain	 William HILL

Thank you

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investors@isxfinancial.com

