



# Annual Report

ISX Financial EU Plc

#HE348009 // LEI: 213800NGHVYL5PFZI692 // Code : ISXX

2024

For the year ended  
**31 December 2024**



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# Company Overview

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.

ISX Financial's consumer product flykk® is a digital wallet that combines all its financial technology and infrastructure to create a retail product. flykk® is a two-sided network developed on ISX's own platform that links both merchants and consumers around the globe to facilitate the processing of payment transactions. flykk® allows customers to use their account for both purchases and paying for goods, as well as to transfer and withdraw funds, with the benefits of a Diners card for point of sale transactions.

ISX Financial's subsidiary Probanx® also develops payment infrastructure for third parties, and provides connectivity to central banks, banks around the world and major card schemes.

# Corporate Directory

## Directors

**Christakis Taoushanis** // Independent Non-Executive Chairman

**Nikogiannis Karantzis** // Managing Director

**Dominic Melo** // Executive Director

**Panikos Poulos** // Independent Non-Executive Director

**Adonis Pegasiou** // Independent Non-Executive Director

**Paul Barnes** // Independent Non-Executive Director

## Chief Financial Officer

**Ajay Treon**

## Company Secretary

**Elena Pafiti**

## Registered Office

Makrasykas 1, KBC North Bldg.  
Strovolos, Nicosia, 2034,  
Cyprus

## Auditor

**BDO Limited**

236 Strovolos Avenue  
Strovolos  
Nicosia, 2048, Cyprus

## Website

**[www.isx.financial](http://www.isx.financial)**

## Internal Auditor (Cyprus)

**Nexia Poyiadjis Chartered Accountants**

8th floor  
2 Sophouli str,  
Nicosia, 1096,  
Cyprus

## Partner Monetary Financial Institutions (Partner MFI)

**Alpha Bank Cyprus Ltd**

**Astrobank Public Company Limited**

**Banking Circle S.A**

**Banking Circle S.A. UK Branch**

**(Central) Bank Of Lithuania**

**ClearBank Ltd**

**Goldman Sachs Asset Management (GS Funds Plc)**

**State Street Fund Services (Ireland) Limited**

**BlackRock, Inc**

**Convera USA LLC**

**Cambridge Mercantile Corp. (UK) Limited ("Corpay")**

# Streamlined Banktech For Your Business



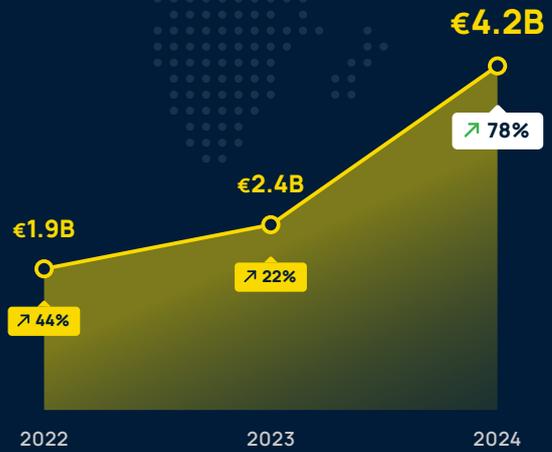
2024

# Key Numbers

Total Processed Volume

€4.2B

+78% YoY



Total Revenue  
& Other Income

€58.7M

+81% YoY



## EBITDA

# €33.6M

+233% YoY



## Own Funds

# €34.6M

+152% YoY



## Funds Held on Behalf of Clients

# €189M

+56% YoY





## Letter from the Chairman

# Dear Shareholders,

It is with great pride that I present this letter as part of our ISX Financial EU Plc Annual Report for 2024. This year has been truly remarkable, as we achieved record-breaking growth and delivered on our strategic objectives. The continued strength of ISX Financial EU Plc is reflected in the outstanding financial results we have achieved, including an 81% increase in revenue to €58.6 million, a 396% rise in net income to €26.0 million, and a 152% increase in our own funds to €34.6 million. Additionally, funds held on behalf of our business customers grew by 59% to €193.1 million. These results are a testament to the dedication of our team and the effectiveness of our long-term strategy.

At ISX Financial EU Plc, our continued commitment to innovation remains at the heart of everything we do. In 2024, we invested around €3 million in research and development, underscoring our dedication to driving technological advancements and maintaining our leadership in the industry. This focus on innovation also led to the securing of several new patents, further strengthening our intellectual property portfolio.

In 2024, we made notable progress in enhancing our offerings, which both deepened our connections with current clients and facilitated the formation of new, strategic partnerships. A key achievement this year was the completion of our platform development, allowing us to fully leverage our SEPA Direct Debit (SDD) scheme licence. This service is poised to become the first in the EU—and soon in the UK—to integrate Strong Customer Authentication for debit mandates, a significant step towards preventing fraudulent direct debit setups and ensuring the

reliability and security of payments.

Additionally, we made further advancements to our PaidBy® platform, which was introduced in 2023. This open banking solution has quickly gained traction in competing with card payments across the UK and the Eurozone, enabling our business clients to receive payments directly from their customers' bank accounts, with same day settlement—faster than traditional card systems, which can take several days. With the inclusion of real-time API notifications and integrated refund features, PaidBy® is setting new benchmarks for both speed and transparency in the payments industry.

This year, we also focused on expanding our workforce, increasing headcount by 23%, and further investing in the development of our talented team. These efforts ensure that we have the right people in place to support our continued growth and innovation.

Looking ahead to 2025, we are enthusiastic about the prospects for further expansion. Our immediate priority is to secure access to the Bank of England's Real-Time Gross Settlement system, which will allow us to offer instant cross-border payments, further cementing our leadership in the industry. Furthermore, we remain committed to driving innovation in the payments and RegTech sectors, with a continued focus on increasing our R&D investment and securing new patents. Our exploration of artificial intelligence and the development of our stablecoin offering are just two examples of the many initiatives we are pursuing to stay ahead of market trends.

## Christakis Taoushanis

Independent Non-Executive Director and Chairman

B.Sc // M.Sc

Beyond our business accomplishments, we take pride in our social impact, through our We Care Initiatives, including our support of Ronald McDonald House Charities, our blood donation drive to the National Blood Bank, and the Dream Big Initiative, which promotes youth participation in sports. Our sponsorships of athletes and sports organizations, including Cypriot Olympic fencer Alexander Tofalides and the Cyprus Rugby Federation, are just a few examples of our commitment to making a positive difference in the communities where we operate.

In 2024, we have made significant progress in laying the groundwork for the relisting of ISX Financial EU Plc. This strategic focus has been a key priority for the executive team, and we are optimistic about the path ahead. With a solid foundation now in place, we look forward to the exciting opportunity of relisting the company in 2025, positioning us for continued growth and enhancing value for our employees and shareholders.

The collective experience and stewardship of the board have been instrumental in steering ISX Financial EU Plc towards another year of remarkable success. I would like to take this opportunity to express my sincere appreciation to my fellow Non Executive Board Members—Paul Barnes, Panikos Poulos, and Adonis Pegasiou—for their invaluable guidance and unwavering support throughout the year. A special thank you also goes to Executive Director Dominic Melo for his continued dedication. And of course to our Managing Director & CEO, Nikogiannis Karantzis, for his exceptional leadership and vision. Over the years, Mr. Karantzis has laid a solid foundation, and his strategic

foresight continues to shape the company's bright future.

As we move into 2025, we remain confident in our ability to adapt to the evolving landscape and continue delivering value to our shareholders. With strong growth in our core markets and the introduction of new products, we look forward to another year of progress, innovation, and success. On behalf of the Board of Directors, I would like to thank our employees, customers, partners, and shareholders for their continued support. Together, we are well-positioned to achieve even greater milestones in the years to come.

Thank you for your continued trust and partnership.

Yours Sincerely,



**Christakis Taoushanis**  
Non-Executive Chairman



## Letter from the CEO

# Dear Shareholders,

I am delighted to share our 2024 results and annual report, marking our sixth consecutive year of profitability and growth. This past year has been truly remarkable, breaking revenue and processing records month after month.

From our pioneering inception as the first instant payments provider with central bank settlement account access in the Balkans in 2018, ISX Financial has continuously evolved, carving out a unique niche in the financial landscape. Today, ISX Financial stands at the forefront of Account-to-Account (“A2A”) services, capitalizing on the ‘moat’ we’ve built over the years which includes taking advantage of open banking regulations, instant/faster payments, central bank access, patented intellectual property, and our robust technological infrastructure.

Our commitment to driving innovation extends to identifying and leveraging regulatory frameworks in new jurisdictions and currencies, challenging conventional norms, and seeking profitable expansion. 2024 saw ISX being awarded further new patents, extending our intellectual property claims into new areas. Part of our success lies in our commitment to research and development, with a strong emphasis on invention and innovation via engineering research.

Our flagship offering, PaidBy®, epitomises our relentless pursuit of innovation and disruption. During 2024 it has been further adapted, and it continues to represent the world’s premier end-to-end A2A solution, challenging and surpassing traditional online card payments. PaidBy® builds upon the fundamentals of open banking A2A services, seamlessly initiating payments from online platforms, boasting unparalleled speed, instant cashflow and settlement times, consumer security, functionality and efficiency. Moreover, it offers API notifications, comprehensive refund

management, and regulatory-compliant consumer protection, setting new industry benchmarks.

What truly distinguishes PaidBy® is its capability to settle within seconds in the Single Euro Payment Area (SEPA) zone and minutes in the UK via the Faster Payment Service (FPS), with funds clearing to fully featured transactional bank accounts issued by ISX to our business customers.

This level of technological depth and infrastructure integration with central banks, SWIFT, correspondent banks, and domestic banking/payment rails is typically associated with systemically important institutions.

Looking forward, our focus remains on expanding the reach and capabilities of PaidBy®, by extending regulatory authorisations, access agreements and our technology platform. Our focus during 2024 was on scaling revenues, and despite plans to automate cross-border transactions between the UK and EEA, the Company took a decision to focus on access to the Bank of England via a Settlement Account, and deferred cross border transaction capabilities into 2025. The process to gain access to the Bank of England is exacting and challenging for non-bank participants, and ISX is understood to be the first non-bank institution to attempt it via a section 166 ‘skilled persons’ audit.

Once access to the Bank of England’s real time gross settlement system (RTGS) is substantially progressed, the Company will continue with its further goals of facilitating instant payments for cross-border/cross-currency purchases, reinforcing our position as industry leaders.

ISX Financial’s systems, including flykk®, ISXMoney®, ISXPay® and Paydentity® all have pivotal roles to play with PaidBy®, creating

## Nikogiannis Karantzis

Managing Director and Chief Executive Officer

B.E. MCommrcLaw. // M.Enterp

an interlocked, two sided networked solution for consumers and business.

At ISX Financial, we pride ourselves on being more than just a payment provider; we are disruptors of the transactional banking and online card payment status quo. Our control over our technology stack, network, multiple central bank access, regulatory authorizations, policies, pricing, and margins empowers us to chart our own course and redefine industry standards while displacing incumbents.

I extend my gratitude to ISX Financial's staff for their dedication, our esteemed board members for their guidance, our customer's for putting up with our seemingly constant updates and upgrades, and our valued shareholders for their support throughout the year.

Looking ahead to 2025, we anticipate an exciting and profitable year, fueled by solid growth in existing markets and the introduction of new products, without hopefully too much turbulence in the global markets in general.

Together, ISX Financial, its staff, and management have achieved remarkable milestones, and I am confident that the future holds even greater opportunities and successes for all stakeholders.

Yours Sincerely,



**Nikogiannis Karantzis**

CEO & Managing Director ISX Financial



*Our commitment to driving innovation extends to identifying and leveraging regulatory frameworks in new jurisdictions and currencies, challenging conventional norms, and seeking profitable expansion.*



# Management Report

## Operating and Financial Review

## Company Overview and Nature of the Company's Business

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ISX Financial EU Plc ('ISXFEU') is incorporated and domiciled in Cyprus as a public company in accordance with the provisions of the Cyprus Companies Law (Cap. 113). The Company is both a financial institution and the holding company of the ISX Financial EU Group (the 'Group') with registered office is Makrasykas 1, KBC North Building, Strovolos, Nicosia, 2034, Cyprus.

ISXFEU is a regulated financial services company and developer of RegTech solutions, headquartered in Nicosia (Cyprus), with operations centres in London (UK) and Vilnius (Lithuania), software development centres in Melbourne (Australia) and with sales offices in Amsterdam (the Netherlands), Tel-Aviv (Israel) and Valetta, (Malta).

ISXFEU has developed and extended its own monetary financial services technology stack including payment gateway, core banking, interbank networking, open banking and KYC platforms. ISXFEU uses this technology stack to deliver payment and eMoney services to businesses and consumers under EU and UK monetary financial services authorisations. ISXFEU also provides the platforms as a technology provider to other regulated financial institutions under either Software as a Service (SaaS) or a licensing plus service fees model.

In 2020, ISXFEU's UK subsidiary, ISX Financial UK Ltd ('ISXFUK') was granted an authorisation as an authorised eMoney institution (AEMI) by the UK's Financial Conduct Authority (FCA) under the Electronic Money Regulations 2011 (United Kingdom). The licence allows ISXFUK to issue, distribute and redeem eMoney in the UK, and, subject to approval of its application, to hold a Bank of England (BoE) settlement account. The full range of services permissible under the Payment Services Regulations 2017 (United Kingdom) has also been authorised, including account information and payment initiation services. During 2023, ISXFUK joined the Faster Payment Service (FPS) and bankers' automated clearing system (BACS) networks, for payment processing of pound sterling under its own UK Sort Code of 041392.

Using this Sort Code, ISXFUK can issue UK domestic named accounts that are networked to all UK banks via FPS and BACS. ISXFUK also has indirect access to the CHAPS network, and is a member of SWIFT alliance under its own Bank Identification Code (BIC) ISFIGB22.

ISXFEU and its subsidiaries hold payment services licences in both the EEA and UK for major card schemes, including Mastercard Inc., Diners Club, Discover, JCB International, and bank to bank payments including SWIFT, Faster Payment Service, BACS, SEPA and other alternative payment methods (APM's).

During 2024, the Company finalised its platform development to take advantage of its scheme license for SEPA direct debit (SDD). The service, launched Q4 2024, has already been a contributor to revenue and profitability, and has processed more than 1.5 million transactions in 2024. The SDD service is also the first in the EU (and soon the UK via BACs) to incorporate Strong Customer Authentication of the debit mandate, by way of integration into our Open Banking platform, where evidence of ownership of the source debit account is proven by access to the account via a payment initiation or account information transaction. The SCA incorporation will eliminate fraudulent direct debit setups, which plague much of the industry.

The Company has also further developed its open banking A2A product 'Paidby®', launched during 2023, which competes at a national level in the UK and the Eurozone with card scheme payments online. PaidBy® bank connects our business customers to both the UK & EU's open banking networks, that in turn allows their end customers to pay our customers directly from their bank accounts instantly. Unlike card scheme settlements, which can take days or up to a month, PaidBy Bank settles the same day to our customers, to a current account that we issue. The PaidBy® service is complete with real time API notifications upon receipt of funds to the ISX issued account, and has integrated refund capabilities to return whole or partial funds to sender.

Part of ISXFEU's strategy is to integrate its products, services, intellectual property, and regulatory authorisations into third party platforms. These platforms may take the form of securities trading, securities exchanges, gaming, gambling, eCommerce, travel, consumer, financial services, accounting, payroll, point of sale, and other opportunities ISXFEU identifies.

## Subsidiaries

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During the year ended 31 December 2024, ISX Financial EU Plc purchased the remaining 41% of the shares of ClearPay Pty Ltd from NSX Limited for the amount of AUD 500,000. The Group now owns 100% of the shares of ClearPay Pty Ltd.

In addition, during the year ended 31 December 2024, ISX Financial EU Plc has established a wholly owned subsidiary, ISX Employee Plan Ltd, to administer the future employee option schemes, including the Transition Incentive Plan.

A full list of subsidiaries of the Group can be found in Note 36 of the consolidated financial statements.

## Strategy

ISXFEU's strategy is to:

- Deliver its BankTech platform—integrating RegTech and FinTech solutions—to financial institutions globally;
- Provide regulated services across payments, transactional banking, securities exchange, clearing and settlement, and eMoney to businesses within the EEA (including the UK), with planned expansion into the America's and other regions where viable commercial opportunities arise, subject to obtaining necessary regulatory approvals and licenses; and
- Form strategic partnerships with ecosystem and platform operators that facilitate online and point-of-sale transactions, enabling seamless integration of ISXFEU's services into the payment process.

ISXFEU Group has eMoney focused sales teams located in the UK, the Netherlands, Lithuania, Malta, Israel, and Cyprus. The separate ISXFEU's EU and EEA and ISXFUK's UK authorisations permit the ISX Group to offer its regulated eMoney services in the following jurisdictions:

### Jurisdictions Where ISXFEU Group May Offer Electronic Money Services

|          |      |           |      |             |      |                   |       |
|----------|------|-----------|------|-------------|------|-------------------|-------|
| Austria  | (AT) | Estonia   | (EE) | Luxembourg  | (LU) | Slovenia          | (SL)  |
| Belgium  | (BE) | Spain     | (ES) | Hungary     | (HU) | Slovakia          | (SK)  |
| Bulgaria | (BG) | Finland   | (FI) | Latvia      | (LV) | Sweden            | (SE)  |
| Cyprus   | (CY) | France    | (FR) | Malta       | (MT) | EEA-Iceland       | (IS)  |
| Czechia  | (CZ) | Croatia   | (HR) | Netherlands | (NL) | EEA-Liechtenstein | (LI)  |
| Germany  | (DE) | Italy     | (IT) | Poland      | (PL) | EEA-Norway        | (NO)  |
| Denmark  | (DK) | Ireland   | (IE) | Portugal    | (PT) | Gibraltar         | (GIB) |
| Greece   | (EL) | Lithuania | (LT) | Romania     | (RO) | United Kingdom    | (UK)  |

ISXFEU Group intends to pursue further monetary financial services licences to operate as the local equivalent of authorised electronic money and/or payment institution in jurisdictions outside the EEA and the UK.

ISXFEU Group, through its Probanx® subsidiaries, intends to continue to develop financial and regulatory technology software for securities & commodities exchanges, banks, credit unions, electronic money institutions, payment institutions and financial services companies. The software may be licenced, or provided as a service, for upfront and monthly fees, and integrated directly with customer systems, or via platform partners. The software includes solutions for customers onboarding, identity verification, core banking, interbank networking, card scheme processing, securities delivery versus payment, payment netting and electronic wallet solutions.

ISXFEU Group's strategy includes the continuation of research and development of innovative technological solutions (registering patents where possible) for the delivery of transactional banking and identity services. This includes systems for identity verification, transaction monitoring, core banking, payment processing, card acquiring, card issuing and eMoney.

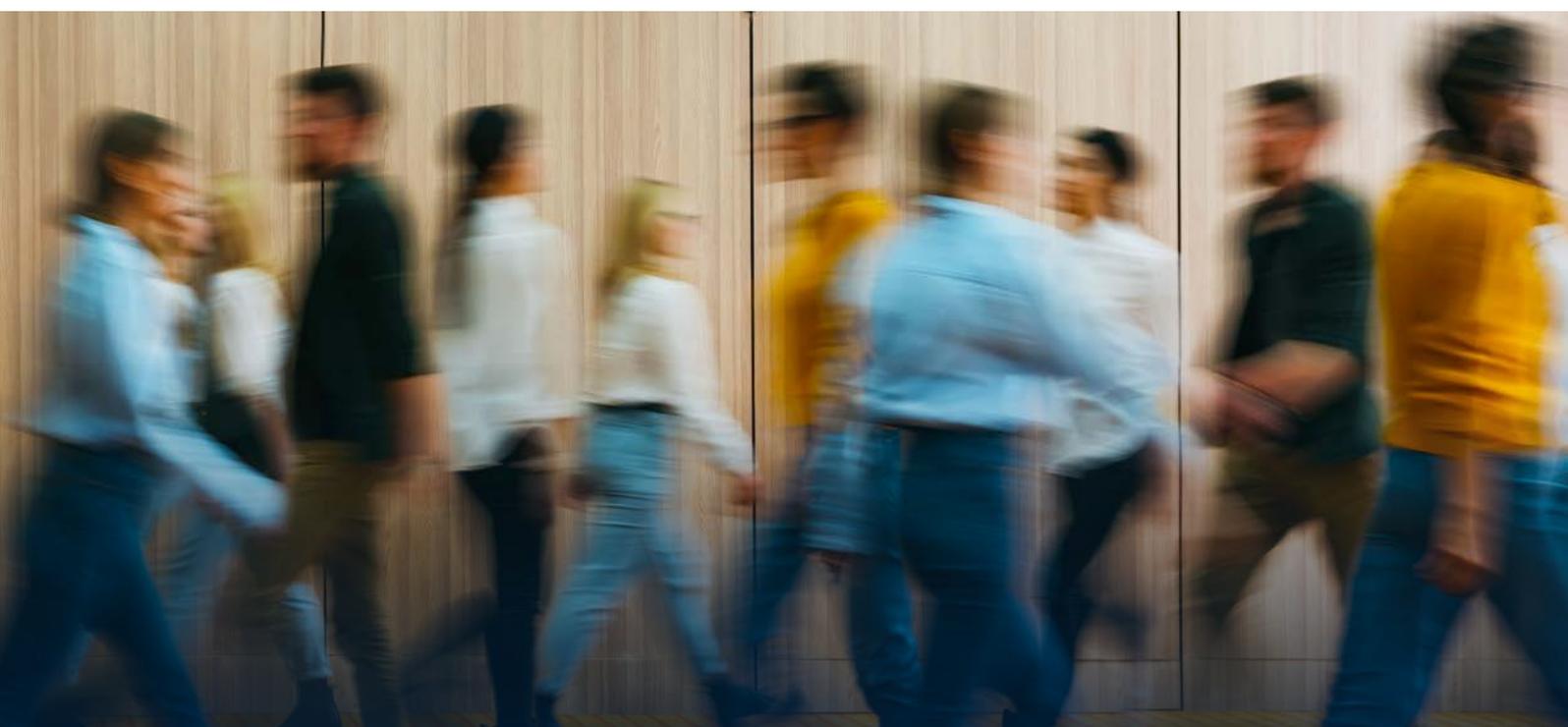
The Group is structured around four core operational divisions including a strategic investment in a regulated exchange, and a centralised corporate centre:

- **Individual and Consumer Services Transactional Banking** delivers Electronic Money Accounts, Open Banking, Card

Issuing, and the flykk® platform, offering seamless digital payment experiences and innovative banking solutions for individual and consumer needs.

- **Business Transactional Banking** provides tailored services for corporate clients, including Electronic Money Accounts, SWIFT and cross-border transfers, ISXPAY's Card Acquiring, Masspay payroll and payout solutions, and API-based notifications, ensuring fast, secure, and scalable financial operations.
- **Technology Services** offers critical infrastructure and software to financial institutions, covering core banking systems, networking platforms, identity management, and a range of banking applications—supporting efficient and secure digital operations.
- **Regulated Securities Exchange** includes the Group's investments in key financial platforms, most notably the National Stock Exchange of Australia Ltd, a publicly listed exchange, and ClearPay, a digital ledger technology provider focused on delivery-versus-payment solutions.
- **Corporate Centre** oversees the Group's interest income and non-operating gains, acting as the central hub for financial management and strategic coordination.

Broadly, regulated services are delivered under the "ISX Financial" company name with "ISX Money®" and "ISXPAY®" trademarks. The Technology services comprising FinTech are delivered under the "Probanx®" and "ClearPay®" trademarks, and RegTech under "Paydentity™" trademark. Consumer and Open Banking services under the "flykk®" and "PaidBy®" trademark.



Each business division will be treated as a separate profit and loss centre and reported geographically, with a primary focus on the EU followed by the UK, noting that according to EU Consilium data, the Euro (€) represents approximately one-third of global payments.

ISXFEU Group is currently focused on serving the UK and EEA markets, with geographic expansion underway targeting the Americas—specifically Canada, the United States, and select opportunities in South America. The Group is also exploring entry into other AML-regulated sectors where it holds a competitive edge through its Open Banking and BankTech solutions,

which integrate advanced RegTech and FinTech capabilities. ISXFEU remains in an active growth phase, pursuing regulatory authorisations in new jurisdictions and forging strategic partnerships with third-party platforms and ecosystems.

These platforms may also take the form of systems that provide consumers with securities trading, securities exchanges, gaming, gambling, eCommerce, travel, consumer, financial services, accounting, payroll, point of sale services and other opportunities ISXFEU Group identifies.

## Platform Integrations and Partnerships



Scale and grow EU/EEA and UK, payment and eMoney Services

**flykk<sup>®</sup>**  
**iSXPAY<sup>®</sup>**  
**iSXMONEY<sup>®</sup>**  
**PAYIDENTITY™**

Build out our Banking rails and Banking as a Service operations in Europe and the UK

**iSXK<sup>®</sup>**  
**PROBANXX<sup>®</sup>**

Continue to innovate and seek adjacent market opportunities



ISXFEU Group has, as part of its product offering, cross border remittance capabilities. These capabilities allow money to be remitted to other jurisdictions, outside the EEA and UK. ISXFEU Group has also commenced limited issuance of debit cards to EU based staff and customers, that are linked to a consumer's IBAN, allowing cash withdrawals at ATM's and payments at "Chip and PIN" point of sale terminals.

Probanx has finalised its stage 1 development of the Delivery versus Payment (DvP) platform during 2023 for ClearPay Pty Ltd with its integration into the NASDAQ trade match engine operated by the NSX. Further stages may include the integration of the ISXPay® and Paydentity™ platforms into the National Stock Exchange of Australia (NSXA) and ClearPay, and development of a Clearing and Settlement system by Clearpay, should opportunity arise. By bringing together the capabilities of NSX and ISXFEU, ISXFEU plans to provide the technology to enable the NSXA to transform into an emerging company venture exchange that is an open, transparent, modern, and high-tech alternative to the ASX.

The ClearPay technology stack will be utilised as part of the ISX Groups' planned issuance of a stablecoin under the Markets in Crypto-Assets Regulation (MiCA), where ISX Financial has an EU authorisation to issue such coin, subject to the regulatory process and whitepaper publication.

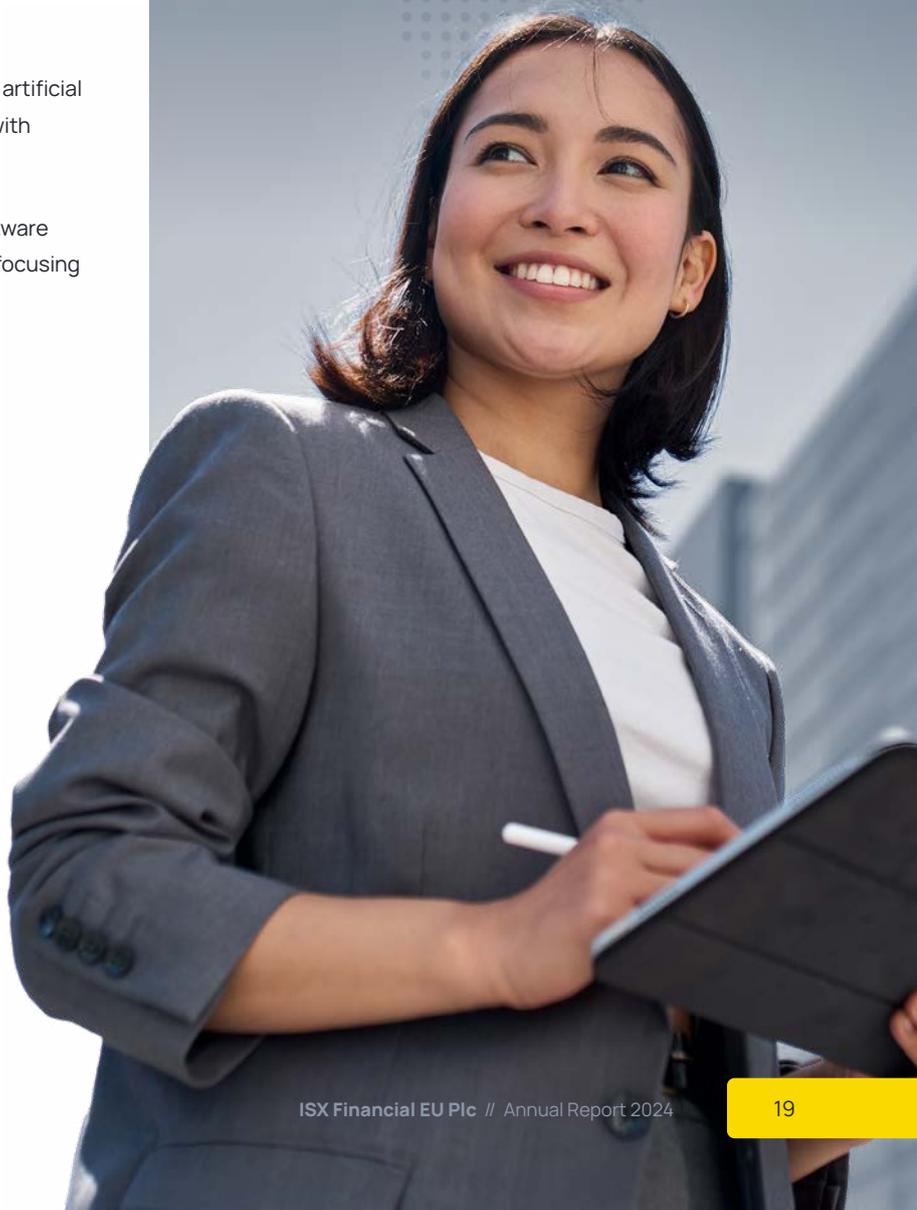
2024 also saw ISX take a small position in an Swiss based artificial intelligence company, nViso Ltd, which has agreements with Porsche, Toyota Europe and Mercedes Benz.

nViso Ltd generates revenue by licensing AI powered software and providing strategic consulting and support services focusing on behavioral analysis.



# Your Trusted Banktech Partner

- › Corporate Accounts
- › Online Payments
- › Instant Transfers



nViso Ltd charges a customer once for a license to use a given version of its software, with a particular set of features and for a stated use. This one-time, upfront, perpetual license fee gives customers the right to use the licensed software version indefinitely but for a limited industry vertical and a limited use case. However, technical support, maintenance and the right to product updates and upgrades are charged separately through a maintenance agreement.

nViso Ltd licenses products to its customers with a usage-based license model. Customers subscribe to a "pay-as-you-go" license, based upon some measure of consumption, paying only for what they use. The metric can be tied to different usage aspects, such as number of users, number of devices, number of software usages, etc. In many cases, the customers commit to minimum guaranteed usage for a fixed period of time.

The AI market is fast growing and maturing. Most enterprises now have an AI strategy, and finally the adoption of AI powered applications is becoming commercial reality. Our technology's ability to serve a broad range of markets makes us a safe and valuable partner for innovation driven organisations.

nViso's current commercial activity focuses on the growth in services and licensing revenue in Smart Mobility, Smart Living, Smart Health and Smart Security markets. We continuously develop and improve our product offerings for our customers while capturing significant intellectual property protection from strong virtuous cycles created from data-driven application development, with the recent addition of the Financial sector.

In addition, ISX has exclusively licensed the patents and technology for the financial services sector, where it believes nViso's patents and software in facial microexpression detection and emotional analysis can be advantageous in mitigating money laundering and fraud. ISX's own existing AML patents together with facial microexpression interpretation is considered by ISX to be a potentially powerful AML and antifraud tool.

ISXFEU Group also targets a broad range of Consumer Service businesses, including those in retail, travel, and eCommerce, as well as entities operating in AML-regulated sectors such as Forex, skilled gaming, and wagering. Businesses within these regulated industries often face complex and evolving compliance requirements, driven by frequently changing regulatory frameworks and the demanding nature of their operating environments. ISXFEU engages these sectors through a focused marketing strategy, which includes participation in targeted trade shows, advertising in industry-specific publications, and direct outreach through scheduled client engagements.

ISXFEU Group is focused on continuing to scale and grow in Europe. Over the longer term, management expects to continue

its geographic expansion into other regions where suitable commercial opportunities exist, driven by access to central bank accounts and/or open banking regulatory regimes.

ISXFEU Group strategy includes integration of its products, services, intellectual property, and regulatory solutions.

## Financial Review:

### Group Financial Performance

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During the year ended 31 December 2024, ISXFEU Group continued to scale its operations, achieving a profit after tax of €25.98 million—a substantial 395% increase compared to the prior year (2023: €5.25 million). This significant uplift in profitability was driven by strong growth in business and consumer revenues (up 70%) combined with disciplined cost management, with expenses rising by only 12%.

Revenue from business and consumer customers rose to €54.6 million, up from €32.1 million in 2023. This growth was fuelled by both new and existing customers, particularly in open banking-related payment services. The Group remains focused on diversifying revenue away from card acquiring toward lower-cost, instant, and batched interbank payment methods.

Operating expenses increased by €3.0 million, or 12%, to €28.4 million in 2024. The primary contributors to this increase were:

- **Employee benefits expenses**, up €2.0 million, driven by higher bonus provisions and increased headcount.
- **Corporate expenses**, up €1.5 million, reflecting elevated professional fees related to listing preparations, higher irrecoverable VAT, costs from the skilled persons review in the UK, and increased recruitment spend.
- **IT services**, which rose by €0.3 million due to increased third-party service costs.
- **Advertising and marketing**, up €0.2 million, aligned with greater participation in industry events.
- **Share-based payment expenses** increased by €0.1 million, while depreciation and amortisation rose by a further €0.1 million as the Group continued investing in its core technology infrastructure.
- **Finance costs**, including foreign exchange losses, increased by €0.2 million.
- Partly offset by decrease of **impairment cost** €1.4 million. The Group recorded an impairment and fair value loss of €0.4 million on its investment and convertible loan receivable in NSX, driven by continued weakness in the associate's share price and foreign exchange performance—an improvement compared to the €1.8 million impairment recorded last year.

## Financial Position

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The Group's net assets rose by 160% or €25.8 million during the year to reach €42.0 million, reflecting the strong net profit after tax of €25.98 million.

ISXFEU Group maintained a robust financial position, with own funds of €34.6 million as at 31 December 2024 (2023: €13.6 million, alongside cash and cash equivalents of €8.1 million and financial assets held at fair value of €5.5 million). The €26.5 million increase in cash and cash equivalents during the year was primarily driven by:

- Operating cash flows of €25.0 million;
- €3.6 million in cash generated in investing activities, resulting from reduced investments in high-quality liquid assets (HQLA) and interest received, partially offset by capital expenditure on tangible and intangible and payments for additional shares in associate entity and new investment in Nviso Group.
- The increase in operating cash flows was partially offset by:
- €1.9 million in cash outflows in financing activities, largely related to the repayment of convertible notes to Southern Cross Payments Ltd, repayment of leases, loans advanced to related and third parties and acquisition of remaining 41% of Clearpay;
- €0.2 million in negative foreign currency translation effects.

Total assets rose by 63%, or €92.4 million, to €239.6 million as at 31 December 2024. This increase was primarily attributable to:

- A €68.2 million rise in funds held on behalf of business customers, reflecting increased customer activity and new client acquisitions;
- A net cash increase of €26.4 million;
- A €0.4 million increase in investment in NSX;
- A €0.7 million increase in financial assets through OCI, reflecting the Group new investment;
- A €1.2 million rise in convertible loan receivables acquired from NSX Limited which is classified in financial asset at fair value through profit or loss.

These asset increases were partially offset by a €5.5 million decline in financial assets at fair value through profit or loss (HQLA) due to the management decision to hold all own funds in operational and overnight interest bearing accounts.

Customer funds are held with the Eurosystem (Central) Bank of Lithuania, which carries a zero-risk weighting. Most customer funds are denominated in Euros (€) and held with a partner monetary financial institution (MFI).

Total liabilities increased by 51%, or €66.6 million, to €197.6 million, largely reflecting the €68.2 million increase in business

customer liabilities. This was partially offset by:

- A €0.8 million decrease in trade and other payables;
- A €0.6 million reduction in convertible note liabilities; and
- A €0.2 million decrease in lease liabilities.

The Group's working capital (defined as current assets minus current liabilities) stood at €33.3 million at 31 December 2024, up from €9.0 million at year-end 2023.

## nViso Investment

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Probanx, on behalf of the ISX Group, has entered into a capital raising terms sheet with nViso pursuant to which nViso agreed to issue up to 120,000,000 fully paid ordinary shares, the material terms and conditions of which are as follows:

- a. Probanx has agreed to pay up to AUD\$4,500,000 (of which approximately AUD\$1,125,000 has been placed as Tranche 1) in accordance with agreed milestones in consideration for 120,000,000 fully paid ordinary shares at AUD0.0375 cents per Share;
- b. The Investor will receive:
  - (i) 66,000,000 free attaching Options with an AUD0.0375 cent exercise price and a 4-year term;
  - (ii) 4,000,000 discretionary Options with an AUD0.0375 cent exercise price and a 4-year term;
  - (iii) 30,000,000 discretionary Options with an AUD0.045 cent exercise price and a 4-year term; and
- c. Probanx is the process of appointing Mr Ajay Treon as director to the Board of nViso.

The Capital Raising Agreement otherwise contains provisions considered standard for an agreement of its nature. The Capital Raising Agreement will be assigned to SwissCo as part of the redomicile transaction from Australia to Switzerland.

Probanx as at 31 December 2024 held 5.80% of issued share capital nViso up to Tranche 1 conclusion. As at the date of this report Probanx hold 14.40% of issued share capital nViso.

Given the strong financial and operational performance in 2024, the Directors are confident that the Group is well-positioned to further expand and scale its operations, continuing its trajectory of sustainable growth.

## Principal risks and uncertainties - Risk management and mitigation

As part of its business operations, the Group is exposed to a broad range of risks. To effectively manage these, the Group has established a comprehensive risk management framework incorporating policies, procedures, internal controls, and technology-based solutions to monitor, assess, and mitigate risk exposures.

The principal risks faced by the Group include, but are not limited to:

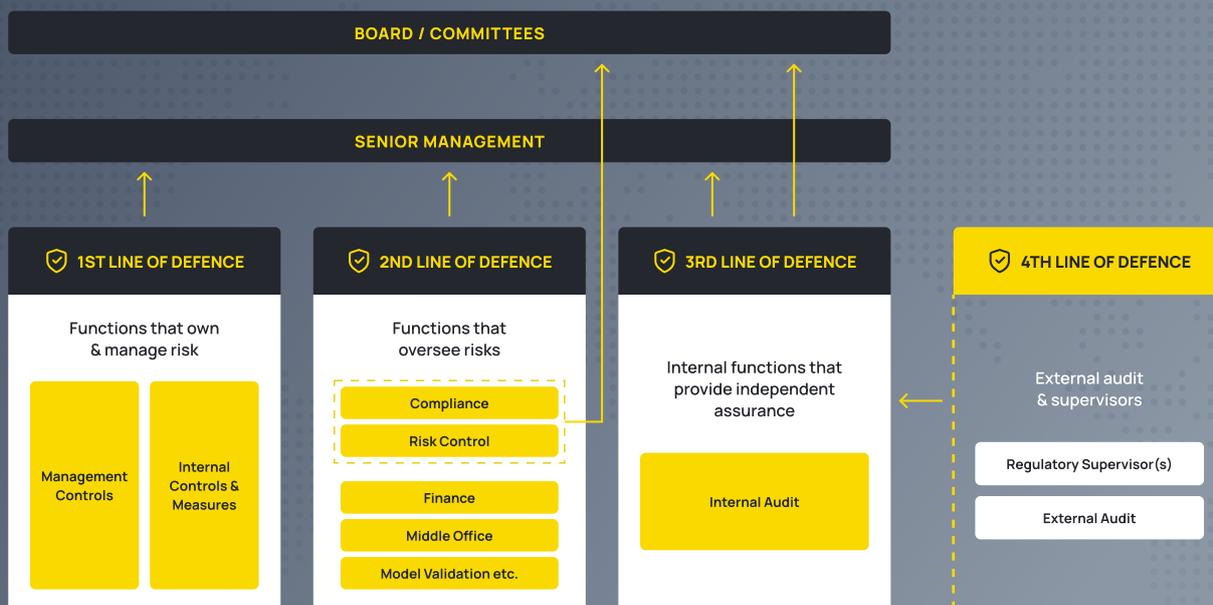
- Operational risk, encompassing compliance, legal, and reputational risk;
- Regulatory risk, particularly in relation to evolving financial services requirements;
- Information security and cyber risk, given the Group's dependence on digital infrastructure;
- Digital transformation and technology risk, associated with innovation and systems resilience; and
- Business model and strategic risk, reflecting the potential impact of competitive and market changes.

Further details of the financial risks faced by the Group, and the methods used to manage these risks, are provided in Note 31 of the Consolidated Financial Statements.

The Group's core operations are based in the European Economic Area (EEA), with its headquarters in Cyprus. As such, performance is influenced by developments in the Cypriot operating, regulatory, and political environment. As of February 2023, Cyprus has transitioned to a new presidential administration, whose policies have remained broadly aligned with those of the previous decade. The overall regulatory and business environment continues to be stable and supportive of financial services.

Risk management begins with a deep understanding of the risk landscape, ensuring that identified risks are kept within the Group's defined risk appetite. The Group follows a decentralised model where senior managers are accountable for assessing their respective risk environments, implementing appropriate internal controls, and regularly monitoring their effectiveness. This management approach is supported by oversight from the Group's Risk Committee, which reviews and evaluates key enterprise-level risks.

## The Group's Risk Management Framework





# Powering the Future of Payments



The Group is firmly committed to maintaining effective risk management as a central component of its operations and a core management discipline. The objective is to embed risk awareness and control throughout the organisation's processes and culture, thereby supporting the achievement of the Group's strategic and operational goals.

While this report outlines key risk factors relevant to the Group, it should not be considered an exhaustive list of all potential risks and uncertainties. Additional risks may exist that are currently unknown or deemed immaterial but could become significant in the future.

The Group operates in a dynamic environment influenced by various external factors, including the lingering effects of the COVID-19 pandemic, geopolitical tensions arising from the conflicts in Ukraine and the Middle East, and an increasing threat landscape related to cyber-attacks. Given the unpredictability of these and other external events—many of which lie beyond the Group's control—the full scope and impact of all potential risks cannot be precisely anticipated.

## 01 ISXFEU Group relies on key management personnel, and its business may be adversely affected by loss of such personnel or by any inability to recruit, train, retain and motivate key employees

ISXFEU recognises the critical role its management teams play in driving the growth and operational success of the business. The Group's ability to deliver on its strategic objectives is closely tied to the skills, experience, and dedication of its key personnel.

The digital payments sector continues to face a shortage of qualified professionals, particularly in ISXFEU's key operating jurisdictions—Cyprus, the United Kingdom, and Lithuania—a trend that is expected to persist. As a result, the Group may face increased competition for talent from both local and international financial and technology firms.

In addition, the recruitment and retention of skilled personnel may be impacted by immigration and employment policies in various jurisdictions, where governments are increasingly prioritising local employment. The Group may also encounter challenges in retaining key talent following any future acquisitions, where successful integration often depends on maintaining continuity within acquired teams.

The Group is also exposed to key person risk associated with Mr. Nikogiannis Karantzis, whose leadership in operations, regulatory affairs, and strategic direction remains central to ISXFEU's success. While this risk is acknowledged, the Group has progressively strengthened its senior leadership team to ensure operational resilience in Mr. Nikogiannis Karantzis' absence. Mitigating measures include the appointment of deputies, delegation of responsibilities, succession planning, the development of detailed procedural documentation, and the implementation of robust talent retention initiatives.

## 02 ISXFEU Group's inability to successfully integrate, recruit, train, retain and motivate key skilled employees could have a material adverse effect on its business, financial condition, and results of operations

ISXFEU places significant reliance on the continued service and performance of its Directors and senior leadership team. The unexpected departure or loss of any key individual could materially affect the Group's operational continuity and financial performance. There can be no assurance that suitable replacements could be identified or appointed within a reasonable timeframe, or at all.

The process of recruiting and integrating new executives or senior staff may also involve substantial costs and present operational challenges. The effectiveness of ISXFEU's operations, as well as the successful execution of its strategic objectives, is dependent on the Group's ability to attract, develop, and retain personnel with the requisite experience and expertise in the digital payments and financial technology sectors.

As the Group continues to grow, the demand for qualified professionals will increase, further intensifying competition for talent in the industry. Retaining skilled employees under comparable terms may prove challenging. Any failure to secure or retain key personnel could negatively impact the Group's business performance and future prospects.

To mitigate these risks, ISXFEU has implemented a range of initiatives across the organisation, including:

- The appointment of deputies to key roles;
- Clear task delegation and distribution of responsibilities within teams;

- Succession planning and recruitment pipelines for critical functions;
- The development of procedural manuals to ensure business continuity;
- Robust employee retention programmes;
- Comprehensive induction processes for new hires; and
- Targeted, role-based training for senior executives and key personnel.

These measures are designed to ensure operational resilience and leadership continuity as the Group continues to scale.

### 03 The costs and effects of pending and future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect ISXFEU Group's business, financial position, and results of operations

ISXFEU Group is exposed to the risk of actual or potential legal disputes, which may arise in various forms, including customer claims, intellectual property disputes, personal injury matters, employment-related claims, shareholder class actions, and other forms of litigation. Should any such claim be successfully pursued, it could have an adverse impact on the Group's financial performance, position, cash flow, and overall valuation.

From time to time, ISXFEU may also become subject to governmental or regulatory inquiries, investigations, or similar proceedings in connection with its past, current or future operations. While the Group maintains a range of insurance policies and indemnities, these may not fully cover all claims or liabilities. Furthermore, even where claims lack merit or are ultimately resolved in ISXFEU's favour, the associated reputational risk and operational disruption may still be significant.

There is no assurance that ISXFEU will be successful in defending against any current or future legal actions or regulatory investigations. Should any resulting judgments, settlements, or penalties materially exceed the Group's insurance coverage, the financial and operational consequences could be significant.

To mitigate these risks, ISXFEU maintains open and transparent communication with its key stakeholders, including regulators

and shareholders. The Group closely monitors legal and regulatory developments to remain in full compliance with applicable laws and standards. In addition, its internal audit function conducts annual reviews to ensure regulatory adherence. The Group also maintains comprehensive insurance coverage, including policies for employer's liability, public liability, professional indemnity, and directors' and officers' liability.

As of the date of this report, ISXFEU confirms that it is not involved in any material litigation and has not been made aware of any ongoing investigations into its activities.

### 04 Local currency fluctuations could affect ISXFEU's cash flows which could, in turn, impact its ability to pay certain obligations as cash flows are generated in local currencies

Each of ISXFEU's subsidiaries generates revenue and incurs operating expenses primarily in the local currency of the jurisdictions in which they operate. As the Group reports its consolidated financial results in Euros (€), fluctuations in exchange rates between the Euro and various local currencies can affect the presentation of its operating performance.

While the majority of ISXFEU's revenues are currently denominated in Euros, volatility in foreign exchange markets—particularly involving local currencies—can lead to realised or unrealised gains and losses. Adverse movements in exchange rates may also impact the Group's cash flows, which in turn could affect its ability to meet financial obligations, potentially resulting in a negative impact on its business, financial condition, and overall performance.

The Group actively monitors its exposure to foreign exchange risk and, where material, considers the use of appropriate hedging strategies to mitigate potential adverse effects.

### 05 Customer service and reputational risk

The reputation of ISXFEU Group and its products is a critical factor in attracting and retaining clients, securing new business, and engaging key talent. Reputational harm may arise from a range of circumstances, including product defects, service delivery failures, or unsatisfactory client experiences. In addition,

litigation or adverse media coverage could negatively affect the Group's public image, potentially leading to a decline in customer acquisition and retention.

To mitigate this risk, ISXFEU employs a customer-focused approach to product design and development, ensuring that its offerings deliver meaningful features and value to the target market. The Group also adopts a rigorous and fully auditable process for the development, testing, and deployment of new technologies, supporting consistent delivery and quality assurance.

## 06 Operational risk events

Operational risk refers to the potential for loss resulting from inadequate or failed internal processes, systems, or personnel, as well as from external events that impact the business. ISXFEU is exposed to a range of operational risks, including internal and external fraud, transaction or processing errors, system and hardware failures, and breaches or failures in information security.

The impact of operational risk events can be significant—potentially diverting resources away from innovation and product development toward remediation efforts. Such events may damage client relationships, adversely affect financial performance, and draw key personnel away from their core responsibilities. Losses can also encompass legal costs, regulatory remediation, and loss of property or sensitive information.

ISXFEU has developed and implemented proprietary technology to support a fully automated payments value chain. These systems are purpose-built with embedded monitoring capabilities that allow ISXFEU and ISXFUK analysts to proactively identify and address issues before they escalate. Comprehensive access controls are in place to prevent unauthorised system changes and ensure integrity across operational environments.

For functions where automation is not feasible, ISXFEU applies strict manual controls supported by four-eyes or six-eyes checks. These are reinforced by strong governance structures and continuous oversight to maintain operational integrity.

In addition, the Group holds appropriate insurance coverage to mitigate other people-related risks, including workplace incidents such as accidents or injuries.

## 07 ISXFEU or ISXFUK may fail to hold, safeguard or account accurately for business customers or consumer funds

ISXFEU and ISXFUK maintain rigorous internal controls and compliance procedures to ensure the safeguarding and accurate accounting of account holders' funds. These funds are protected through a combination of measures, including placement in secure, liquid, low-risk assets held with custodians or in segregated accounts maintained by Partner Monetary Financial Institutions (MFIs). Additional layers of protection are provided through the use of insurance policies and bank guarantees.

As the business continues to grow, enhancing and maintaining strong internal control frameworks remains a top priority to preserve public trust in the Group's ability to securely manage increasing volumes of transactions and customer funds.

In accordance with applicable Electronic Money Regulations, ISXFEU is required to safeguard customer funds from the moment of receipt until they are redeemed or used, and for a further six-year retention period. Any failure to maintain appropriate controls or accurately manage customer funds could severely undermine customer confidence, negatively impacting service usage, financial performance, and the Group's reputation. Moreover, deficiencies in safeguarding practices may result in regulatory action, including the imposition of fines or other penalties.

To address these responsibilities, ISXFEU has developed a proprietary core banking platform to automate its end-to-end payments value chain, ensuring accurate and timely recording of eMoney holders' rights and obligations. This infrastructure is supported by robust internal controls and reconciliation processes designed to ensure the integrity of safeguarded funds.

Customer funds are predominantly held at the Eurosystem (Central) Bank of Lithuania, which carries a zero-risk weighting. The majority of funds are denominated in Euros (€) and reside with a Partner MFI.

In 2024, ISXFEU and ISXFUK further enhanced their safeguarding framework by entering into a client fund safeguarding agreement with BlackRock Investment Management. This builds on strategic partnerships established in 2023 with Goldman Sachs Asset Management and State Street Global Advisors, reflecting the Group's continued commitment to ensuring the security and integrity of customer funds.

## 08 ISXFEU Group's systems and its third-party providers' systems may fail due to several factors, including factors beyond its control, which could interrupt its service, cause it to lose business and increase its costs

The integrity, reliability, and operational performance of ISXFEU Group's IT infrastructure are fundamental to its business operations. This includes the mission-critical systems used to deliver business customer solutions, as well as a wide range of supporting technologies, software, data centres, and telecommunications networks. ISXFEU also relies on third-party platforms and infrastructure—such as the Central Bank of Lithuania, Central Bank of Latvia, SWIFT, SEPA, Mastercard, Diners Club/Discover, JCB International, UnionPay International, Pay.UK's FPS and BACs, Fiserv, Equinix, Microsoft Azure, and Amazon Web Services—to deliver services to clients efficiently and securely.

The Group has experienced high growth in payment transaction volumes and anticipates this growth will continue. While architectural improvements have been implemented to support future capacity, there remains a risk that systems may eventually approach processing thresholds. Should this occur, it could result in delayed transaction processing or outages. Efforts to scale ISXFEU's payments infrastructure are complex, resource-intensive, and carry inherent technical risk—potentially diverting resources from innovation and product development. A failure to scale effectively could adversely impact the Group's business, financial performance, and growth prospects.

ISXFEU's systems, and those of its service providers, are also vulnerable to service disruptions. These may arise from software or hardware failure, cyber-attacks, data breaches, human error, natural disasters, power outages, telecommunications breakdowns, terrorism, or sabotage. Although the Group has not experienced a materially significant outage to date, the risk of such events remains.

If a third-party provider were to withdraw services, breach contractual obligations, or fail due to financial, regulatory, or operational issues, ISXFEU's ability to operate could be negatively affected. A major system outage or data loss event could have a material adverse effect on the Group's business, particularly where service level agreements (SLAs) require high system availability for business customer and acquiring solutions. Any

failure to meet agreed service levels or transaction reliability expectations could lead to financial penalties or client attrition.

Consequences of system outages, performance failures, or security breaches may include:

- Revenue loss
- Customer attrition
- Loss or breach of sensitive business or consumer data
- Loss of access to key networks such as Mastercard, JCB International, Diners Club/Discover, UnionPay, SEPA, FPS, BACs, and SWIFT
- Termination of correspondent banking partnerships
- Fines from payment networks or regulators (e.g., FCA, Central Bank of Cyprus, Central Bank of Lithuania)
- Reputational damage due to adverse publicity
- Exposure to fraud-related losses and liabilities
- Increased operating and development costs
- Resource diversion to remediation efforts
- Breach of contractual obligations and potential client compensation

ISXFEU's operations also depend on the continued growth and stability of global internet infrastructure. Any degradation or slowdown in broadband access or failure to adopt emerging protocols and standards could reduce the effectiveness and accessibility of internet-based business tools, impacting ISXFEU and its clients. Delays in public or private broadband expansion efforts may also impact customer acquisition and service delivery.

As ISXFEU enters new jurisdictions and expands across markets and sectors, its technology platforms must evolve accordingly. This includes building and integrating new features, interfaces, and functions—often requiring rigorous internal and external testing and, in many cases, third-party certifications or assessments. Despite these efforts, new deployments may still experience failures, resulting in errors, outages, revenue loss, or legal exposure.

To mitigate these risks, ISXFEU:

- Subjects its critical systems to external audits by standards-setting bodies such as PCI DSS and ISO
- Maintains full compliance with international standards for information security and data protection
- Operates robust disaster recovery and business continuity plans
- Utilises high-availability infrastructure with failover capabilities, including the ability to migrate services across AWS data centres in different geographic regions in the event of an outage

These measures are designed to ensure system resilience, protect customer data, and maintain the trust of stakeholders across all operating markets.

## 09 A substantial portion of ISXFEU's and ISXFUK's revenue is dependent on its continued membership in international payment schemes

The majority of transactions processed by ISXFEU and ISXFUK are routed through international payment schemes. To offer acquiring and issuer processing services to business customers, ISXFEU Group is required to hold relevant, geographically based memberships with these schemes. The Group currently holds principal membership with Mastercard Inc., JCB International, Diners Club/Discover, and UnionPay International as an acquirer, as well as participation in SWIFT for international transfers, Pay. UK for FPS and BACS services, and the SEPA scheme for instant, credit, and debit transfers across the EU.

The continued ability to access and participate in these payment schemes is fundamental to ISXFEU Group's business model. Any loss or suspension of scheme membership—whether temporary or permanent—could have a material adverse impact on the Group's operations, reputation, and financial performance.

Membership in these schemes also requires strict adherence to detailed operating rules and technical standards. This includes mandatory compliance with IT security protocols, such as the Payment Card Industry Data Security Standard (PCI DSS) Level 1. Any breaches of these rules by ISXFEU or its business customers may result in significant fines, penalties, or even termination of scheme membership. For example, a major cybersecurity incident could jeopardize the Group's standing with one or more schemes.

While ISXFEU currently complies with PCI DSS Level 1, the evolving nature of cybersecurity threats presents ongoing challenges. The Group cannot guarantee that it will always be able to promptly identify and remediate new security vulnerabilities. Any failure to maintain PCI DSS certification may restrict ISXFEU's ability to onboard new issuer or acquiring customers, retain existing clients, or continue scheme participation—each of which could materially impact business performance and future growth.

Payment scheme rules are determined, interpreted, and enforced at the discretion of each scheme and may be amended at any time, with or without notice. ISXFEU must ensure compliance with all changes within the stipulated timeframes to avoid penalties.

Modifications to scheme rules may also increase operating costs or limit the scope of services that ISXFEU can offer to clients, potentially affecting the Group's competitiveness and financial results.

Under the terms of its scheme memberships, ISXFEU is also held liable for the actions and compliance of its business customers and merchants. While the Group seeks indemnities for any penalties incurred due to customer non-compliance, there is no assurance that these amounts can always be recovered. For example, as of Q3 2024, any breaches of the FPS scheme rules by ISXFEU's customers could expose the Group to penalties that, if unrecoverable, would directly impact earnings and overall financial performance.

To mitigate these risks, ISXFEU:

- Maintains proprietary technology that is fully compliant with applicable card scheme rules;
- Monitors transaction flows closely and engages proactively with scheme operators;
- Responds to queries or concerns raised by the schemes in a timely and transparent manner;
- Leverages the expertise of its management and compliance teams, who maintain a deep understanding of scheme requirements and regulatory obligations.

This proactive and disciplined approach ensures the Group remains in good standing with key payment networks and supports the continued delivery of secure, high-integrity financial services to clients globally.

## 10 ISXFEU and ISXFUK are subject to certain economic and trade sanction laws and regulations as well as anti-money laundering ('AML') laws and regulations, and if it fails to comply, it could be exposed to fines, sanctions and other penalties or governmental investigations, which may impact its business

ISXFEU and ISXFUK are subject to a comprehensive framework of anti-money laundering (AML) regulations, trade and economic sanctions regimes, and anti-corruption laws across the jurisdictions in which they operate. Non-compliance with

these legal and regulatory requirements could expose the Group to significant fines, sanctions, enforcement actions, or governmental investigations.

While ISXFEU and ISXFUK strive to maintain full compliance with applicable AML and sanctions regimes, there remains a risk that the Group could inadvertently or indirectly engage in transactions involving financial institutions or payment schemes with exposure to sanctioned jurisdictions. These may include countries such as Iran or Syria—where ISXFEU has no direct operations or clients—or transactions involving individuals or entities subject to restrictions by regulatory bodies such as:

- The Cypriot government
- The U.S. Office of Foreign Assets Control (OFAC)
- The U.S. Department of State
- The European Union's Common Security and Defence Policy (CSDP)
- HM Treasury (UK)
- Other equivalent authorities globally

ISXFEU has implemented robust policies and procedures designed to ensure compliance with prevailing AML, anti-corruption, and sanctions laws, aligning with recognised industry standards and best practices. However, no compliance programme can fully eliminate the risk of misconduct or breaches—whether through internal actors such as employees or agents, or through third-party suppliers, business customers, or other related parties for whom the Group may be held accountable.

Any such compliance failure could result in serious consequences, including civil or criminal liability, regulatory sanctions, fines, litigation, and significant reputational damage. The inability to prevent fraud, money laundering, corruption, or terrorist financing may also trigger regulatory proceedings or penalties imposed by supervisory authorities, which could materially and adversely impact the Group's financial condition and operating results.

To mitigate these risks, ISXFEU:

- Maintains comprehensive AML and sanctions compliance policies and procedures;
- Subjects these policies to annual reviews and testing by internal audit;
- Screens all transactions against global sanctions lists and for exposure to politically exposed persons (PEPs);
- Conducts daily sanctions screening of all business customers, connected individuals, and ultimate beneficial owners using recognised industry-standard compliance tools and databases.
- Targeted, role-based training for senior executives and key personnel.

This layered approach helps ensure the Group remains compliant with international legal and regulatory expectations, supporting the integrity and resilience of its operations.

## 11 ISXFEU Group's payment platforms may be used for illegal or improper purposes, and ISXFEU may be subject to penalties or legal or regulatory actions and reputational damage

ISXFEU Group's payment platforms may be vulnerable to potentially unlawful or improper use by third parties, including activities such as money laundering, terrorist financing, sanctions evasion, illegal online gambling, fraudulent sales, illicit trade in prescription drugs or controlled substances, intellectual property violations (including the piracy of software, films, music, and other digital content), bank fraud, child exploitation, human trafficking, unauthorised sales of restricted goods (such as alcohol or tobacco), online securities fraud, or other forms of criminal activity.

Given the cross-border nature of many digital transactions, activities that are permissible in one jurisdiction may be prohibited in another. Business customers may, whether intentionally or inadvertently, facilitate the import or export of illegal goods or services, thereby exposing ISXFEU Group to potential liability. Furthermore, recent legal developments have expanded the scope of liability and penalties for intermediaries, including payments service providers, who are found to be facilitating unlawful activity—even indirectly. Additional legislative proposals in several jurisdictions are under active consideration and may further increase compliance obligations and exposure to enforcement.

ISXFEU Group may also face legal claims from business customers, payment schemes, or third parties asserting that the Group failed in its duty of care by not preventing the use of its services for illegal purposes. Intellectual property rights holders or government authorities may seek legal or regulatory action against payment providers, including ISXFEU or ISXFUK, in connection with transactions involving infringing or unlawful content. Even where ISXFEU's involvement is peripheral, such actions could result in reputational harm, operational disruption, loss of transaction volumes, financial liabilities, or increased compliance costs—each of which could have a material adverse effect on the Group's business, financial condition, and results of operations.

To mitigate these risks, ISXFEU has developed proprietary technologies for customer assessment and identity verification. These tools form a core component of the Group's risk management framework. In addition, ISXFEU employs a dedicated team of trained professionals who review applicant documentation and conduct in-depth due diligence during onboarding. A specialised transaction monitoring unit is responsible for reviewing alerts and investigating high-risk transactions to ensure that ISXFEU's platforms are not used for criminal or prohibited activities.

This multifaceted approach enables the Group to proactively identify, monitor, and address potential misuse of its services, thereby supporting legal compliance and safeguarding its reputation and operational integrity.

## 12 Changes in tax laws or their interpretations or becoming subject to new taxes in the UK or the European Economic Area (EEA) that cannot be passed through to ISXFEU or ISXFUK's business customers, could reduce its profitability

ISXFEU and ISXFUK maintain ongoing engagement with tax authorities in the jurisdictions in which they operate. Given the Group's presence across multiple markets—whether through legal entities or customer relationships—the interpretation and application of tax laws may vary and are often subject to uncertainty and discretion on the part of local tax authorities. As a result, ISXFEU may face the possibility of material tax assessments in the future, which could involve protracted audit and review processes.

Changes in tax legislation, shifts in regulatory interpretation, or variations in the Group's geographic revenue mix may lead to increases in its effective tax rate, potentially reducing profitability. Such developments could have a material adverse effect on ISXFEU's business, financial condition, and operating results. For instance, the recent implementation of the EU's Central Electronic System of Payment information (CESOP) introduces additional reporting obligations for cross-border VAT-relevant transactions, requiring the collection and submission of tax identification details from both consumers and businesses across the European Union.

To manage these risks proactively, ISXFEU engages external tax

advisors who provide ongoing guidance and ensure that the Group remains informed of relevant tax developments—provided such changes are announced with sufficient notice. This support enables ISXFEU to remain compliant and well-positioned to respond effectively to emerging tax compliance requirements.

## 13 ISXFEU is subject to the risks of political, social, and economic instability associated with the markets in which it operates and serves its customers

ISXFEU is headquartered in Nicosia, Cyprus, with operational centres in Vilnius (Lithuania) and London (UK), and additional offices located in Melbourne (Australia), Amsterdam (Netherlands), Tel Aviv (Israel), and Valletta (Malta). The Group's growth strategy remains focused on deepening its presence across these key regions.

To mitigate regulatory uncertainty following Brexit, ISXFEU was approved by the UK Financial Conduct Authority (FCA) as a Temporary Permissions Regime participant, with approval effective through 31 December 2024 under contractual run-off. In parallel, the Group established ISXFUK, an FCA-authorized electronic money institution. ISXFUK is fully operational, providing Sort Code-based accounts to business clients and is connected to major UK payment networks, including FPS, BACS, CHAPS, and SWIFT.

ISXFEU Group's performance may be influenced by political, economic, or regulatory developments both within and beyond the EEA, given the interconnected nature of global financial markets. While the Group is currently not materially exposed to geopolitical instability, it acknowledges that significant disruption in any of its core markets could negatively impact its business, financial condition, or results of operations.

Daily operations and key decision-making processes are primarily managed from the Group's Cyprus headquarters. Of the Group's approximately 184 employees, around 138 are based in Cyprus. Senior leadership, including Chairman Christakis Taoushanis, Managing Director Nikogiannis Karantzis, Executive Director Dominic Melo, and Independent Non-Executive Directors Panikos Poulos and Adonis Pegasiou, are resident in Cyprus, while Paul Barnes is based in the United Kingdom. Centralised functions such as Treasury, AML, Compliance, and Operational Risk are also led from Cyprus.

Despite recent global challenges, ISXFEU's customer base has

demonstrated resilience. The Group conducts annual reviews of all customers, with revenue monitored monthly on a client-by-client basis to ensure risk is actively managed and business continuity is maintained.

## 14 ISXFEU and ISXFUK is subject to financial services regulatory risks, including regulatory licencing risks

The regulatory framework governing electronic money (eMoney) is subject to frequent updates and continues to evolve across the various jurisdictions in which ISXFEU operates, including through ISXFUK and its UK-based operations. Adapting to these changes often requires consultation with local legal and regulatory experts, potentially increasing the Group's operational costs.

To manage regulatory risk, ISXFEU and ISXFUK may, at times, choose to limit their operations in certain jurisdictions where regulatory uncertainty or compliance burdens are disproportionately high. While prudent, such decisions may constrain the Group's expansion opportunities. In jurisdictions where eMoney activities require local authorisations or licences, compliance may involve additional costs, delays in market entry, or restrictions on operations where licences are not granted or are delayed.

Failure to comply with current or future regulatory requirements—or the loss of regulatory approvals, such as those granted by the Central Bank of Cyprus or the UK Financial Conduct Authority (FCA)—could lead to increased compliance costs, operational restrictions, or revenue loss. More significantly, breaches of applicable regulations could expose the Group to civil, financial, or criminal penalties, require operational restructuring, or result in the suspension or cessation of business activities in certain jurisdictions.

As the Group continues to pursue international expansion, associated licensing requirements may introduce further regulatory complexity and cost, which could impact financial performance.

ISXFEU maintains a strong compliance track record with financial regulators and is committed to upholding high standards of regulatory integrity. The Group has implemented comprehensive policies and procedures to ensure ongoing compliance with applicable laws, including anti-money laundering and eMoney regulations. Through horizon scanning and proactive monitoring of regulatory developments, ISXFEU is positioned to adapt swiftly to changes in the legal landscape, thereby mitigating emerging risks and maintaining regulatory readiness.

## 15 Ukraine conflict

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus and globally with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and worldwide, which are difficult to precisely estimate if the war escalates.

## 16 Israel - Gaza conflict

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. ISXFEU Group management will continue to monitor the situation closely and take appropriate actions when and if needed.





# Management Report

## Corporate Governance

## Composition of the Board

The Company is overseen by its Board of Directors, responsible for guiding and overseeing its operations. Comprising six directors, the Board includes four independent non-executive directors, all meeting the criteria of independence as defined in Annex II of the European Commission Recommendation no 2005/162/WE. Additionally, one of the two executive directors, fulfils the roles of Chief Executive Officer. Further information regarding the current board members is provided below.

'Material' current directorships include third party owned or controlled entities that are either regulated, listed on a regulated market, related parties or present a potential conflict of interest.



### Christakis Taoushanis

Independent Non-Executive Director and Chairman

B.Sc // M.Sc



**Age:** 67  
**Residence:** Cyprus  
**ISXFEU Director Since:** April 4, 2017

Christakis Taoushanis holds a BSc degree in Economics, and a Master's in Business Administration received from the London School of Economics and the London Business School, respectively. Christakis Taoushanis brings extensive banking and finance knowledge and experience to our organisation having spent over 40 years in the industry in various senior roles.

Christakis Taoushanis has worked for some of the world's largest banks in a number of different locations including Chicago, Greece, Hong Kong and Cyprus. This includes serving at Continental Illinois National Bank of Chicago for four years, the HSBC Group for eighteen years, with twelve of those as the Managing Director of the Cyprus subsidiary, and eight years as the Chief Executive Officer of the Cyprus Development Bank.

Since 2011, Christakis Taoushanis has been working with the private firm TTEG & Associates, providing services as an advisor to several companies, also acting as a non-Executive director in some of them.

**Other material current directorships:** MHP SE (LSE: MHPC), Louis Plc (CSE: LUI), iCFD Ltd, Capital Intelligence Ratings Ltd, Trident Trust Company (Cyprus) Ltd

**Special responsibilities:** Chairman of the ISXFEU Board, Chairman of Remuneration Committee and Chairman of Nomination Committee

**Interests in shares:** 258,500 Ordinary Shares directly held

**Interests in options or rights:** Nil



## Nikogiannis Karantzis

**Managing Director and Chief Executive Officer**

B.E. MCommrclLaw // M.Enterp



**Age:** 56  
**Residence:** Cyprus  
**ISXFEU Director Since:** October 19, 2015

Nikogiannis Karantzis holds qualifications in engineering (University of Western Australia), law and business (University of Melbourne). Nikogiannis Karantzis has over 30 years' experience in a number of sectors, including payments, online media, secure communications, and eCommerce.

His previous public company experience includes directorships with Southern Cross Payments Ltd (formerly iSignthis Ltd) (ASX: ISX) (2015 to 2021), NSX (ASX: NSX) (2020 to 2022), Sports Entertainment Group (ASX: SEG) (formerly known as Pacific Star Network Limited (ASX: PNW), Data and Commerce Ltd. (ASX: DCL) and Reeltime Media Limited (ASX: RMA).

**Other material current directorships:** Select All Enterprise Ltd (Top 20 shareholder of the Company)

**Special responsibilities:** Managing Director, Member of the Risk Committee

**Interests in shares:** 22,610,365 Ordinary Shares indirectly held

**Interests in options or rights:** Nil



## Panikos Poulos

Independent Non-Executive Director

B.Sc // M.Sc



|                               |                |
|-------------------------------|----------------|
| <b>Age:</b>                   | 76             |
| <b>Residence:</b>             | Cyprus         |
| <b>ISXFEU Director Since:</b> | April 13, 2022 |

Panikos Poulos holds a BSc degree in Economics from the London School of Economics and a MSc degree from the University of Aberdeen. Panikos Poulos also holds a certificate from the International Monetary Fund Institute (USA) and the European Institute of Public Administration (Maastricht-Netherlands). Panikos Poulos has over 47 years of extensive experience including roles in senior levels of the civil service of the Republic of Cyprus, insurance and the banking industry.

Panikos Poulos' role in government has been extensive having served as Permanent Secretary for E.U. Affairs at the Ministry of Foreign Affairs of the government of Cyprus 1996 – 1997, Permanent Secretary of the Planning Bureau of the government of Cyprus 1997 – 2004 and Permanent Secretary of the Ministry of Agriculture Natural Resources and the Environment of the government of Cyprus 2004 – 2009. Panikos Poulos also was part of the Negotiating Team for the Accession Negotiations of Cyprus with the E.U. and Acting Chief Negotiator in the absence of the Chief Negotiator, Giorgos Vasiliou, former president of the Republic of Cyprus and a member of the Council of Economic Advisers to the President of the Republic of Cyprus.

Panikos Poulos' key roles in banking and industry have included being an Independent non-executive director of Cyprus Development Bank 1997-2004, National Bank of Greece (Cyprus) 2010-2012, Bank of Cyprus 2013, Central Co-op Bank 2013-2018, Cyprus Airways (Public) Ltd 2012-2013, Aretaieion Hospital 2012-2022 and Cooperative Asset Management Company Ltd (SEDIPES) 2018-2023.

|  |   |
|--|---|
| <b>Other material current directorships:</b> | Nil   |
| <b>Special responsibilities:</b>             | Chairman of the Risk Committee, Member of the Audit Committee, Member of Remuneration Committee |
| <b>Interests in shares:</b>                  | Nil   |
| <b>Interests in options or rights:</b>       | Nil   |



## Dominic James Melo

Executive Director, Chief Product Officer



|                               |               |
|-------------------------------|---------------|
| <b>Age:</b>                   | 45            |
| <b>Residence:</b>             | Cyprus        |
| <b>ISXFEU Director Since:</b> | June 10, 2019 |

Dominic Melo brings over two decades experience in the payments and information technology (“I.T.”) expertise to our organization having worked for in the industries in various roles.

Dominic Melo has worked for organizations that span several locations including Hong Kong, London, Malta, Cyprus, United States of America. This included acting as director of Paymundo Systems for over six years, Senior Consultant for Go-Secure for over 11 years and as Information Technology director at Alliance Asset Management for over two years. From 2018 up to the end of 2024 Dominic Melo was holding the position of Chief Product Officer.

**Other material current directorships:** Nil

**Special responsibilities:** Executive Director

**Interests in shares:** 115,384 Ordinary Shares directly held

**Interests in options or rights:** Nil



## Adonis Pegasiou

Independent Non-Executive Director

Ph.D // M.Sc



|                               |               |
|-------------------------------|---------------|
| <b>Age:</b>                   | 45            |
| <b>Residence:</b>             | Cyprus        |
| <b>ISXFEU Director Since:</b> | June 17, 2022 |

Adonis Pegasiou holds a BSc degree in Economics from the London School of Economics (LSE) and a Masters from the University of Bristol in European Policy Studies. Adonis Pegasiou further holds a Ph.D. from the University of Manchester in Politics. Furthermore, he received funding to undertake a post-doctoral fellowship to study the Europeanisation of Cyprus's Economy, based at the European University of Cyprus and in cooperation with the LSE and the University of Manchester.

Adonis Pegasiou has over 10 years' experience in academia which includes him lecturing at both the 'University of Cyprus', 'European University of Cyprus' and is currently the Academic director at the 'European Institute of Management and Finance'.

In addition, Adonis Pegasiou has over a decade experience as a consultant for the public and the private sector, where he served on the Boards of Cyprus Airways as well as most recently the Cyprus Cooperative Bank, among other.

**Other material current directorships:** Nil

**Special responsibilities:** Member of the Nomination Committee, Member of the Audit Committee and Member of the Risk Committee

**Interests in shares:** Nil

**Interests in options or rights:** Nil



## Paul Martin Barnes

Independent Non-Executive Director

M.Sc // FCCA // MCSI



**Age:** 71  
**Residence:** United Kingdom  
**ISXFEU Director Since:** November 9, 2023

Paul Barnes has experience in international business, specifically in venture development across the financial services and technology sectors. His expertise in mergers and acquisitions (M&A) activities is particularly noteworthy, positioning him as an asset to the company's strategic planning and growth initiatives.

Previously, Paul Barnes has held significant roles including executive and non-executive director positions. Notably, he was part of Tristel Plc (TSTL.L), a healthcare company listed on the LSE AIM market. His contributions there as Finance Director and subsequently Chairman of the Company and Chairman of the Audit and Risk Committee were instrumental in the Company's development and success.

In addition to his role at ISX Financial EU Plc, Paul Barnes serves as an independent director with an ASX listed company specializing in leading-edge wireless technology, including waveforms, public safety mobile radio and advanced communications gateway solutions.

Paul Barnes is a Fellow of the Association of Chartered Certified Accountants and a Member of the UK's Chartered Institute for Securities and Investment. His expertise in financial regulations and compliance is further underscored by his role as a director at the FCA regulated ISX Financial UK Ltd since September 2020.

**Other material current directorships:** Etherstack Plc (ASX :ESK)

**Special responsibilities:** Chairman of the Audit Committee, Member of the Risk Committee, Member of the Remuneration Committee and Member of the Nomination Committee

**Interests in shares:** 25,000 Ordinary Shares directly held

**Interests in options or rights:** Nil

## Corporate Governance

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Below details the key corporate governance policies and practices adopted by ISXFEU's Board. The ISXFEU Board is committed to ensuring continued investor confidence in the operations of ISXFEU and in maintaining high standards of corporate governance in the performance of their duties.

### The role of the ISXFEU Board

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The role of the ISXFEU Board of Directors is to provide strategic guidance to ISXFEU (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within ISXFEU.

The ISXFEU Board will always retain ultimate authority over the management and staff of ISXFEU and its related bodies corporate.

In performing its role, the ISXFEU Board should act, at all times:

1. In recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of ISXFEU, ISXFEU's Shareholders, as well as its employees, customers and the community.
2. In a manner designed to create and continue to build sustainable value for ISXFEU Shareholders.
3. In accordance with the duties and obligations imposed upon them by the ISXFEU Constitution and applicable law; and
4. With integrity and objectivity, consistently with the ethical, professional and other standards set out in ISXFEU's corporate governance policies.

### Responsibilities of the ISXFEU Board

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The responsibilities of the ISXFEU Board include:

- Overseeing the Company, including its control and accountability systems;
- Appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;
- Ratifying the appointment, and where appropriate, the removal, of senior executives;
- Establishing policies for ensuring regulatory compliance, and in particular with regards to anti money laundering, whistleblowing, and anti bribery activities;
- Establishing the risk culture and appetite of the Company, and ensuring that policies are set to monitor, manage and enhance risk and reward activities;
- In conjunction with members of the senior management team, developing corporate objectives, strategies and operations

plans and approving and appropriately monitoring plans, new investments, major

- Capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- Establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- Monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- Monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- Identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- Overseeing the management of safety, occupational health and environmental matters;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- Ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- Having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct;
- Reporting accurately to shareholders, on a timely basis; and
- Making itself available to regulators for meetings as required upon request.

### Composition of the ISXFEU Board

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Under the ISXFEU Articles of Association, the minimum number of Directors is four and the maximum number is ten. The ISXFEU Board at the date of this Annual Report is comprised of six Directors, namely Christakis Taoushanis, Nikogiannis Karantzis, Panikos Poulos, Adonis Pegasiou, Paul Barnes and Dominic Melo.

Each ISXFEU Director is bound by all ISXFEU's charters, policies, and codes of conduct. If the ISXFEU Board determines it is appropriate or necessary, they may establish committees to assist in carrying out various responsibilities of the ISXFEU Board. Such committees will be established by a formal charter.

The ISXFEU Board delegates the management of ISXFEU's business and day to day operation to the ISXFEU Managing Director who is authorised, in turn, to delegate such powers conferred on him or her to members of the senior management group.

The ISXFEU Board seeks to nominate persons for appointment to the ISXFEU Board who have the qualifications, experience, and skills to augment the capabilities of the ISXFEU Board.

## Independence of ISXFEU Directors

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The ISXFEU Board considers the issue of independence of ISXFEU Directors, as set out in the ISXFEU Board charter.

The ISXFEU Board charter defines an independent director as a director who is not a member of management, is a non-executive director and who:

- Is not, and has not within the last three years, been employed in an executive capacity by ISXFEU or another group member, and there has been a period of at least three years between ceasing such employment and serving on the ISXFEU Board.
- Is not, and has not within the last three years been, a principal of a material professional adviser or a material consultant to ISXFEU or another group member, or an employee materially associated with the service provided.
- Is not, and has not within the last three years, been a material supplier or customer of ISXFEU or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Is not a substantial shareholder (i.e., a person with a relevant interest through associated entities) of ISXFEU or an officer of, or otherwise associated directly with, a substantial shareholder of ISXFEU.
- Has no material contractual relationship with ISXFEU or another group member other than as a Director of ISXFEU.
- Has no close family ties with any person who fall within any of the categories described above; or
- Has been a director of the entity for such a period that his or her independence may have been compromised.

Any independence issue is considered at the materiality threshold relevant at the time to the particular issue. When assessing the materiality threshold relevant to an issue, thought is given not just to the financial materiality of an issue, but to the type of issue, shareholders expectations and potential reputational impacts as a result of the issue.

ISXFEU Directors are required to be assessed as 'fit and proper' under the joint European Banking Authority (EBA) and European

Securities Market Authority (ESMA) 'Guide to fit and proper assessments', with details to be submitted to the Central Bank of Cyprus and the UK's Financial Conduct Authority.

## Independent professional advice

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The ISXFEU Directors are entitled to seek independent professional advice at ISXFEU's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the ISXFEU Board charter.

## Securities trading policy

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ISXFEU will adopt a formal securities trading policy prior to admission to any regulated exchange.

## Remuneration policy

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Please refer to the remunerations report for the remunerations policy of the Company.

## Continuous and timely disclosure obligations

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Until such time as ISXFEU is admitted to an official list as a quoted public company, it will not be required to comply with any continuous or timely disclosure regulations.

ISXFEU is not currently listed, and it is therefore unnecessary to include obligations that ISXFEU will or may have upon admission. In any event, upon admission it will have obligations under, inter alia, (i) the rules of the stock exchange on which it will be admitted; (ii) the Companies Law; (iii) under the GDPR (which it currently has in any event); (iv) the Electronic Money Laws of 2012 and 2018 (Cyprus), (an obligation that it currently has in any event), the Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 to 2023 (Cyprus) (an obligation that it currently has in any event); the Prevention and Suppression of Money Laundering Activities Law of 2007 to 2023 (Cyprus) (a further obligation that it currently has in any event); (v) any Directives issued by the Central Bank of Cyprus pursuant to the laws which apply to ISXFEU.

## ISXFEU Shareholder communication

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The ISXFEU Board strives to ensure that ISXFEU Shareholders are provided with full and timely information to assess the

performance of ISXFEU and ISXFEU Directors and to make well-informed decisions.

Information is communicated to ISXFEU Shareholders:

- Through the distribution of quarterly financial updates, the half year report, annual report and notice of annual general meeting.
- Through emails, letters and other forms of communications directly to ISXFEU Shareholders; and
- By posting relevant information on ISXFEU's website, social media and in certain cases, the mainstream Cypriot news media.

## Ethical standards and business conduct

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The ISXFEU Board recognises the need for ISXFEU Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the ISXFEU Board intends to maintain a reputation for integrity. ISXFEU's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of ISXFEU. The code of conduct and further details of these standards can be found on ISXFEU's website.

## Anti-Money Laundering and Anti-Bribery Policies

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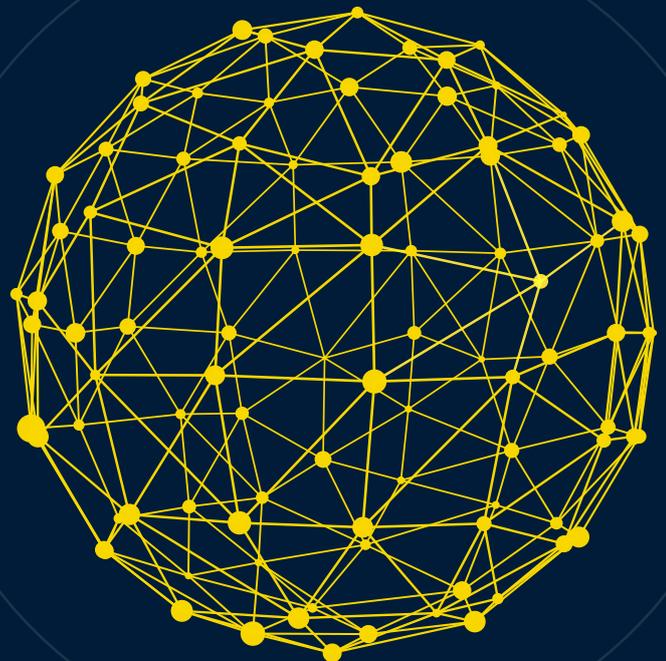
ISXFEU Group maintains extensive AML and Anti Bribery policies, which are monitored day to day by the inhouse Anti Money Laundering Compliance officers (AMLCO), Compliance and risk teams. ISXFEU operates according to a four-layer model, which includes having in place appropriate policy that is adhered to by ISXFEU Group operations, monitored by the AMLCO, and subject to assessment by independent auditors, with reports disclosed to the ISXFEU Board and the relevant Competent Authorities, which provide continuous oversight as required by regulation.

No regulated entity in the ISXFEU Group has been subject to any sanctions, fines, or corrective notices from any Competent Authority or financial intelligence unit in respect of its AML practices.

ISXFEU and ISXUK Competent Authorities include the Central Bank of Cyprus, the (Cypriot) Unit for Combating Money Laundering (MOKAS), the UK's Financial Conduct Authority (FCA), the UK's National Crime Agency (NCA) and the Central Bank of Lithuania.

# Streamlined Corporate Accounts

- > Primary EU Accounts
- > Primary UK Accounts
- > Multi-Currency Accounts



## Terms of Reference Representation

Members of the Board represent the ISXFEU Group, and the Board has the authority to appoint any official as a representative, and to determine the list of his/her powers. The Managing Director and Chief Executive Officer is authorised to represent the Group on his own and to sign documents on behalf of the Group. In case of a conflict of interest between the Group and one of the directors, the conflicted director shall not participate in the decision making process concerning the matter causing the conflict. Members of the Board are appointed and may be suspended or dismissed from their position by the General Meeting of Shareholders.

At each annual general meeting of the Company one-third of the directors for the time being, (or if their number is not three or a multiple of three, then the number nearest one-third) shall retire from office and shall, if willing to act, be eligible for re-election. The directors who offer themselves for re-election shall be referred to as the Retiring Directors. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire (unless they otherwise agree among themselves) be determined by lot.

No person other than a Retiring Director shall be eligible for election to the office of director at a general meeting of the Company unless:

- That individual is recommended by the board of directors; or
- Not less than ten Business Days nor more than 42 days before the date appointed for holding the meeting, there shall have been left at the registered office of the Company or forwarded to the electronic address of the Company a notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

## Shareholding by the Board members and insider trading

Securities Rules have been established, which apply to the Board members in relation to the acquisition of securities share and transactions with them in listed entities with which ISXFEU Group conducts business. Furthermore, the conditions and requirements of the EU Market Abuse Directive and the company's Insider Trading Rules, reflecting the essence of EU Market Abuse Directive, are applicable to the Board members (and other persons related to Board Members) in relation to the acquisition of shares and equity participation.

## Meetings of Directors

In 2024 the Board of Directors held eleven meetings. The meetings were arranged in the form of face to face and via teleconferences on conditions that the minutes of the meetings in all cases were taken by the secretary of that meeting at the registered office of the company, or other premises on the territory of Cyprus and subsequently duly signed by the Chairman of the Board.

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2024, and the number of meetings attended by each director were:

|                  | Full Board |      | Audit Committee |      | Risk Committee |      | Remuneration Committee |      | Nomination Committee |      |
|------------------|------------|------|-----------------|------|----------------|------|------------------------|------|----------------------|------|
|                  | Attended   | Held | Attended        | Held | Attended       | Held | Attended               | Held | Attended             | Held |
| Mr. C Taoushanis | 11         | 11   | -               | -    | -              | -    | 4                      | 4    | 2                    | 2    |
| Mr. N Karantzis  | 10         | 11   | -               | -    | 4              | 4    | -                      | -    | -                    | -    |
| Mr. A Pegasiou   | 9          | 11   | 5               | 5    | 4              | 4    | -                      | -    | 2                    | 2    |
| Mr. P Poulos     | 11         | 11   | 5               | 5    | 4              | 4    | 4                      | 4    | -                    | -    |
| Mr. P M Barnes   | 9          | 11   | 4               | 5    | 4              | 4    | 4                      | 4    | 2                    | 2    |
| Mr. D Melo       | 9          | 11   | -               | -    | -              | -    | -                      | -    | -                    | -    |

*Held: represents the number of meetings held during the time the director held office.*

## Audit Committee

**Audit Committee Chair** (as of 1 January 2024)

**Paul Barnes**

**Independent Non-Executive Director**

M.Sc // FCCA // MCSI

Audit Committee Members Include:

**Panikos Poulos (Member) and**

**Adonis Pegasiou (Member)**



Dear Stakeholders,

As Chair of the Audit Committee, I would like to extend my sincere thanks to my fellow Committee members for their robust contributions and to the wider ISX team – across finance, compliance and risk – whose input and cooperation have been instrumental to the Committee’s oversight. I also wish to acknowledge the valuable input from our auditors – External and Internal – and regulators, for their engagement, professionalism, and challenge, all of which have supported the integrity and transparency of the audit process.

In 2024, the Committee focused on ensuring the quality and transparency of financial disclosures, maintaining effective oversight of the audit process, and supporting the remediation actions following the CBC on-site inspection. We also monitored internal control enhancements, finance automation initiatives, and the broader assurance landscape. I am pleased with the progress we have made and confident that we continue to strengthen the Group’s financial governance.

### Committee Composition and Meetings

| Member Name    | Role   | Meetings Attended |
|----------------|--|-------------------|
| Mr. P M Barnes | Chair (Independent, Non-Executive Director)  | 4/5               |
| Mr. P Poulos   | Member (Independent, Non-Executive Director) | 5/5               |
| Mr. A Pegasiou | Member (Independent, Non-Executive Director) | 5/5               |

### Charter Responsibilities

The Audit Committee is responsible for overseeing and reviewing the integrity of the Company’s financial reporting, including the assessment of significant financial reporting judgements. It ensures that the financial statements are accurate, transparent, and aligned with the Board’s knowledge of the business.

As part of its duties, the Committee evaluates management’s

selection and application of accounting policies and principles, and reviews whether these are appropriate and consistently applied. It also assesses the effectiveness of the external audit process, including whether the external auditor’s report aligns with the information available to the Board and meets the needs of shareholders.

The Committee is tasked with making recommendations to shareholders regarding the appointment of the external auditor. It also evaluates the adequacy of the external auditor’s reporting and ensures that their work is independent, objective, and free from conflicts of interest.

In addition, the Audit Committee is responsible for the appointment of the internal auditor. Where the internal audit function is outsourced, the Committee oversees the selection of the provider and approves the scope and content of the internal audit plan. The Committee also reviews and approves the audit plans for both internal and external audits, ensuring they are risk-focused and aligned with the Group’s priorities.

The Committee continuously monitors, reviews, and assesses the performance and independence of both the internal and external audit functions. This includes matters relating to their appointment, remuneration, and the provision of non-audit services.

A further key responsibility of the Committee is to examine the effectiveness of the Company’s internal control environment. This includes evaluating the policies and procedures in place for identifying, managing, and mitigating financial and operational risks, as well as reviewing the broader risk management framework and systems.

The Committee also oversees the Company’s procedures for handling complaints or concerns raised by employees or third parties relating to financial reporting, internal controls, audit matters, or breaches of the Company’s Code of Conduct.

Finally, the Audit Committee ensures the Company meets all statutory financial reporting requirements within its remit and undertakes any other responsibilities as delegated by law or set out in the Company's Constitution.

The Committee shall be members of, and appointed by, the Board of Directors and shall comprise a minimum of 3 independent non-executive directors (where possible), with the secretary of the company being the secretary of the Audit Committee. One member, who does not chair the Board, shall be appointed to chair the Audit Committee and be an independent non-executive director. All Audit Committee members shall have a reasonable understanding of the sectors and industries in which the Company participates and will collectively possess competence relevant to the company's sector. Additionally, the Board will ensure that at least one Audit Committee member has recent and relevant financial, operational, and regulatory risk experience, along with at least one member having accounting and/or related financial management expertise. The degree of financial literacy among other committee members will be tailored to the company's nature, with a typical requirement of experience in corporate financial matters.

#### Areas of Focus in 2024

In 2024, the Committee reviewed quarterly and annual financial statements, reviewed the annual internal audit report, reviewed the Company's IT system and infrastructure audit, engaged with internal and external auditors, reviewed the internal audit plan and external audit plan, monitored CBC remediation progress, approved updates to the Audit Committee Charter, oversaw policy enhancements (including GDPR, IT, financial reporting, compliance, external complaints), supported automation within Finance, and tracked CBC correspondence. Private sessions with auditors were held, and follow-up actions from internal audit findings were reviewed.

#### Effectiveness and Governance

The Committee assessed its own effectiveness and alignment with the updated Charter. Independent sessions with the auditors and collaboration with the Risk Committee ensured full oversight. Access to independent advice and internal resources was confirmed.

#### Outlook for 2025

In 2025, the Committee will oversee continued enhancement of financial controls, initiate audit tender planning, and strengthen ESG, IT audit, and reporting practices.

## Secure Payment Solutions

**PAIDBY**

**SDD**  
SEPA DIRECT DEBIT

**ISXPAY**

### > Open Banking

Seamlessly link to the UK and EU's open banking networks, connecting your business to customers with instant, secure bank payments.

### > Direct Debit

SEPA Direct Debit is a Europe-wide payments system that allows you to automate recurring or one-off transactions of up to €10,000.

### > Card Payments

ISX Pay<sup>®</sup> enables businesses to accept online card payments from customers all over the world. Accept all major cards as well as over 100 different currencies.

## Nomination Committee

### Nomination Committee Chair

**Christakis Taoushanis**

**Independent Non-Executive Director and Chairman**

B.Sc // M.Sc

Nomination Committee Members Include:

**Adonis Pegasiou (Member) and**

**Paul Barnes (Member)**



Dear Stakeholders,

I would like to begin by thanking my fellow Nomination Committee members for their commitment and professionalism over the past year. I am also grateful to our governance and executive teams for their continued support and collaboration.

In 2024, the Committee oversaw the appointment of key individuals to both the Board and senior management, ensuring alignment with our strategic objectives and regulatory requirements. We reviewed and updated our Diversity Policy, approved the Board performance evaluation process, and supported long-term succession planning initiatives. These efforts have helped ensure the Board continues to benefit from a strong, diverse, and effective leadership structure.

### Committee Composition and Meetings

| Member Name      | Role   | Meetings Attended |
|------------------|--|-------------------|
| Mr. C Taoushanis | Chair (Independent, Non-Executive Director)  | 2/2               |
| Mr. A Pegasiou   | Member (Independent, Non-Executive Director) | 2/2               |
| Mr. P M Barnes   | Member (Independent, Non-Executive Director) | 2/2               |

### Charter Responsibilities

The Nomination Committee is responsible for ensuring that the Board maintains an appropriate balance of skills, experience, independence, and diversity to support the long-term success of the Company. To this end, the Committee regularly reviews the size and composition of the Board and considers whether any changes are required to enhance its effectiveness.

A core function of the Committee is to make recommendations to the Board on the appointment and removal of directors. This includes assessing candidates for appointment based on merit and alignment with the Company's strategic and regulatory needs. Where directors' terms of office are approaching expiry,

the Committee also evaluates their performance and makes recommendations on whether they should be nominated for re-election.

The Committee monitors the time commitment required from non-executive directors and assesses whether current members are meeting those expectations. This ensures that each director is able to contribute effectively to the Board's deliberations and oversight responsibilities.

In support of the Company's commitment to an inclusive and forward-looking governance structure, the Committee regularly reviews the Diversity Policy and advises on any changes required to strengthen Board and leadership diversity. It also considers the broader representation of women and men at all levels of the organisation and evaluates strategies to promote greater balance and opportunity across the business.

Furthermore, the Committee conducts periodic, and at least annual, assessments of the structure, size, composition, and performance of the management body. Where appropriate, it makes recommendations for adjustments to ensure that leadership remains aligned with the evolving needs of the Company, regulatory expectations, and best governance practices.

The Committee shall be members of, and appointed by, the Board of Directors and shall comprise at least three non-executive directors (where possible). One member shall be appointed to chair the Nominations Committee and must be an independent non-executive director (where possible). All Committee members shall have a reasonable understanding of the industries in which the Company participates.

### Areas of Focus in 2024

In 2024, the Committee conducted a Suitability Assessment for a proposed appointment of an independent Board member and a new AMLCO, with both positions subject to Regulator's non-objection letter/approval. It also reviewed and recommended

# Rapid Worldwide Transfers

- › SEPA Instant Transfers
- › UK FPS Transfers
- › Mass Global Transfers

updates to the Nomination Committee Charter and Diversity Policy and approved the Board evaluation framework. Discussions included succession planning and alignment of executive profiles with regulatory and strategic priorities.

#### **Effectiveness and Governance**

The Committee reviewed its effectiveness, updated its Charter, and confirmed that its composition and remit aligned with best governance practices. The Committee was supported by governance staff and had access to external advice where required.

#### **Outlook for 2025**

Looking ahead to 2025, the Committee will further strengthen succession planning for key leadership roles and enhance oversight of Board diversity, capability mapping, and future appointments. As the Group moves toward a planned listing, the Committee will also focus on ensuring that the composition of the Board remains fit for purpose, with the right mix of executive and non-executive directors to support governance expectations in a public market environment.



## Risk Committee

### Risk Committee Chair

**Panikos Poulos**

### Independent Non-Executive Director

B.Sc // M.Sc

Risk Committee Members Include:

**Adonis Pegasiou (Member),**

**Nikogiannis Karantzis (Member) and**

**Paul Barnes (Member)**



Dear Stakeholders,

It has been a privilege to serve as Chair of the Risk Committee during a year of continued development and resilience. I would like to thank my fellow Committee members for their engagement and challenge, and extend appreciation to the Finance, Risk, Compliance, and Executive teams for their detailed reporting and proactive management throughout 2024.

This year, the Committee approved key updates to the Risk Appetite Statement and risk management policies, monitored progress on regulatory remediation, and oversaw significant improvements in AML, GDPR, and internal control monitoring. We also reviewed the results of a Group-wide risk maturity survey and initiated key improvements. The Committee remains committed to ensuring that the Group's risk culture is robust and future fit.

### Committee Composition and Meetings

| Member Name     | Role   | Meetings Attended |
|-----------------|--|-------------------|
| Mr. P Poulos    | Chair (Independent, Non-Executive Director)  | 4/4               |
| Mr. A Pegasiou  | Member (Independent, Non-Executive Director) | 4/4               |
| Mr. P M Barnes  | Member (Independent, Non-Executive Director) | 4/4               |
| Mr. N Karantzis | Member (Executive Director)                  | 4/4               |

### Charter Responsibilities

The Committee is responsible for monitoring the effectiveness of the Group's risk management framework, approving the Risk Appetite Statement and key risk policies, and ensuring regulatory alignment across risk domains.

The Committee shall be members of, and appointed by, the Board of Directors and shall comprise (when possible) at least

2 non-executive directors plus the managing director, or 3 non-executive directors, with the secretary of the company being the secretary of the Risk Committee. All Committee members shall be financially literate. One member, who does not chair the Board, shall be appointed to chair the Risk Committee and be an independent non-executive director (where possible). At least one member shall have accounting and/or related financial management expertise as determined by the Board, along with another member who has experience in managing financial, operational, and regulatory risk. All Committee members shall have a reasonable understanding of the sectors in which the Company participates.

### Areas of Focus in 2024

In 2024, the Committee approved updates to its Charter, the Management Risk Committee Charter, the Risk Appetite Statement and core risk policies including operational, conduct, fraud risk and risk management. The Committee reviewed AML and GDPR reporting, IT control updates, and progress on CBC remediation. It received quarterly updates from the CRO, the AMLCO, reviewed MOKAS correspondence, and evaluated Management Risk Committee outputs. A risk maturity survey was conducted, with improvements already underway.

### Effectiveness and Governance

The Committee assessed its effectiveness, updated its Charter, and maintained coordination with the Audit Committee. It ensured that internal controls remained aligned with evolving risk profiles and compliance standards.

### Outlook for 2025

In 2025, the Committee will deepen risk analytics, support the integration of ESG and operational resilience risks, and enhance governance of IT and financial crime risk domains.

## Remuneration Committee

### Remuneration Committee Chair

**Christakis Taoushanis**

**Independent Non-Executive Director and Chairman**

B.Sc // M.Sc

Remuneration Committee Members Include:

**Panikos Poulos (Member) and**

**Paul Barnes (Member)**



Dear Stakeholders,

On behalf of the Remuneration Committee, I would like to thank my fellow members for their diligence and thoughtful engagement throughout the year. I also appreciate the support from the CFO, executive team, and our external advisors, which has been key to our work.

During 2024, the Committee reviewed and approved updates to executive remuneration and the remuneration of the non-executives in accordance with the Company's Remuneration Policy, assessed and authorised short- and long-term incentive plans, and supported the creation of performance-aligned listing incentives. We also ensured that pay structures remain competitive, fair, and transparent. As the Group grows, our goal remains to align remuneration with sustained value creation and responsible governance.

### Committee Composition and Meetings

| Member Name      | Role   | Meetings Attended |
|------------------|--|-------------------|
| Mr. C Taoushanis | Chair (Independent, Non-Executive Director)  | 4/4               |
| Mr. P Poulos     | Member (Independent, Non-Executive Director) | 4/4               |
| Mr. P M Barnes   | Member (Independent, Non-Executive Director) | 4/4               |

### Charter Responsibilities

The Remuneration Committee is responsible for determining and approving the remuneration packages of Executive Directors, Non-Executive Directors, and senior executives. In fulfilling this duty, the Committee ensures that compensation arrangements are aligned with the Company's strategic objectives, promote long-term value creation, and are consistent with sound risk management principles.

In addition to overseeing fixed remuneration, the Committee is tasked with reviewing and approving all employee incentive plans and equity-based schemes. This includes evaluating the

structure and design of such plans, the appropriateness of any performance hurdles or vesting conditions, and the total quantum of awards proposed to ensure they are fair, transparent, and linked to measurable outcomes.

The Committee also maintains a direct line of communication with the Company's primary regulator. It is available to meet with the Central Bank of Cyprus upon request to discuss any matters falling within its remit, including the governance of remuneration frameworks and the alignment of pay structures with regulatory expectations.

The Committee shall be members of, and appointed by, the Board of Directors and shall comprise at least three non-executive directors (where possible). One member shall be appointed to chair the Remuneration Committee and must be an independent non-executive director (where possible). All Committee members shall have a reasonable understanding of the industries in which the Company participates.

### Areas of Focus in 2024

During 2024, the Committee approved revisions to executive base salaries and non-executive director fees, reviewed and endorsed short-term and long-term incentive plans, and supported listing-related equity awards. It reviewed the Committee's Charter and ensured that the approved bonus pool was aligned with business performance. Executive and director remuneration frameworks were reviewed to support transparency and retention.

### Effectiveness and Governance

The Committee reviewed its own effectiveness and the appropriateness of its policies. Independent benchmarking was considered in remuneration decisions, and recommendations were made with full independence from management.

### Outlook for 2025

In 2025, the Committee will continue to oversee implementation of performance-related incentive schemes and support governance improvements ahead of ISX's listing preparations.

## General Meeting

The Company shall in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The next general meeting will be held no later than the 31 December 2025. Further information will be sent to shareholders regarding the final date and time of the meeting and how to join in due course.

## Major Shareholders

The names of the twenty largest security holders as at 31st December 2024 are listed below:

| Position   | Holder Name  | Holding            | % IC           |
|--|--|--------------------|----------------|
| 1  | SELECT ALL ENTERPRISE LIMITED                              | 45,229,775         | 41.09%         |
| 2  | RED 5 SOLUTIONS LIMITED                                    | 10,900,000         | 9.90%          |
| 3  | UBS NOMINEES PTY LTD                                       | 8,240,426          | 7.49%          |
| 4  | ICEBREAK FLOW GLOBAL LIMITED                               | 2,361,578          | 2.15%          |
| 5  | VASTIUM HOLDINGS LIMITED                                   | 1,529,160          | 1.39%          |
| 6  | ALTERNATIVE LIQUIDITY INDEX LP                             | 1,206,641          | 1.10%          |
| 7  | CILI PADI LIMITED  | 1,010,463          | 0.92%          |
| 8  | IFM PTY LIMITED <IFM SUPER FUND A/C>                       | 1,000,000          | 0.91%          |
| 9  | TOP 4 PTY LTD <FOUNDATION INVESTMENTS S/F>                 | 667,110            | 0.61%          |
| 10   | WARNEET SUPER PTY LIMITED <WARNEET SUPER FUND A/C>         | 666,861            | 0.61%          |
| 11   | BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>   | 620,000            | 0.56%          |
| 12   | ARKADII ZALEVSKII  | 584,300            | 0.53%          |
| 13   | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                  | 560,557            | 0.51%          |
| 14   | THE NORTHERN TRUST COMPANY                                 | 550,977            | 0.50%          |
| 15   | BOND STREET CUSTODIANS LIMITED <LAMAN - D05019 A/C>        | 533,139            | 0.48%          |
| 16   | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 494,028            | 0.45%          |
| 17   | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD <NOM1 A/C>      | 480,158            | 0.44%          |
| 18   | MR STEPHEN ABOUD   | 466,937            | 0.42%          |
| 19   | VICTORIA KIRIN PTY LTD <DROMANA COAST A/C>                 | 440,000            | 0.40%          |
| 20   | CHAMPIO PTY LTD <CHAMPIO FAMILY A/C>                       | 413,857            | 0.38%          |
| <b>TOTALS of Top 20 Holders of Ordinary paid up shares</b> |  | <b>77,955,967</b>  | <b>70.82%</b>  |
| <b>Total Issued Capital</b>                                |  | <b>110,079,450</b> | <b>100.00%</b> |

All shares in the Company are ordinary, fully paid shares, with all shares carrying equal voting rights.



# Management Report

## Non-Financial Information

## Corporate Social Responsibility at ISX Financial EU

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As a company active in financial markets around the world, we believe that ISXFEU has a responsibility to our stakeholders and to the communities where we live and work. Our commitment is built on the deeply ingrained sense of social responsibility among our employees and the recognition that our company grows stronger by helping to advance local communities, business practices and individual lives around the world

Our social investment is wide-reaching and includes:

- Valuing our people
- Advancing diversity
- Developing our global community
- Contributing to economic development
- Managing our business
- Caring for the environment
- Respecting human rights

## ISXFEU's Code of Conduct

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ISXFEU has several codes, policies, and procedures to run the business in a fair, ethical and lawful manner and in compliance with applicable laws and regulations. The Company's Code of Conduct (the "Code") is a statement of the fundamental principles and certain key policies that govern the conduct of our business and can be found on the Company's website at: <https://www.isx.financial>.

The Code confirms that an essential aspect of the Group's success is our collective commitment to operating in an ethical and lawful manner to maintain the integrity of our business. The Code, which has been approved by the Company's Board of Directors, sets forth the guiding principles we expect each employee and corporate director to follow.

## Outsourcing and Supply Chain Relationships

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The Group has rigorous policies and procedures in relation to the engagement of suppliers that assist the Group in carrying on its business. The Group has a Procurement & Sourcing Code (this includes Vendor Selection and Contracting which sets out the parameters which apply to our selection and retention of certain new and existing suppliers and the execution of contracts). The policy has a specific question on modern slavery and human trafficking in their standard due diligence request list.

Our supply chain mostly consists of reputable financial services firms, sophisticated independent consulting firms, and other service providers in the areas of finance and technology (including the procurement of software, data and other technology-related goods and services). Given the nature of our business and the typical goods and services we procure, we consider the risk of slavery and human trafficking in our supply chain to be low. The Group exercises skill and care when selecting third party service providers, including a determination as to whether they have the ability and capacity to perform the contracted function(s) reliably and professionally. When selecting new suppliers, we consider the suitability of the product or service for the Group's needs, as well as other selection criteria, including organization and management, reputation, and their ability to meet ISXFEU Group's applicable regulatory or legal requirements.

Our arrangements with material suppliers are documented by a written agreement specifying the respective rights and obligations of a ISX Group company and the supplier. The Group requires its service providers:

1. To comply with all applicable national, local, and international laws (including employment-related laws);
2. To adhere to the rules and requirements arising in connection with its personnel;
3. Not to participate in any illegal, deceptive, misleading or unethical practices;
4. To comply with all applicable anti-slavery and human trafficking laws (including the Modern Slavery Act);
5. To implement due diligence procedures for their own supply chains;
6. To confirm that there is no slavery or human trafficking in its supply chains;
7. To notify the Risk Committee of any breach.

The Group will not support any supplier relationship where we are aware, or have reasonable grounds to believe, that slavery and human trafficking is taking place, and the Group will take appropriate action if it appears that the supplier is not carrying out its functions as per the contractual arrangements and/or in compliance with the applicable laws and regulatory requirements.

## Open Door Communication and Whistleblowing

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The Group's objective is to maintain an environment in which all employees feel comfortable to raise issues that they believe are important. The Company therefore supports open door communication and encourages employees to raise concerns with their immediate supervisors or other senior managers.

Alternatively, there is a portal available for those who wish to submit concerns anonymously. We also operate an ethics email for employees to raise issues or report concerns. In accordance with applicable law, no employee will be subject to retaliation because of a good faith report of suspected misconduct.

## Environmental matters

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The Group is committed to conducting its operations in an environmentally sound and sustainable manner. To achieve protection of the health and safety of employees, customers and the public, the Company has established procedures and compliance programs to ensure the minimum adverse impact on the environment. Such procedures and programs are periodically being reviewed and appraised.

## Social and employee matters

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As at 31 December 2024 the Group had 184 employees, with employees in Nicosia (Cyprus), Melbourne and Sydney (Australia), Vilnius (Lithuania), Malta (Valletta), London (UK), Amsterdam (the Netherlands), Tel- Aviv (Israel) and Valetta, (Malta).

The Group recruits, employs and promotes employees on the sole basis of their qualifications and abilities (including reputation and reliability). The Group endeavours to enable everyone to develop his or her talents in various ways (including, when appropriate, through training programs). The Group considers safe and healthy working conditions for its employees to be fundamental. The Company believes that good communication with employees is essential.

There are no material issues expected to impact employees in 2025.



We Care, We Grow.





# Management Report

## Remuneration report

The remuneration report details the key management personnel remuneration arrangements for the group, in accordance with the requirements of the Cypriot Companies Law (Cap. 113) and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

## Remuneration Policy for 2025

The Group has established a competitive remuneration framework to attract, engage and retain its employees. Its basic principles are to:

- Safeguard that remuneration is sufficient to retain and attract executives with appropriate skill and experience.
- Monitor that internal equity between all Units is applied.
- Avoid excessive risk taking.
- Link remuneration with long-term performance.

The continuous monitoring of market trends and best practices in domestic and global level ensures a competitive Remuneration Policy that is governed by transparency and internal equity.

Remuneration packages may contain any or all the following:

- Annual salary base or guaranteed variable remuneration with provision to recognise the value of the individuals' personal performance and their ability and experience.
- Rewards, bonuses, special payments, and other measures available to reward individuals and teams following a particular outstanding business contribution.
- Share participation – the Company is considering implementing an employee incentive scheme, further details will be shared with shareholders when available; and
- Other benefits, such as lease vehicles, medical insurance, holiday leave, sickness benefits, superannuation payments, long service benefits and separation agreement schemes.

The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year on the recommendation of the Managing Director and Chief Executive Officer.

Remuneration of the Managing Director and Chief Executive Officer will be reviewed annually by the Board. Determination of Non-Executive Directors fees are with regard to the long-term performance of the Company.

Executives and Executive Directors remuneration will offer a level of remuneration which is sufficient to attract and retain Executives needed to run the Company successfully, but avoiding

paying more than is necessary for this purpose.

Employee remuneration will offer a level of remuneration which is sufficient to attract and retain Employees as needed to run the Company successfully but avoiding paying more than is necessary for this purpose. It's proposed that Employees are eligible to receive both a short and long-term incentive, tied to specific goals for the individual and the Company.

The Group can apply malus or claw back arrangements up to 100% of the total of any variable remuneration.

## Remuneration of ISXFEU Directors

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders. The aggregate remuneration for Non-Executive Directors has been set at an amount not to exceed €500,000 per annum for the Company. Any change to Non-Executive Director fees is recommended by the Remuneration Committee and approved by the Board.

The remuneration of Executive Directors will be recommended by the Remuneration Committee and approved by Non-Executive Directors. The Board has resolved that the Directors' fees for the Company will be €50,000 per annum for the Chairman, inclusive of UK Non-Executive director fees and €20,000 per annum for non-executive Directors (exclusive of any statutory obligations or other fees paid on behalf of other Group companies to directors), which may be subject to change in the future.

The remuneration of the executive Directors and key management will be determined by the Board. A summary of Nikogiannis Karantzis' (the Managing Director and Chief Executive Officer), Ajay Treon's (the current Chief Financial Officer) and Dominic Melo's material terms in employment agreements are set out below.

## Details of remuneration

### Amounts of remuneration

The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

|                          | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
|--------------------------|------------------|------------------|
| Short-term benefits      | 2,327,172        | 1,642,714        |
| Post-employment benefits | -                | 6,613            |
|                          | <b>2,327,172</b> | <b>1,649,327</b> |

*Above amounts include Executive Directors, Non-Executive Directors and Group CFO remuneration.*

## Additional disclosures relating to key management personnel

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### Shareholding

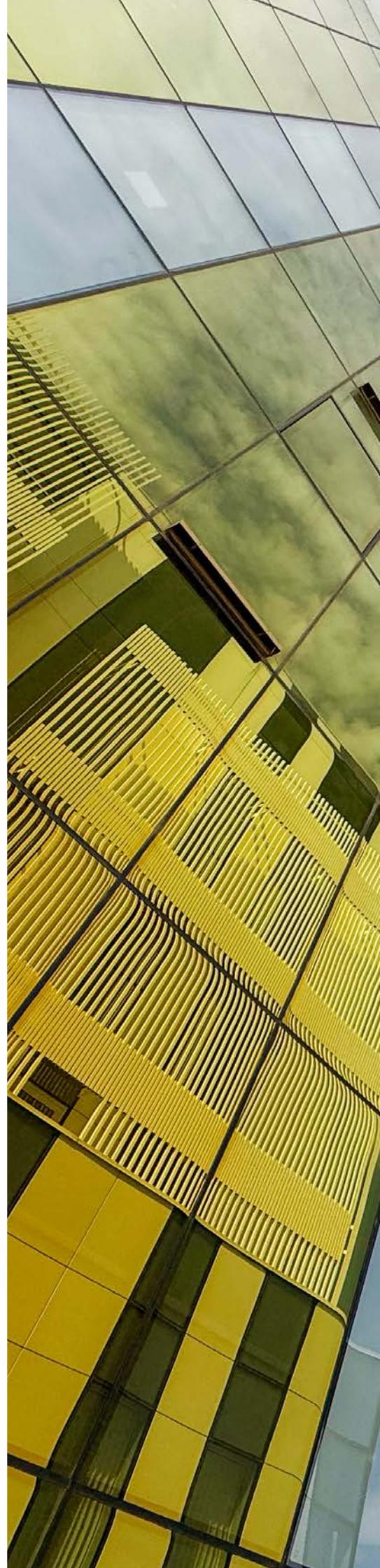
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

| ISXFEU Director       | ISXFEU Shares held         | % Interest |
|-----------------------|----------------------------|------------|
| Christakis Taoushanis | 258,500 directly held      | 0.23%      |
| Nikogiannis Karantzis | 22,610,365 indirectly held | 20.54%     |
| Panikos Poulos        | -                          | -          |
| Adonis Pegasiou       | -                          | -          |
| Dominic Melo          | 115,384 directly held      | 0.10%      |
| Paul Barnes           | 25,000 directly held       | 0.02%      |

### Loans to key management personnel and their related parties

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At 31 December 2024, Red 5 Solutions Limited owed Probanx Solutions Limited €1,612,047. The loan is secured by shares held in ISXFEU by related parties and repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR).





# Management Report

## Other Matters

## Share capital

At 31 December 2024, 110,079,450 ordinary shares were on issue, with a nominal value of €0.07 each (31 December 2023: 110,079,450 fully paid shares with a nominal value €0.07 each). Details on the development of the share capital of the Company are disclosed in Note 27 of the consolidated financial statement.

There are no restrictions on the transfer of the Company's ordinary shares, other than the provisions of the Business of Credit Institutions Law of Cyprus which require the approval of the Central bank of Cyprus (CBC) prior to acquiring shares in the Company, above certain thresholds.

The Company's issued ordinary shares do not carry special control rights.

## Shareholders holding more than 5% of the share capital

Shareholders holding more than 5% of the share capital of the Company are disclosed in Shareholder information on page 49.

## Principal activities

ISXFEU is incorporated in the European Union Member state of the Republic of Cyprus with Company Number HE348009 and holds Central Bank of Cyprus authorisation #115.1.3.17 as a European Economic Area Electronic Money Institution and United Kingdom (UK) FCA 900871 as a UK Electronic Money Institution.

ISXFEU owns 30.345% of its associate, the NSX Limited (NSXL), which is the 100% owner of the ASIC licenced Tier 1 Australian market operator and securities exchange, the National Stock Exchange of Australia (NSXA).

ISXFEU additionally owns 100% of ClearPay Pty Ltd, a start-up venture, that seeks to enter the clearing and settlement sector, currently monopolised by the Australian Securities Exchange wholly owned subsidiary, ASXClear.

ISXFEU holds monetary financial services licences to operate as an authorised electronic money and payment institution in the European Economic Area (EEA) and the United Kingdom.

ISXFEU, through its Probanx® subsidiaries, develops financial and regulatory technology software for banks, credit unions, electronic money institutions, payment institutions and financial services companies. The software may be licenced, or provided as a service, for upfront and monthly fees, and integrated directly with customer systems, or via platform partners. The software includes solutions for customers onboarding, identity verification, core banking, interbank networking, card scheme processing, securities delivery versus payment, payment netting and electronic wallet solutions.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the year ended 31 December 2024.

## Matters subsequent to the end of the financial year

Matters subsequent to the end of the financial year can be found in Note 39 of the consolidated financial statements.

## Likely developments and results of operations - update

In 2024, our business witnessed significant growth as we continued to expand our operations and integrate new business opportunities. This enabled us to process transactions more efficiently and generate increased revenues. Looking ahead to 2025, our focus remains on executing our strategic initiatives to further grow and scale our operations. This includes expanding our banking business in Europe and the UK, as well as exploring new market opportunities to drive innovation and growth.

2025's focus will be on deeper integration to the Central Banks of Latvia and Lithuania T2 real time gross settlement system, to allow for central bank settlement account movements between our liquidity pool accounts and other banks connected to the central banks, facilitating 'international' movement of EUROS € by SWIFT in the process, deprecating the current necessity of a correspondent bank and associated fees.

Subject to UK Financial Conduct Authority and Bank of England approvals, a similar process will be undertaken for Bank of England Real Time Gross Settlement ("RTGS") access, allowing for international movement of pounds sterling via SWIFT directly by ISX, deprecating the current necessity of a correspondent bank and associated fees.

Our commitment to delivering outstanding products and services to our existing customers remains unwavering. We are dedicated to expanding our customer base and increasing revenues in the upcoming financial year.

Furthermore, in 2025, we are actively exploring opportunities to list on an EU or UK exchange, with advanced progress having been made to list on the Cyprus Stock Exchange ("CSE") with a dual list contemporaneously planned on a major international stock exchange. To facilitate this process, we have engaged advisors to assist with the listing. Pending the approval of the prospectus, shareholders, and other necessary regulatory approvals, and following the CSE listing, we plan to restructure the Group by establishing a holding company above ISX Financial EU Plc post listing, subject to further legal advice and shareholder approvals. This non-operating holding entity will be specifically created for ongoing listing purposes and to allow us to move our primary listing to a major international exchange, in the process allowing our regulated operating companies such as ISXFEU and ISXFUK to operate independently of the holding company, with boards of directors possessing the requisite skills and experience.

#### **Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith and gross negligence.

During the financial year, the company paid a premium in respect of a contract to ensure the directors and executives of the company against a liability to the extent permitted by the Cypriot Companies Law (Cap. 113). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

#### **Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

#### **Proceedings on behalf of or against the company**

No active or material cases have been filed against the Company.

#### **Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

#### **Officers of the Company who are former audit partners of BDO Ltd**

There are no officers of the Company who are former audit partners of BDO Ltd.

#### **Auditor**

BDO Ltd continues in office in accordance with the Auditors Law of 2017.

This report is made in accordance with a resolution of directors.

On behalf of the directors,



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**Mr. Christakis Taoushanis**  
Non-executive Chairman  
28 May 2025



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**Mr. Nikogiannis Karantzis**  
Managing Director and Chief Executive Officer  
28 May 2025



# Financial Report

## Consolidated Statements



| Consolidated statement of profit or loss and other comprehensive income<br>For the year ended 31 December 2024 | Note | Consolidated      |                  |
|--|------|-------------------|------------------|
|  |      | 31 Dec 2024       | 31 Dec 2023      |
|  |      | €                 | €                |
| <b>Revenue</b>   | 5    | 54,616,697        | 32,064,524       |
| Other Income   | 6    | 4,051,381         | 302,930          |
| <b>Expenses</b>  |      |                   |                  |
| Corporate expenses <sup>(1)</sup>  |      | (6,090,340)       | (4,571,223)      |
| Advertising & marketing expense  |      | (676,665)         | (470,532)        |
| Employee benefits expense  | 7    | (10,866,847)      | (8,921,928)      |
| Research & development expenses  |      | (462,644)         | (444,357)        |
| Depreciation & amortisation expense  | 7    | (3,081,507)       | (2,947,903)      |
| Fair value loss on financial assets  | 10   | (105,290)         | -                |
| Reversal of impairment/ (Impairment) of investment in associate  | 17   | 441,257           | (1,307,012)      |
| Share of losses from investment in associate   | 17   | (733,394)         | (555,765)        |
| IT expenses  |      | (1,896,634)       | (1,568,257)      |
| Operating costs <sup>(2)</sup>   |      | (4,412,240)       | (4,422,704)      |
| Share based payments   |      | (155,143)         | (26,265)         |
| Net realised/unrealised foreign exchange (loss)/gain   |      | (180,624)         | 4,796            |
| Finance costs  |      | (187,869)         | (211,901)        |
| <b>Profit before income tax expense</b>  |      | <b>30,260,138</b> | <b>6,924,403</b> |
| Income tax expense   | 8    | (4,277,896)       | (1,676,707)      |
| <b>Profit after income tax expense for the year</b>  |      | <b>25,982,242</b> | <b>5,247,696</b> |
| <b>Other comprehensive (loss)/income</b>   |      |                   |                  |
| <i>Items that may be reclassified subsequently to profit or loss</i>   |      |                   |                  |
| Foreign currency translation differences from foreign operations   |      | (9,908)           | (214,874)        |
| Other comprehensive loss for the year, net of tax  |      | (9,908)           | (214,874)        |
| <b>Total comprehensive income for the year</b>   |      | <b>25,972,334</b> | <b>5,032,822</b> |
| Profit/(loss) for the year is attributable to:   |      |                   |                  |
| Non-controlling interests  | 29   | (2,186)           | (3,403)          |
| Owners of ISX Financial EU Plc   |      | 25,984,428        | 5,251,099        |
|  |      | <b>25,982,242</b> | <b>5,247,696</b> |
| Total comprehensive income/(loss) for the year is attributable to:   |      |                   |                  |
| Non-controlling interests  | 29   | (2,186)           | (3,403)          |
| Owners of ISX Financial EU Plc   |      | 25,974,520        | 5,036,225        |
|  |      | <b>25,972,334</b> | <b>5,032,822</b> |
| <b>Earnings per share</b>  |      |                   |                  |
| Basic (in cents)   | 30   | 23.60             | 5.01             |
| Diluted (in cents)   | 30   | 23.15             | 4.93             |

<sup>(1)</sup> Corporate expenses consist mainly of professional fees, recruitment expenses and irrecoverable VAT.

<sup>(2)</sup> Operating costs consist mainly of cost of card schemes, sales commissions and cost of referral fees.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

| Consolidated statement of financial position<br>As at 31 December 2024 | Note | Consolidated              |                           |
|--|------|---------------------------|---------------------------|
|  |      | 31 Dec 2024               | 31 Dec 2023               |
|  |      | €                         | €                         |
| <b>Assets</b>  |      |                           |                           |
| <b>Current assets</b>  |      |                           |                           |
| Cash and cash equivalents  | 9    | 34,583,361                | 8,126,279                 |
| Funds held on behalf of Business Customers                             | 12   | 189,226,154               | 121,010,848               |
| Financial assets at fair value through profit or loss                  | 10   | -                         | 5,500,311                 |
| Trade and other receivables  | 11   | 869,700                   | 627,820                   |
| Loans receivable   | 19   | 1,762,047                 | -                         |
| Other assets   | 13   | 1,683,608                 | 1,164,301                 |
| Total current assets   |      | <u>228,124,870</u>        | <u>136,429,559</u>        |
| <b>Non-current assets</b>  |      |                           |                           |
| Financial assets at fair value through profit or loss                  | 10   | 1,209,340                 | -                         |
| Financial assets at fair value through OCI                             | 18   | 677,065                   | -                         |
| Loans receivable   | 19   | -                         | 1,664,052                 |
| Investment in associate  | 17   | 1,909,231                 | 1,550,769                 |
| Right-of-use assets  | 15   | 1,624,288                 | 1,865,642                 |
| Plant and equipment  | 14   | 586,571                   | 575,071                   |
| Intangibles  | 16   | 5,360,448                 | 4,981,787                 |
| Deferred tax assets  |      | 76,424                    | 58,496                    |
| Total non-current assets   |      | <u>11,443,367</u>         | <u>10,695,817</u>         |
| <b>Total assets</b>  |      | <b><u>239,568,237</u></b> | <b><u>147,125,376</u></b> |
| <b>Liabilities</b>   |      |                           |                           |
| <b>Current liabilities</b>   |      |                           |                           |
| Funds held on behalf of Business Customers                             | 12   | 189,226,154               | 121,010,848               |
| Trade and other payables   | 20   | 4,108,789                 | 4,716,811                 |
| Current tax liability  |      | 721,443                   | 930,667                   |
| Contract liabilities   | 21   | 20,212                    | 19,934                    |
| Employee benefits  | 23   | 306,873                   | 271,943                   |
| Lease liability  | 22   | 491,232                   | 483,646                   |
| Total current liabilities  |      | <u>194,874,703</u>        | <u>127,433,849</u>        |
| <b>Non-current liabilities</b>   |      |                           |                           |
| Employee benefits  | 25   | 57,413                    | 50,545                    |
| Lease liability  | 24   | 1,400,034                 | 1,651,588                 |
| Convertible note payable   | 26   | 1,166,388                 | 1,745,146                 |
| Deferred tax liabilities   |      | 55,741                    | 55,741                    |
| Total non-current liabilities  |      | <u>2,679,576</u>          | <u>3,503,020</u>          |
| <b>Total liabilities</b>   |      | <b><u>197,554,279</u></b> | <b><u>130,936,869</u></b> |
| <b>Net assets</b>  |      | <b><u>42,013,958</u></b>  | <b><u>16,188,507</u></b>  |
| <b>Equity</b>  |      |                           |                           |
| Issued capital   | 27   | 7,705,562                 | 7,705,562                 |
| Reserves   | 28   | 10,853,763                | 11,793,460                |
| Retained earnings/ (Accumulated losses)                                |      | 23,454,633                | (3,721,511)               |
| <b>Equity attributable to owners of the parent</b>                     |      | <u>42,013,958</u>         | <u>15,777,511</u>         |
| Contribution to equity from non-controlling interest                   | 29   | -                         | 410,996                   |
| <b>Total equity</b>  |      | <b><u>42,013,958</u></b>  | <b><u>16,188,507</u></b>  |

We the Members of the Board of Directors and the officials responsible for the drafting of the Consolidated Financial Statements of ISX Financial EU Plc (the Company) for the year ended 31 December 2024, confirm that to the best of our knowledge the consolidated statement of financial position give a true and fair view of the assets and liabilities of ISX Financial EU Plc and of the entities included in the Consolidated Financial Statements.



**Christakis Taoushanis**  
Independent, Non-Executive Director,  
Chairman of the Board



**Nikogiannis Karantzis**  
Chief Executive Officer &  
Managing Director of the Board



**Panikos Poulos**  
Independent, Non-Executive Director  
of the Board



**Dominic Melo**  
Executive Director of the Board



**Paul Barnes**  
Independent, Non-Executive Director  
of the Board



**Adonis Pegasiou**  
Independent, Non-Executive Director  
of the Board

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

| Consolidated statement of changes in equity<br>For the year ended 31 December 2024 | Issued<br>Capital | Accumulated<br>Losses | Non-controlling<br>Interest | Reserves          | Total<br>Equity   |
|--|-------------------|-----------------------|-----------------------------|-------------------|-------------------|
| Consolidated   | €                 | €                     | €                           | €                 | €                 |
| Balance at 1 January 2024  | 7,705,562         | (3,721,511)           | 410,996                     | 11,793,460        | 16,188,507        |
| Profit/(loss) after income tax expense for the year                                | -                 | 25,984,428            | (2,186)                     | -                 | 25,982,242        |
| Other comprehensive income for the year, net of tax                                | -                 | -                     | -                           | (9,908)           | (9,908)           |
| Total comprehensive income/(loss) for the year                                     | -                 | 25,984,428            | (2,186)                     | (9,908)           | 25,972,334        |
| <i>Transactions with owners in their capacity as owners:</i>                       |                   |                       |                             |                   |                   |
| Acquisition of NCI <sup>(1)</sup>  | -                 | 1,191,716             | (408,810)                   | (1,084,932)       | (302,026)         |
| Share based payments (note 28)   | -                 | -                     | -                           | 155,143           | 155,143           |
| <b>Balance at 31 December 2024</b>   | <b>7,705,562</b>  | <b>23,454,633</b>     | <b>-</b>                    | <b>10,853,763</b> | <b>42,013,958</b> |

| Consolidated statement of changes in equity<br>For the year ended 31 December 2023 | Issued<br>Capital | Accumulated<br>Losses | Non-controlling<br>Interest | Reserves          | Total<br>Equity   |
|--|-------------------|-----------------------|-----------------------------|-------------------|-------------------|
| Consolidated   | €                 | €                     | €                           | €                 | €                 |
| Balance at 1 January 2023  | 7,705,562         | (8,972,610)           | 414,399                     | 11,982,069        | 11,129,420        |
| Profit/(loss) after income tax expense for the year                                | -                 | 5,251,099             | (3,403)                     | -                 | 5,247,696         |
| Other comprehensive income for the year, net of tax                                | -                 | -                     | -                           | (214,874)         | (214,874)         |
| Total comprehensive income/(loss) for the year                                     | -                 | 5,251,099             | (3,403)                     | (214,874)         | 5,032,822         |
| <i>Transactions with owners in their capacity as owners:</i>                       |                   |                       |                             |                   |                   |
| Share based payments (note 28)   | -                 | -                     | -                           | 26,265            | 26,265            |
| <b>Balance at 31 December 2023</b>   | <b>7,705,562</b>  | <b>(3,721,511)</b>    | <b>410,996</b>              | <b>11,793,460</b> | <b>16,188,507</b> |

<sup>(1)</sup> Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

| Consolidated statement of cash flows<br>For the year ended 31 December 2024     | Note | Consolidated      |                  |
|---|------|-------------------|------------------|
|   |      | 31 Dec 2024<br>€  | 31 Dec 2023<br>€ |
| <b>Cash flows from operating activities</b>                                     |      |                   |                  |
| Receipts from customers   |      | 54,545,046        | 31,831,751       |
| Payments to suppliers and employees   |      | (25,431,473)      | (19,048,645)     |
| Income taxes paid   |      | (4,045,600)       | (854,851)        |
| Other (Business Customer security received and card scheme membership security) |      | (50,026)          | (147,553)        |
| Net cash generated from operating activities <sup>(1)</sup>                     | 40   | 25,017,947        | 11,780,702       |
| <b>Cash from investing activities</b>   |      |                   |                  |
| Payments for plant and equipment  | 14   | (223,793)         | (149,857)        |
| Payments for intangibles  | 16   | (2,791,715)       | (2,449,962)      |
| Decrease/(Increase) in financial assets at fair value through profit or loss    | 10   | 4,159,618         | (5,500,311)      |
| Increase in financial assets at fair value through OCI                          | 18   | (677,065)         | -                |
| Payment for purchase of business  |      | -                 | (284,342)        |
| Payment for additional shares in associate entity                               | 17   | (695,036)         | -                |
| Loan given to third parties   |      | (150,000)         | -                |
| Repayment of loans receivable   |      | 1,615             | 238,316          |
| Interest received   |      | 3,931,819         | 347,539          |
| Net cash generated/(used) in investing activities <sup>(1)</sup>                |      | 3,555,443         | (7,798,617)      |
| <b>Cash flows from financing activities</b>                                     |      |                   |                  |
| Repayment of borrowings   | 26   | (538,690)         | (840,544)        |
| Repayment of interest   | 26   | (85,751)          | (107,768)        |
| Lease payments  | 22   | (982,595)         | (895,451)        |
| Acquisition of NCI  | 29   | (302,047)         | -                |
| Net cash used in financing activities   |      | (1,909,083)       | (1,843,763)      |
| Net increase in cash and cash equivalents                                       |      | 26,664,307        | 2,138,322        |
| Cash and cash equivalents at the beginning of the financial year                |      | 8,126,279         | 5,983,161        |
| Effects of exchange rate changes on cash and cash equivalents                   |      | (207,225)         | 4,796            |
| <b>Cash and cash equivalents at the end of the financial year</b>               | 9    | <b>34,583,361</b> | <b>8,126,279</b> |

<sup>(1)</sup> In 2023 the Consolidated statement of cash flows included "Decrease/(Increase) in financial assets at fair value through profit or loss" line in net cash generated from operating activities. Management decided to reclassify the cashflows to investing activities since it is not related to the principal operation of the Group but rather investing activities. In addition management decided to reclassify the lines "repayment of loans receivable" cash used in financing activities to cash used in investing activities, "Other (Business Customer security received and card scheme membership security)" from cash used in financing activities to net cash generated from operating activities, line "Interest received" from cash used in operating activities to cash used in investing activities and lines "repayment of interest" and "lease payments" from cash generated from operations to cash used in financing activities.

Following the above reclassifications the 2023 Net cash generated from operation changed from €5,722,264 to €11,780,702. Net cash used in investing activities changed from €2,884,161 to €7,798,617 and cash used in financing activities from €749,781 to €1,843,763.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# Financial Report

## Notes to the Consolidated Financial Statements





## 01 General Information

The consolidated financial statements cover ISX Financial EU Plc as a group consisting of ISX Financial EU Plc and the entities it controlled at the end of, or during, the year. The consolidated financial statements are presented in Euros, which is ISX Financial EU Plc's functional and presentation currency.

ISX Financial EU Plc is a public company limited by shares, incorporated, and domiciled in Cyprus. Its registered office and principal place of business is:

**Makrasykas 1, KBC North Building  
Strovolos, Nicosia, 2034,  
Cyprus**

Principal activities of the Company remained unchanged from the previous year. The Company has built its own monetary financial services technology stack including payment gateway, core banking, interbank networking, and KYC platforms. The Company uses this technology stack to deliver payment and eMoney services to businesses and consumers under EU and UK monetary financial services authorisations. The Company also provides the platforms as a technology provider to other regulated financial institutions under either SaaS or a licensing plus service fees model.

The Company also possesses the capability to license its know-how, including extensive software systems and intellectual property rights (in the form of patents granted across several jurisdictions) to prospective customers. The Company is in the deployment and commercialisation stage of its business life as an emerging neo-banking, payments, identity/KYC, and technology provider to both the consumer and AML regulated business sectors.

The Company ('ISXFEU') is the holder of EEA regulatory authorisation as an eMoney Institution authorised by the Central Bank of Cyprus. ISXFEU was granted a transitional authority to operate in the UK by the FCA as an interim measure following Brexit and until a licence is granted in the UK.

In September 2020, the Company's UK subsidiary, ISX Financial UK Ltd ('ISXFUK') was granted an AEMI by the FCA under the Electronic Money Regulations 2011 (United Kingdom). The licence allows ISXFUK to issue, distribute and redeem eMoney and provision of payment services in the UK, and, subject to approval of its application, to hold a Bank of England settlement account. The full range of services permissible under the Payment Services

Regulations 2017 (United Kingdom) have also been authorised, including account information and payment initiation services.

The Company's subsidiaries hold payment services licences in both the EEA and UK for major payment schemes, including SWIFT, SEPA, FPS, BACS, CHAPS, Mastercard Inc., Diners Club, Discover, JCB International, UnionPay International and other APM's.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 28 May 2025.

## 02 Material accounting policies

The material accounting policies adopted in the preparation of the consolidated financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and the Cyprus Companies Law (Cap. 113).

The consolidated financial statements have been prepared on a going concern basis. The Group has been profitable during the year and has sufficient resources to continue in operational existence for the foreseeable future. Accordingly, the directors have no reason to believe that the company will not continue in business.

On 18 October 2021 ISX Financial EU Plc finalised the demerger between the Company and its former parent Southern Cross Payments Ltd. Leading up to the demerger several subsidiaries were transferred from Southern Cross Payments Ltd to ISXFEU, to create the consolidated ISXFEU Group. The Company has applied the "predecessor method" (or book value accounting) to account for the transfer of subsidiaries as a result of the Group restructuring.

Under the "predecessor method", the following principals were applied:

- The assets and liabilities of the two combining entities were transferred at their carrying values.
- Adjustments were made only where necessary to harmonise the accounting policies of the two entities. No fair value adjustments are made, and no new assets or liabilities are recognised.
- No goodwill was recorded.

Any difference between the purchase price and the book value of the assets transferred is recognised as an adjustment to equity (either to an existing reserve, or to a newly created common control reserve).

### Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss, financial assets at fair value through OCI and share-based compensation transactions.

### Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

### Parent entity information

These financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 35.

### Principles of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them in line with the accounting policies of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

### Foreign currency translation

The consolidated financial statements are presented in Euros, which is ISX Financial EU Plc's functional and presentation currency.

### Foreign currency transactions

Foreign currency transactions are translated into the respective functional currencies of each group entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equities classified as at fair value through OCI are recognised in other comprehensive income.

### Foreign operations

The assets and liabilities of foreign operations are translated into Euros using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Euros using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or the group has the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Adoption of new or revised standards and Interpretations

During the current year, the Group adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Group.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

IFRS Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 31 December 2024. The group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### Accounting Standards

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (amendments issued on 15 August 2023) – adopted by EU

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (to the classification and measurement of financial instruments issued on 30 May 2024) – not yet adopted by EU
- Annual Improvements Volume 11 (issued on 18 July 2024) – not yet adopted by the EU

The following standards are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements (new standard issued on 9 April 2024) – not yet adopted by EU
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (new standard issued on 9 May 2024) – not yet adopted by EU

## 03 Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### Revenue Recognition

Revenue from payment processing and settlement contracts is recognised when the entity has completed all performance obligations under the contract, by transferring the payment settlement to the customer's account. This recognises that the Company's performance obligations are not separately identifiable and should be bundled as one performance obligation, completed when settlement is made to the customer. All performance obligations from payment processing and settlement are satisfied at a point in time.

### Estimation of useful lives of assets

The group determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### Impairment of non-financial assets

The group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the group

and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions.

## 04 Operating segments

### Identification of reportable operating segments

The operating segments are analysed by the Executives of the group who ultimately report to the board of Board of Directors, based on the internal reports that are reviewed and used by the Executives in assessing performance and in determining the allocation of resources.

The Executives review revenues and relevant expenses. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Group consists of three primary operational divisions, an investment in a regulated exchange, and a centralised corporate center:

- **Individual and Consumer Services Transactional Banking** offers Electronic Money Accounts, Open Banking, Card Issuing, and Flykk, providing seamless digital transactions and innovative banking experiences to meet the diverse needs of individuals and consumers.
- **Business Transactional Banking** segment offers a range of services tailored for businesses, including Electronic Money Accounts, SWIFT/Cross Border Transfers, ISXPAY's Card Acquiring, Masspay Payroll and Payout Services, and API-based notifications, ensuring efficient and secure financial transactions for corporate clients.
- **Technology Services** segment provides essential infrastructure and software solutions for financial institutions, including core banking systems, core networking platforms, identity management, and various other banking software services, enabling streamlined and secure operations in the digital age.
- **Regulated Securities Exchange** segment encompasses our investments in leading financial platforms, notably the National Stock Exchange of Australia Ltd, a publicly quoted exchange, and ClearPay, our innovative digital ledger technology company specializing in delivery versus payment solutions.
- **Corporate Centre** segment primarily manages interest income and other non-operating gains, serving as a central hub for financial activities and strategic oversight within the Group.

| Consolidated - 31 December 2024                   | Individual & Consumer Services<br>€ | Business Transactional Banking<br>€ | Technology Services<br>€ | Regulated Securities Exchange<br>€ | Corporate Centre<br>€ | Total<br>€        |
|---|-------------------------------------|-------------------------------------|--------------------------|------------------------------------|-----------------------|-------------------|
| <b>Revenue and other income</b>                   |                                     |                                     |                          |                                    |                       |                   |
| Revenue   | 66,295                              | 52,705,874                          | 1,844,528                | -                                  | -                     | 54,616,697        |
| Other income                                      | -                                   | -                                   | -                        | -                                  | 119,562               | 119,562           |
| Interest  | -                                   | -                                   | -                        | -                                  | 3,931,819             | 3,931,819         |
| <b>Total revenue and other income</b>             | <b>66,295</b>                       | <b>52,705,874</b>                   | <b>1,844,528</b>         | <b>-</b>                           | <b>4,051,381</b>      | <b>58,668,078</b> |
| <b>Expenses</b>                                   |                                     |                                     |                          |                                    |                       |                   |
| Corporate expenses <sup>(1)</sup>                 | (7,393)                             | (5,877,262)                         | (205,685)                | -                                  | -                     | (6,090,340)       |
| Advertising & marketing                           | (821)                               | (652,992)                           | (22,852)                 | -                                  | -                     | (676,665)         |
| Employee benefits expense                         | (13,191)                            | (10,486,659)                        | (366,997)                | -                                  | -                     | (10,866,847)      |
| Research & development expenses                   | (562)                               | (446,457)                           | (15,625)                 | -                                  | -                     | (462,644)         |
| Depreciation & amortisation expense               | (3,740)                             | (2,973,698)                         | (104,069)                | -                                  | -                     | (3,081,507)       |
| Fair value loss on financial assets               | -                                   | -                                   | -                        | (105,290)                          | -                     | (105,290)         |
| Reversal of Impairment of investment in associate | -                                   | -                                   | -                        | 441,257                            | -                     | 441,257           |
| Share of losses from investment in associate      | -                                   | -                                   | -                        | (733,394)                          | -                     | (733,394)         |
| IT expenses                                       | (2,302)                             | (1,830,278)                         | (64,054)                 | -                                  | -                     | (1,896,634)       |
| Operating Cost <sup>(2)</sup>                     | (5,356)                             | (4,257,873)                         | (149,011)                | -                                  | -                     | (4,412,240)       |
| Share based payments                              | (188)                               | (149,715)                           | (5,240)                  | -                                  | -                     | (155,143)         |
| Net realised foreign exchange loss                | (219)                               | (174,305)                           | (6,100)                  | -                                  | -                     | (180,624)         |
| Finance costs                                     | (228)                               | (181,296)                           | (6,345)                  | -                                  | -                     | (187,869)         |
| <b>Profit/ (Loss) before income tax benefit</b>   | <b>32,295</b>                       | <b>25,675,339</b>                   | <b>898,550</b>           | <b>(397,427)</b>                   | <b>4,051,381</b>      | <b>30,260,138</b> |
| Income tax expense                                | (5,192)                             | (4,128,230)                         | (144,474)                | -                                  | -                     | (4,277,896)       |
| <b>Profit/ (Loss) after income tax benefit</b>    | <b>27,103</b>                       | <b>21,547,109</b>                   | <b>754,076</b>           | <b>(397,427)</b>                   | <b>4,051,381</b>      | <b>25,982,242</b> |

<sup>(1)</sup> Corporate expenses consist mainly of professional fees, recruitment expenses and irrecoverable VAT.

<sup>(2)</sup> Operating expenses consist mainly of cost of card schemes, sales commissions and cost of referral fees.

| Consolidated - 31 December 2023                | Individual & Consumer Services<br>€ | Business Transactional Banking<br>€ | Technology Services<br>€ | Regulated Securities Exchange<br>€ | Corporate Centre<br>€ | Total<br>€        |
|--|-------------------------------------|-------------------------------------|--------------------------|------------------------------------|-----------------------|-------------------|
| <b>Revenue and other income</b>                |                                     |                                     |                          |                                    |                       |                   |
| Revenue  | 373,563                             | 30,143,263                          | 1,547,698                | -                                  | -                     | 32,064,524        |
| Other gains                                    | -                                   | -                                   | -                        | -                                  | 12,075                | 12,075            |
| Interest                                       | -                                   | -                                   | -                        | -                                  | 290,855               | 290,855           |
| <b>Total revenue and other income</b>          | <b>373,563</b>                      | <b>30,143,263</b>                   | <b>1,547,698</b>         | <b>-</b>                           | <b>302,930</b>        | <b>32,367,454</b> |
| <b>Expenses</b>                                |                                     |                                     |                          |                                    |                       |                   |
| Corporate expenses <sup>(1)</sup>              | (53,256)                            | (4,297,322)                         | (220,645)                | -                                  | -                     | (4,571,223)       |
| Advertising & marketing                        | (5,482)                             | (442,338)                           | (22,712)                 | -                                  | -                     | (470,532)         |
| Employee benefits expense                      | (103,944)                           | (8,387,338)                         | (430,646)                | -                                  | -                     | (8,921,928)       |
| Research & development expenses                | (5,177)                             | (417,732)                           | (21,448)                 | -                                  | -                     | (444,357)         |
| Depreciation & amortisation expense            | (34,344)                            | (2,771,269)                         | (142,290)                | -                                  | -                     | (2,947,903)       |
| Impairment charge on loan receivables          | -                                   | -                                   | -                        | (1,307,012)                        | -                     | (1,307,012)       |
| Share of losses from investment in associate   | -                                   | -                                   | -                        | (555,765)                          | -                     | (555,765)         |
| IT expenses                                    | (18,271)                            | (1,474,289)                         | (75,697)                 | -                                  | -                     | (1,568,257)       |
| Operating Costs <sup>(2)</sup>                 | (51,526)                            | (4,157,702)                         | (213,476)                | -                                  | -                     | (4,422,704)       |
| Share based payments                           | (306)                               | (24,691)                            | (1,268)                  | -                                  | -                     | (26,265)          |
| Net realised foreign exchange gain             | 56                                  | 4,509                               | 231                      | -                                  | -                     | 4,796             |
| Finance costs                                  | (2,469)                             | (199,204)                           | (10,228)                 | -                                  | -                     | (211,901)         |
| <b>Profit/(Loss) before income tax benefit</b> | <b>98,844</b>                       | <b>7,975,887</b>                    | <b>409,519</b>           | <b>(1,862,777)</b>                 | <b>302,930</b>        | <b>6,924,403</b>  |
| Income tax expense                             | (19,534)                            | (1,576,241)                         | (80,932)                 | -                                  | -                     | (1,676,707)       |
| <b>Profit/(Loss) after income tax benefit</b>  | <b>79,310</b>                       | <b>6,399,646</b>                    | <b>328,587</b>           | <b>(1,862,777)</b>                 | <b>302,930</b>        | <b>5,247,696</b>  |

<sup>(1)</sup> Corporate expenses consist mainly of professional fees, recruitment expenses and irrecoverable VAT.

<sup>(2)</sup> Operating expenses consist mainly of cost of card schemes, sales commissions and cost of referral fees.

## 05 Revenue

|                                | Consolidated      |                   |
|--------------------------------|-------------------|-------------------|
|                                | 31 Dec 2024<br>€  | 31 Dec 2023<br>€  |
| <i>Contracted service fees</i> |                   |                   |
| Recognised at a point in time  | 54,014,107        | 31,705,989        |
| Recognised over time           | 602,590           | 358,535           |
| <b>Revenue</b>                 | <b>54,616,697</b> | <b>32,064,524</b> |

Revenue is disaggregated as indicated in note 4 to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data and geographical dispersion.

In the year ended December 31, 2024, revenues from one external customer amounted to approximately €8.8 million, representing 16% of the Group's total revenues. These revenues were primarily generated from the Business Transactional Banking segment. No individual customer contributed more than 10% to the total revenue in 2023.

### Accounting policy for revenue recognition

Revenue is recognised when (or as) the group satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is recognised at the transaction price that is allocated to the performance obligation.

### Revenue is recognised through the following major revenue streams as follows:

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The

measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### Transactional banking services

Revenue generated from transactional banking services are billed on a per transaction basis and are recognised once the service has been performed. All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised point in time. This revenue stream forms part of the Regulated Services division.

#### Payment processing and settlement

Revenue generated from the payment processing and settlement are billed on a per transaction basis and are recognised once all performance obligations are completed, when settlement is made to the customer.

Revenue from payment processing contracts is recognised when the entity has completed all performance obligations under the contract, by transferring the payment settlement to the customers account. This recognises that the Company's performance obligations are not separately identifiable and should be bundled as one performance obligation, completed when settlement is made to the customer.

All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised point in time. This revenue stream forms part of the Regulated Services division.

#### Know Your Customer (KYC) verification (Identity Services)

Revenue generated from KYC fees are billed on a flat rate per verification service and are recognised once the service is performed. All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised point in time. This revenue stream forms part of the Reg-Tech Solutions division.

#### Integration, Establishment, Project and Platform Fees

Revenue generated from the initial integration and business customers operational set up are billed on contract signing and service go live date, or in line with the performance obligations in the contract. Revenue is recognised once the service has been performed. All revenue within this revenue stream has been included within 'contracted service fees' noted above and is recognised over time. This revenue stream forms part of the Reg-Tech Solutions division.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

## 06 Other Income

|                           | Consolidated     |                  |
|---------------------------|------------------|------------------|
|                           | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Interest income           | 3,931,819        | 290,855          |
| Other Income              | 119,562          | 12,075           |
| <b>Total other income</b> | <b>4,051,381</b> | <b>302,930</b>   |

### Interest income

Interest income on customer balances is earned from holding customer funds as cash and cash equivalents or investing them into highly liquid permitted financial assets. These amounts are recognised in the income statement using the effective interest rate method.

## 07 Expenses

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| <i>Profit before income tax includes the following specific expenses:</i> |                  |                  |
| <b>Depreciation</b>   |                  |                  |
| Land and buildings right-of-use assets                                    | 473,387          | 452,489          |
| Computers and office equipment  | 192,895          | 188,028          |
| Total depreciation  | 666,282          | 640,517          |
| <b>Amortisation</b>   |                  |                  |
| Intangible assets   | 2,415,225        | 2,307,386        |
| <b>Total depreciation and amortisation</b>                                | <b>3,081,507</b> | <b>2,947,903</b> |
| Employee benefits expense   | 10,866,847       | 8,921,928        |

|   | Consolidated      |                  |
|---|-------------------|------------------|
|   | 31 Dec 2024<br>€  | 31 Dec 2023<br>€ |
| <i>Below is the breakdown of employee benefits expense:</i> |                   |                  |
| Salaries  | 9,601,795         | 7,920,782        |
| Social securities   | 1,095,048         | 828,303          |
| Pensions  | 170,004           | 172,843          |
| <b>Employee benefits expense</b>                            | <b>10,866,847</b> | <b>8,921,928</b> |

The average number of employees of the Group in 2024 is 159 (2023: 151).

## 08 Income Tax

|                                  | Consolidated     |                  |
|----------------------------------|------------------|------------------|
|                                  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Current income tax charge        | 4,295,823        | 1,622,749        |
| Deferred tax                     | (17,927)         | 8,381            |
| Prior year income tax adjustment | -                | 45,577           |
| <b>Charge for the year</b>       | <b>4,277,896</b> | <b>1,676,707</b> |

| The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows: | Consolidated     |                  |
|--|------------------|------------------|
|  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Profit before tax  | 30,260,138       | 6,924,403        |
| Add/(Less): Profit/loss from overseas entities not subject to Cyprus corporation tax   | 1,376,312        | 503,786          |
|  | 31,636,378       | 7,428,189        |
| Tax calculated at the applicable tax rates   | 3,954,547        | 928,524          |
| Tax effect of expenses not deductible for tax purposes   | 698,636          | 651,330          |
| Tax effect of allowances and income not subject to tax   | (377,630)        | (35,762)         |
| 10% additional charge  | -                | 42,557           |
| Prior year income tax adjustment   | -                | 45,577           |
| Income tax expense from overseas entities  | 20,261           | 36,100           |
| Deferred tax   | (17,927)         | 8,381            |
| Tax charge   | 4,277,896        | 1,676,707        |

In the Republic of Cyprus, the corporation tax rate is 12.5% (2023: 12.5%), noting however that ISXFEU's Probanx® subsidiary is at 2.5%.

Under certain conditions, interest income may be subject to defence contribution at the rate of 30% (2023: 30%). In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17% (2023: 17%).

Below are corporate income tax rates applicable to subsidiaries outside of the Cyprus jurisdiction.

- United Kingdom: 25% (2023: 25%).
- Australia: 25% (2023: 25%). This rate is applicable to small or

medium business with aggregated turnover threshold of AUD 50 million.

- The Netherlands: top corporate income tax rate for taxable amount from €200,000 is 25.8% (2023: taxable amount is €395,000 and tax rate is 25.8%). Lower tier tax rate for taxable amount up to €200,000 is 19% (2023: taxable amount is €395,000 and tax rate is 19%).
- Lithuania: the standard corporate income tax rate is 15% (2023: 15%).
- The United States of America: 21% (2023: 21%).

### Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable

income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## 09 Current assets – cash and cash equivalents

|              | Consolidated     |                  |
|--------------|------------------|------------------|
|              | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Cash at bank | 34,583,361       | 8,126,279        |

## Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 10 Financial assets at fair value through profit or loss

|                            | Consolidated     |                  |
|----------------------------|------------------|------------------|
|                            | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Balance at 1 January       | 5,500,311        | -                |
| Additions                  | 6,840,382        | 5,500,311        |
| Disposal                   | (11,000,000)     | -                |
| Fair value loss            | (105,290)        | -                |
| Exchange differences       | (26,063)         | -                |
| <b>Balance 31 December</b> | <b>1,209,340</b> | <b>5,500,311</b> |

### Financial assets – Classification

The Company classifies its financial assets at fair value through profit or loss.

In 2023, a portion of our Own Funds was invested in short-dated, liquid money market funds managed by Goldman Sachs Asset Management and State Street Global Advisors.

In 2024, following management decision, the Group decided to hold all Own Funds in operational and overnight interest bearing accounts.

On 23 July 2024 the Group acquired a convertible loan amounting to AUD 2,200,000 (EUR 1,340,693) from NSX Limited. The loan is convertible into NSX Limited shares at a price AUD 0.025. The loan is repayable in cash or shares on 5 August 2026, except to the extent repaid earlier. The loan bears an interest charge of 0% for the first four months of the loan and 10% per annum thereafter.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

All other financial assets are classified as measured at FVTPL.

## Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within “fair value gain/ (loss) on financial assets” line in the period in which it arises.

Financial Assets are measured at FVOCI if they meet both of the following conditions:

- The financial asset is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise to specified dates to cash flows that are SPPI on the principal amount outstanding.

## 11 Current assets – trade and other receivables

|                   | Consolidated     |                  |
|-------------------|------------------|------------------|
|                   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Trade receivables | 616,937          | 525,464          |
| Other receivables | 252,763          | 102,356          |
|                   | <b>869,700</b>   | <b>627,820</b>   |

### Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost, including trade and other receivables. For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime

expected credit losses to be recognised from initial recognition of the financial assets.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Value Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

## 12 Current assets – funds held on behalf of business customers and consumers

| Funds held on behalf of business customers and consumers | Consolidated     |                  |
|--|------------------|------------------|
|  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Funds received – current asset                           | 189,226,154      | 121,010,848      |
| Funds payable – current liability                        | (189,226,154)    | (121,010,848)    |
|  | <b>-</b>         | <b>-</b>         |

The funds held on behalf of business customers and consumers in current asset and current liability noted above represent rolling reserve (initial and additional requirements under each agreement depending on the volume of transactions with each Business Customer), eMoney issued and settlement funds which were yet to be settled back or redeemed to the respective business customers and consumers at the end of the year.

## 13 Current assets – other assets

|                        | Consolidated     |                  |
|------------------------|------------------|------------------|
|                        | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Prepayments            | 686,180          | 241,244          |
| Security deposits      | 231,270          | 224,590          |
| Card scheme collateral | 766,158          | 698,467          |
|                        | <b>1,683,608</b> | <b>1,164,301</b> |

The card scheme collateral requirements as noted above are largely held by Mastercard Inc in relation to business customers clients whereby ISX Financial EU Plc offers card acquiring, processing and settlement services and are held to meet capital adequacy and security requirements by each party.

## 14 Non-current assets – plant and equipment

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Computer and office equipment – at cost | 1,598,019        | 1,396,188        |
| Less: Accumulated depreciation          | (1,011,448)      | (821,117)        |
|   | <b>586,571</b>   | <b>575,071</b>   |

### Consolidated Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                    | Computer &<br>Office Equipment<br>€ |
|------------------------------------|-------------------------------------|
| Balance at 1 January 2023          | 616,766                             |
| Additions                          | 149,857                             |
| Exchange differences               | (3,524)                             |
| Depreciation expense               | (188,028)                           |
| Balance at 31 December 2023        | 575,071                             |
| Additions                          | 223,793                             |
| Exchange differences               | (19,398)                            |
| Depreciation expense               | (192,895)                           |
| <b>Balance at 31 December 2024</b> | <b>586,571</b>                      |

### Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

**Depreciation** is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives. The expected useful life of computer and office equipment is between 2.5 to 10 years.

**The residual values**, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## 15 Non-current assets – right-of-use assets

|                                | Consolidated     |                  |
|--------------------------------|------------------|------------------|
|                                | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Buildings – right-of-use       | 3,212,256        | 3,234,162        |
| Less: Accumulated depreciation | (1,587,968)      | (1,368,520)      |
|                                | <b>1,624,288</b> | <b>1,865,642</b> |

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated                       | Building<br>right-of-use assets<br>€ |
|------------------------------------|--------------------------------------|
| Balance at 1 January 2023          | 1,976,569                            |
| Additions                          | 345,654                              |
| Exchange differences               | (4,092)                              |
| Depreciation expense               | (452,489)                            |
| Balance at 31 December 2023        | 1,865,642                            |
| Additions                          | 240,317                              |
| Exchange differences               | (8,284)                              |
| Depreciation expense               | (473,387)                            |
| <b>Balance at 31 December 2024</b> | <b>1,624,288</b>                     |

*Right of use assets mainly relate to the lease of Cyprus and UK offices.*

### Accounting policy for right-of-use assets

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets less than €7,000. The group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of items that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense as incurred.

The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in depreciation & amortisation expense) and an interest expense on the recognised lease liability (included in finance costs). In calculating the present value of lease payments, the Company uses its incremental borrowing rate of 5.24% at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

During 2024 the Group renewed the leases for the US and Australian offices.

## 16 Non-current assets – intangibles

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Goodwill – at cost                      | 104,622          | 104,622          |
| Intellectual property – at cost         | 882,104          | 882,104          |
| Less: Accumulated amortisation          | (428,821)        | (428,821)        |
| Less: Impairment                        | (453,283)        | (453,283)        |
|   | -                | -                |
| Software – at cost                      | 1,043,483        | 727,902          |
| Less: Accumulated amortisation          | (1,009,876)      | (697,667)        |
|   | 33,607           | 30,235           |
| Internally developed software – at cost | 11,959,146       | 9,508,816        |
| Less: Accumulated amortisation          | (6,736,927)      | (4,661,886)      |
|   | 5,222,219        | 4,846,930        |
|   | <b>5,360,448</b> | <b>4,981,787</b> |

## Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                    | Goodwill<br>€  | Intellectual<br>property<br>€ | Software<br>€ | Internally<br>developed<br>software<br>€ | Total<br>€       |
|------------------------------------|----------------|-------------------------------|---------------|--|------------------|
| <b>Consolidated</b>                |                |                               |               |  |                  |
| Balance at 1 January 2023          | 104,622        | -                             | 171,922       | 4,583,729                                | 4,860,273        |
| Additions                          | -              | -                             | 47,979        | 2,401,983                                | 2,449,962        |
| Exchange differences               | -              | -                             | (446)         | (20,616)                                 | (21,062)         |
| Amortisation expense               | -              | -                             | (189,220)     | (2,118,166)                              | (2,307,386)      |
| Balance at 31 December 2023        | 104,622        | -                             | 30,235        | 4,846,930                                | 4,981,787        |
| Additions                          | -              | -                             | 318,525       | 2,473,190                                | 2,791,715        |
| Exchange differences               | -              | -                             | 716           | 1,455                                    | 2,171            |
| Amortisation expense               | -              | -                             | (315,869)     | (2,099,356)                              | (2,415,225)      |
| <b>Balance at 31 December 2024</b> | <b>104,622</b> | <b>-</b>                      | <b>33,607</b> | <b>5,222,219</b>                         | <b>5,360,448</b> |

### Accounting policy for intangible assets

Intangible assets, not acquired through a business combination, are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

Amortisation commences when the asset is available for use, in the location and condition necessary for it to be capable of operating in the intended manner by management. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset

### Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities, and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

## Goodwill impairment

The Group performed its annual impairment test in December 2024.

For the purpose of impairment testing, the goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. The technology, which was acquired through the Probanx and BBS acquisitions, includes the core banking system and payment gateway technology used in the Regulated eMoney & Payment Services cash generating unit (REPS CGU), as such the goodwill has been allocated to this cash generating unit. This represents the total goodwill of the Group.

The recoverable amount of the REPS CGU is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a minimum of three-year period. The projected cash flows have been updated to reflect the expected demand for the REPS CGU's products and services. The pre-tax discount rate applied to the cash flow projections between 11.7% and 17.8%. As a result of the analysis, there is headroom and management did not identify an impairment for the REPS CGU.

## Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the shorter of the period of expected benefit or the period of the related patent, usually between 1 to 15 years.

## Internally developed software

An intangible asset arising from development (or from the development phase of an internal project) is recognised as internally generated software if, and only if, all the following have been demonstrated:

The technical feasibility of completing the intangible asset so that it will be available for use or sale;

- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial, and other resources to complete development and to use or sell the intangible asset;
- and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for these internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Internally generated software is amortised on a straight-line basis over the period of their expected benefit, usually between 3 to 5 years.

The Group reviews internally developed software for impairment annually.

## Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset, and their fair values can be measured reliably. After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Amortisation is on a straight-line basis over the period of their expected benefit, usually between 3 to 5 years.

The Group reviews intangible assets acquired in a business combination for impairment annually.

# 17 Non-current assets – Investment in Associate

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Balance as at 1 January  | 1,550,769        | 3,619,971        |
| Additions:   | 695,036          | -                |
| Add/(Less):  |                  |                  |
| Share of losses from investment in associate                   | (733,394)        | (555,765)        |
| Reversal of impairment/(Impairment) of investment in associate | 441,257          | (1,307,012)      |
| Foreign currency translation difference                        | (44,437)         | (206,425)        |
| <b>Total investment in associate</b>                           | <b>1,909,231</b> | <b>1,550,769</b> |

## Investment in associate

In determining how to account for an investment in an associate, management first review whether the ISXFEU Group controls the investee. Where it is determined that the ISX Financial EU Group controls the investee, the results of the investee are consolidated within ISXFEU Group's consolidated financial statements.

Where management determine an investee is not controlled by the ISXFEU Group, management further review the investee to determine if the ISX Financial Group have significant influence over the investee. Where its determined significant influence exists, the investee is accounted for under the equity method. Where significant influence doesn't exist, the investment is accounted for as a financial asset.

## Investment in NSX Limited

As at 31 December 2024, the Company held a 30.345% stake (2023: 23.071%) in NSX Limited ('NSX'). NSX operates NSXA, Australia's second-largest Tier 1 securities market operator. NSX Limited is incorporated in Australia which is also the principal place of business.

The investment in NSXL is accounted for under the equity method. Fair value of the Group's investment in NSX Limited equals to €1,909,231 (2023: €1,550,769) based on the quoted market price.

Set out below is the supplementary information about the associate, NSX Limited.

| Statement of profit or loss and other comprehensive income as presented in the financial statements of the associate | NSX Limited        | NSX Limited        |
|--|--------------------|--------------------|
|  | 31 Dec 2024<br>€   | 31 Dec 2023<br>€   |
| Total Revenue  | 1,220,248          | 969,757            |
| Loss after income tax  | (2,394,365)        | (2,410,973)        |
| Foreign currency translation differences   | 48,011             | 47,136             |
| <b>Total comprehensive loss for the period</b>   | <b>(2,346,354)</b> | <b>(2,363,837)</b> |

|   | NSX Limited        |                  |
|---|--------------------|------------------|
| Statement of financial position as presented in the financial statements of the associate | 31 Dec 2024<br>€   | 31 Dec 2023<br>€ |
| Current assets  | 1,010,199          | 1,425,586        |
| Non-current assets  | 519,273            | 896,970          |
| <b>Total assets</b>   | <b>1,529,472</b>   | <b>2,322,556</b> |
| Current liabilities   | 1,624,896          | 1,708,643        |
| Non-current liabilities   | 1,549,208          | 589,310          |
| <b>Total liabilities</b>  | <b>3,174,104</b>   | <b>2,297,953</b> |
| <b>Net Assets</b>   | <b>(1,644,632)</b> | <b>24,603</b>    |
| Equity  |                    |                  |
| Issued capital  | 42,036,174         | 41,284,345       |
| Option Reserves   | 372,073            | 326,536          |
| Foreign currency reserve  | (402,957)          | (450,968)        |
| Retained earnings   | (43,649,922)       | (41,135,310)     |
| <b>Total Equity</b>   | <b>(1,644,632)</b> | <b>24,603</b>    |

## 18 Financial assets at fair value through other comprehensive income

|                            | Consolidated     |                  |
|----------------------------|------------------|------------------|
|                            | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Balance at 1 January       | -                | -                |
| Additions                  | 677,065          | -                |
| <b>Balance 31 December</b> | <b>677,065</b>   | <b>-</b>         |

### Financial assets – Classification

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

During December 2024 our subsidiary company Probanx Solution Limited acquired 5.80% stake in a technology company for the amount of AUD1,125,000 (EUR 677,065).

# 19 Loans receivable

|                                  | Consolidated     |                  |
|----------------------------------|------------------|------------------|
|                                  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Loans to related party (Note 34) | 1,612,047        | 1,664,052        |
| Loan to third party              | 150,000          | -                |
|                                  | <b>1,762,047</b> | <b>1,664,052</b> |

## Reconciliations

Reconciliations of loan receivables of the current and previous financial year are set out below:

|                                    | Consolidated<br>€ |
|------------------------------------|-------------------|
| Balance at 1 January 2023          | 1,883,467         |
| Repayments                         | (295,000)         |
| Interest                           | 75,585            |
| Balance at 31 December 2023        | 1,664,052         |
| Additions                          | 150,000           |
| Repayment of principal amount      | (1,615)           |
| Interest                           | 78,208            |
| Repayment of accrued interest      | (128,598)         |
| <b>Balance at 31 December 2024</b> | <b>1,762,047</b>  |

## Accounting policy for loans receivables

Loan receivables are measured at amortised cost and are subject to impairment assessment under the expected credit loss (ECL) model in accordance with IFRS 9.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since initial recognition. This assessment determines whether a higher level of expected credit losses should be recognised. All loan receivables held by the Group are secured by shares. For related party loans, security is provided by shares held in the Group; for third-party loans, security is provided by equity in the borrowing entity. The Group considers the presence of such collateral to significantly mitigate credit risk.

In determining whether credit risk has increased significantly, the Group considers a range of quantitative and qualitative factors, including:

- Deterioration in the borrower's financial position,
- Adverse changes in expected future cash flows or economic conditions affecting the borrower,
- Delays in interest or principal payments,
- Breaches of loan terms or covenants, and
- Reductions in the value of the collateral below an acceptable threshold relative to the outstanding loan balance.

The Group monitors the value of collateral on a periodic basis and assesses whether it remains adequate to cover the loan balance in the event of default. A material decrease in the value of the collateral, or indicators of reduced liquidity or enforceability, may trigger the recognition of increased credit losses, even in the absence of payment arrears.

In the event of a loss the amount is recognised in profit or loss and is measured as the present value of expected credit losses, taking into account the mitigating effect of collateral where recovery through enforcement is reasonably expected.

The carrying amounts of loans receivable approximate their fair value.

#### Loan to related party:

The loan €1,612,047 (2023: €1,664,052) is secured by shares held in ISXFEU by related parties. The loan is secured by shares held in the Company by related parties and repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR). During 2024 the loan increased by €78,208 interest charge and decreased by €130,213 due to repayments.

The second loan €1,209,340 (2023: €-) is convertible into NSX Limited shares at a price AUD 0.025. The loan is repayable in cash or shares on the second anniversary of the Court Order except to the extent repaid earlier. Loans bears an interest charge of 0% for the first four months of the loan and 10% per annum after the first four month.

#### Loan to third party:

The loan €150,000 (2023: €-) is secured by 1,000 shares of the borrower capital. The loan bears interest 1.5% per annum above ESTR and is repayable on 30 June 2025 or earlier.

## 20 Current liabilities – trade and other payables

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Trade payables   | 398,075          | 1,518,172        |
| GST/VAT payable  | 550,727          | 346,570          |
| Other payables (includes Business Customer Security Payable) | 3,881,430        | 3,782,736        |
|  | <b>4,830,232</b> | <b>5,647,478</b> |

Refer to note 31 for further information on financial instruments.

#### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## 21 Current liabilities – contract liabilities

|                      | Consolidated     |                  |
|----------------------|------------------|------------------|
|                      | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Contract liabilities | <b>20,212</b>    | <b>19,934</b>    |

## Accounting policy for contract liabilities

Contract liabilities represent the group's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the group has transferred the services to the customer.

## 22 Current liabilities – lease liability

|                 | Consolidated     |                  |
|-----------------|------------------|------------------|
|                 | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Lease liability | 491,232          | 483,646          |

Refer to note 15 for accounting policy and note 31 for further information on financial instruments.

### Reconciliations

Reconciliations of lease liability (current and non-current) of the current and previous financial year are set out below:

|                                    | Consolidated<br>€ |
|------------------------------------|-------------------|
| Balance at 1 January 2023          | 2,239,718         |
| New leases                         | 341,122           |
| Repayments                         | (554,247)         |
| Interest expense                   | 104,864           |
| Foreign exchange differences       | 3,777             |
| Balance at 31 December 2023        | 2,135,234         |
| New leases                         | 240,317           |
| Repayments                         | (591,184)         |
| Interest expense                   | 92,032            |
| Foreign exchange differences       | 14,867            |
| <b>Balance at 31 December 2024</b> | <b>1,891,266</b>  |

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| <i>The following are the amounts recognised in profit or loss:</i>              |                  |                  |
| Depreciation expense of right-of-use assets                                     | 473,387          | 452,489          |
| Interest expense on lease liabilities   | 92,032           | 104,864          |
| Expense relating to short-term leases (included in corporate expenses)          | 417,176          | 337,468          |
| Expense relating to leases of low-value assets (included in corporate expenses) | -                | 630              |
| <b>Total amount recognised in profit or loss</b>                                | <b>982,595</b>   | <b>895,451</b>   |

Total amount recognised in profit or loss equals the total cash outflows.

## 23 Current liabilities – employee benefits

|              | Consolidated     |                  |
|--------------|------------------|------------------|
|              | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Annual leave | <u>306,873</u>   | <u>271,943</u>   |

### Accounting policy for employee benefits - Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

## 24 Non-current liabilities – lease liability

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Lease liability (refer to note 15 for accounting policy) | <u>1,400,034</u> | <u>1,651,588</u> |

Refer to note 31 for further information on financial instruments.

## 25 Non-current liabilities – employee benefits

|                    | Consolidated     |                  |
|--------------------|------------------|------------------|
|                    | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Long service leave | <u>57,413</u>    | <u>50,545</u>    |

### Accounting policy for other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## 26 Non-current liabilities – Convertible note payable

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| <b>Convertible note payable (note 34)</b> | <b>1,166,388</b> | <b>1,745,146</b> |

### Reconciliations

Reconciliations of convertible note payable of the current and previous financial year are set out below:

|                                    | Consolidated<br>€ |
|------------------------------------|-------------------|
| Balance at 1 January 2023          | 2,769,607         |
| Repayment of principal amount      | (840,544)         |
| Interest                           | 107,768           |
| Repayment of accrued interest      | (107,768)         |
| Foreign exchange differences       | (183,917)         |
| Balance at 31 December 2023        | 1,745,146         |
| Repayment of principal amount      | (538,690)         |
| Interest                           | 85,751            |
| Repayment of accrued interest      | (85,751)          |
| Foreign exchange differences       | (40,068)          |
| <b>Balance at 31 December 2024</b> | <b>1,166,388</b>  |

The convertible note of AUD6.6 millions (EUR4.2 millions equivalent) was issued by Southern Cross Payments Ltd on 18 October 2021 from conversion of intercompany balance between Southern Cross Payments Ltd and ISX Financial EU Plc (ISXFEU). The convertible note charged an interest expense at the rate that is 1% above the Reserve Bank of Australia's cash rate expressed on a per annum basis. The convertible note matures on the 10th anniversary of the Completion Date which is 30 August 2031. If Southern Cross Payments Ltd elects to convert the loan, Southern Cross Payments Ltd will hold the Conversion Shares and will be a shareholder in ISXFEU.

Number of shares that Southern Cross Payments Ltd will receive, if there is a conversion, will be determined by the outstanding balance of the loan at the maturity date and the conversion price. Conversion price as per the signed agreement means the volume weighted average price of the Shares traded on the relevant securities exchange (if the Group is listed at that time) during the three-month period ending on the Conversion Date, or if the Borrower is not a listed company a fair market price determined by an independent valuer upon agreed by the parties.

The convertible note is recognised at amortised cost since the intention of the Group management is the repayment of the loan by the maturity date.

During 2023, ISXFEU made 5 repayments of total AUD1,505,125 (EUR840,544), leaving the convertible note payable balance AUD2,870,423 (EUR1,745,146). During 2024, ISXFEU made 6 repayments of total AUD880,060 (EUR538,690), leaving the convertible note payable balance AUD1,981,695 (EUR 1,166,388).

The carrying amount of convertible loan payable approximate its fair value.

## 27 Equity - issued capital

|                              | Consolidated  |             |             |             |
|------------------------------|---------------|-------------|-------------|-------------|
|                              | No. of shares |             | Amount (€)  |             |
|                              | 31 Dec 2024   | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| Ordinary shares - fully paid | 110,079,450   | 110,079,450 | 7,705,562   | 7,705,562   |

There is no movement in ordinary share capital during the years 2023 and 2024.

## 28 Equity - reserves

|                             | Consolidated      |                   |
|-----------------------------|-------------------|-------------------|
|                             | 31 Dec 2024<br>€  | 31 Dec 2023<br>€  |
| Foreign currency reserve    | 670,262           | 680,170           |
| Capital reserves            | 9,974,855         | 9,974,855         |
| Share based payment reserve | 208,646           | 53,503            |
| Other reserves              | -                 | 1,084,932         |
|                             | <b>10,853,763</b> | <b>11,793,460</b> |

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Euros. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Capital reserve

Capital reserve balance represents the forgiveness of debt from Southern Cross Payments Ltd and transfer of investment from Southern Cross Payments Ltd to ISXFEU which has not been converted to issued shares capital as at the end of the year.

### Share based payment reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### Other reserves

This reserve was used to record the differences which arised because of transactions with non-controlling interests that do not result in a loss of control. Was representing the 59% (ISXFEU ownership of ClearPay Pty Ltd) of the NSX contribution of AUD3.2 million (equivalent to €1,844,384) into ClearPay Pty Ltd.

## Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| Consolidated                       | Foreign<br>currency<br>reserve | Capital<br>reserve | Share based<br>payment<br>reserve | Other<br>reserve | Total             |
|------------------------------------|--------------------------------|--------------------|-----------------------------------|------------------|-------------------|
|                                    | €                              | €                  | €                                 | €                | €                 |
| Balance at 1 January 2023          | 895,044                        | 9,974,855          | 27,238                            | 1,084,932        | 11,982,069        |
| Foreign currency translation       | (214,874)                      | -                  | -                                 | -                | (214,874)         |
| Contribution of equity             | -                              | -                  | 26,265                            | -                | 26,265            |
| <b>Balance at 31 December 2023</b> | <b>680,170</b>                 | <b>9,974,855</b>   | <b>53,503</b>                     | <b>1,084,932</b> | <b>11,793,460</b> |
| Foreign currency translation       | (9,908)                        | -                  | -                                 | -                | (9,908)           |
| Contribution of equity             | -                              | -                  | 155,143                           | -                | 155,143           |
| Acquisition of NCI                 | -                              | -                  | -                                 | (1,084,932)      | (1,084,932)       |
| <b>Balance at 31 December 2024</b> | <b>670,262</b>                 | <b>9,974,855</b>   | <b>208,646</b>                    | <b>-</b>         | <b>10,853,763</b> |

## 29 Equity - Contribution to equity from non-controlling interest

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Balance at the beginning of the period    | 410,996          | 414,399          |
| Non-controlling interest -share of profit | (2,186)          | (3,403)          |
| Acquisition of NCI                        | (408,810)        | -                |
| <b>Balance at the end of the period</b>   | <b>-</b>         | <b>410,996</b>   |

Non-controlling interest of 2023 related to NSX Limited 41% investment in ClearPay Pty Ltd.

During 2024 the Group purchased the remaining 41% investment in ClearPay Pty Ltd for the amount of AUD500,000 (EUR 302,047).

## 30 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares. For the purposes of diluted earnings per share it is assumed that any performance conditions attached to the schemes have been met at the balance sheet date.

|   | Consolidated       |                    |
|---|--------------------|--------------------|
|   | 31 Dec 2024<br>€   | 31 Dec 2023<br>€   |
| Profit for the year is attributable to owners of the Group                            | 25,984,428         | 5,521,099          |
| Profit for the year attributable to owners of the Group (diluted)                     | 26,059,460         | 5,615,396          |
| Weighted average number of Ordinary Shares for basic EPS                              | 110,079,450        | 110,079,450        |
| Plus the effect from the loan payable conversion                                      | 2,439,901          | 3,775,977          |
| Plus the effect of dilution from share options  | 35,146             | 35,146             |
| <b>Weighted average number of Ordinary Shares adjusted for the effect of dilution</b> | <b>112,554,497</b> | <b>113,890,573</b> |
| Basic EPS (in cents)  | 23.60              | 5.01               |
| Diluted EPS (in cents)  | 23.15              | 4.93               |

## 31 Financial instruments

### Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by employees under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls, and risk limits. Finance identifies, evaluates and hedges financial risks within the group's operating units. Finance reports to the Board monthly.

During 2024, ISX Financial UK Ltd voluntarily undertook a Section 166<sup>(1)</sup> skilled persons report in order to access a settlement account at the Bank of England, as a non-bank financial institution. The Section 166 report remediation and review has been largely completed, with ISX Financial UK Ltd anticipating access to the Bank of England Q4 2025.

### Capital risk

Capital risk is the risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements, both under normal operating environments and stressed conditions.

The Group's capital comprises ordinary share capital, other reserves and retained earnings.

The Group's objectives when managing capital risk are to:

- Safeguard the Group's ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders
- Maintain an optimal capital structure to reduce the cost of capital
- Adhere to regulatory requirements in each jurisdiction for compliance with regulatory capital requirements, including capital adequacy requirements and
- Fund an orderly wind-down in an adverse reverse scenario.

As at 31 December 2024, the Group was in compliance with all own funds requirements.

## Market risk

### Foreign currency risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. It however has no exposure to foreign currency on behalf of transactions for its clients, as all

such transactions are converted at spot rate plus margin.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The exposure to the foreign currency risk is not significant for the current year.

### Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the statement of financial position as at fair value through other comprehensive income (FVOCI).

### Sensitivity

The table below summarises the impact of increases/decreases on the group's equity. The analysis is based on the assumptions that the fair market price had increased by 10%, or decreased by 10%, with all other variables held constant.

| Consolidated - 31 December 2024 | Basis points increase |                                  |                       | Basis points decrease |                                  |                       |
|---------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
|                                 | Basis points change   | Effect on profit before tax<br>€ | Effect on equity<br>€ | Basis points change   | Effect on profit before tax<br>€ | Effect on equity<br>€ |
| Nviso Limited                   | 10                    | -                                | 67,707                | 10                    | -                                | (67,707)              |
|                                 |                       | -                                | <b>67,707</b>         |                       | -                                | <b>(67,707)</b>       |

The group was not exposed to any significant price risk during 2023.

### Interest rate risk

The group's only exposure to interest rate risk is in relation to deposits held, the financial assets at fair value through profit and loss (convertible loan receivable), loans receivable and convertible note payable.

| Consolidated   | 31 Dec 2024                         |                   | 31 Dec 2023                         |                   |
|--|-------------------------------------|-------------------|-------------------------------------|-------------------|
|  | Weighted average interest rate<br>% | Balance<br>€      | Weighted average interest rate<br>% | Balance<br>€      |
| Cash at bank – variable interest                                       | 0.08%                               | 34,583,361        | 0.16%                               | 8,126,279         |
| Financial assets at fair value through profit or loss – fixed interest | 0.00%                               | 1,209,340         | 3.54%                               | 5,500,311         |
| Loans receivable – variable interest                                   | 3.28%                               | 1,762,047         | 4.40%                               | 1,664,052         |
| Convertible note payable – variable interest                           | 5.40%                               | (1,166,388)       | 4.78%                               | (1,745,146)       |
| <b>Net exposure to cash flow interest rate risk</b>                    |                                     | <b>36,388,360</b> |                                     | <b>13,545,496</b> |

| Consolidated - 31 December 2024                       | Basis points increase |                                  |                       | Basis points decrease |                                  |                       |
|---|-----------------------|----------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
|   | Basis points change   | Effect on profit before tax<br>€ | Effect on equity<br>€ | Basis points change   | Effect on profit before tax<br>€ | Effect on equity<br>€ |
| Cash at bank  | 50                    | 95,442                           | 95,442                | 50                    | (95,442)                         | (95,442)              |
| Financial assets at fair value through profit or loss | 50                    | -                                | -                     | 50                    | -                                | -                     |
| Loan to related parties                               | 50                    | 12,938                           | 12,938                | 50                    | (12,938)                         | (12,938)              |
| Convertible note payable                              | 50                    | (7,944)                          | (7,944)               | 50                    | 7,944                            | 7,944                 |
|   |                       | <b>100,436</b>                   | <b>100,436</b>        |                       | <b>(100,436)</b>                 | <b>(100,436)</b>      |

<sup>(1)</sup> Of the United Kingdom's Financial Services and Markets Act

| Consolidated - 31 December 2023                       | Basis points increase |                                  |                       | Basis points decrease |                                  |                       |
|---|-----------------------|----------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
|   | Basis points change   | Effect on profit before tax<br>€ | Effect on equity<br>€ | Basis points change   | Effect on profit before tax<br>€ | Effect on equity<br>€ |
| Cash at bank  | 50                    | 36,898                           | 36,898                | 50                    | (36,898)                         | (36,898)              |
| Financial assets at fair value through profit or loss | 50                    | 2,116                            | 2,116                 | 50                    | (2,116)                          | (2,116)               |
| Loans receivable                                      | 50                    | 8,588                            | 8,588                 | 50                    | (8,588)                          | (8,588)               |
| Convertible note payable                              | 50                    | (11,277)                         | (11,277)              | 50                    | 11,277                           | 11,277                |
|   |                       | <b>36,325</b>                    | <b>36,325</b>         |                       | <b>(36,325)</b>                  | <b>(36,325)</b>       |

## Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references, and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the consolidated financial statements

The group holds security in relation to its card scheme business customer settlements (initial and additional requirements (rolling reserve) under each agreement depending on the volume of transactions with each business customer). This therefore mitigates the risk of default of the counterparty as the group holds sufficient security to cover amounts receivable by each party.

The group assesses on a forward-looking basis the Expected Credit Losses (ECL) for debt instruments (including loans) measured at amortised cost and Fair Value through Other Comprehensive Income (FVOCI). The Company measures ECL

and recognises credit loss allowance at each reporting date.

The measurement of ECL reflects:

- (i) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) Time value of money; and
- (iii) All reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within 'net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically: For trade receivables and contract assets, including trade receivables and

contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity, and a failure to make contractual payments for a period greater than one year.

#### Loans receivable at amortised cost consist of two loans:

The first loan €1,612,047 (2023: €1,664,052) is secured by shares held in ISXFEU by related parties. The loan is secured by shares held in the Company by related parties and repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR). During 2024 the

loan increased by €128,597 interest charge and decreased by €130.213 repayment.

The second loan €150,000 (2023: €-) is secured by 1,000 shares of the borrower capital. The loan bears interest 1.5% per annum above ESTR and is repayable on 30 June 2025 or earlier.

#### Cash and Cash Equivalent and Funds held on behalf of Business Customers:

The credit risk related to financial institutions that hold cash and cash equivalents and funds held on behalf of business customers is managed as the group seeks to maintain funds with highly rated financial institutions and to maintain a diversified group of financial institutions.

#### Liquidity risk

Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

#### Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| Consolidated - 31 December 2024            | Weighted average interest rate % | 1 year or less €   | Between 1 and 2 years € | Between 2 and 5 years € | Over 5 years €   | Remaining contractual maturities € |
|--|----------------------------------|--------------------|-------------------------|-------------------------|------------------|------------------------------------|
| <b>Non-derivatives</b>                     |                                  |                    |                         |                         |                  |                                    |
| <i>Non-interest bearing</i>                |                                  |                    |                         |                         |                  |                                    |
| Trade payables                             | -                                | 398,075            | -                       | -                       | -                | 398,075                            |
| Other payables                             | -                                | 3,881,430          | -                       | -                       | -                | 3,881,430                          |
| Funds held on behalf of Business Customers | -                                | 189,226,154        | -                       | -                       | -                | 189,226,154                        |
| <i>Interest-bearing - variable</i>         |                                  |                    |                         |                         |                  |                                    |
| Convertible note payable                   | 5.40%                            | 62,780             | 62,780                  | 188,512                 | 1,270,906        | 1,584,978                          |
| Lease liability                            | 4.77%                            | 572,293            | 441,993                 | 1,116,092               | -                | 2,130,378                          |
| <b>Total non-derivatives</b>               |                                  | <b>194,140,732</b> | <b>504,773</b>          | <b>1,304,604</b>        | <b>1,270,906</b> | <b>197,221,015</b>                 |

| Consolidated - 31 December 2023            | Weighted average interest rate % | 1 year or less €   | Between 1 and 2 years € | Between 2 and 5 years € | Over 5 years €   | Remaining contractual maturities € |
|--|----------------------------------|--------------------|-------------------------|-------------------------|------------------|------------------------------------|
| <b>Non-derivatives</b>                     |                                  |                    |                         |                         |                  |                                    |
| <i>Non-interest bearing</i>                |                                  |                    |                         |                         |                  |                                    |
| Trade payables                             | -                                | 1,518,172          | -                       | -                       | -                | 1,518,172                          |
| Other payables                             | -                                | 3,782,736          | -                       | -                       | -                | 3,782,736                          |
| Funds held on behalf of Business Customers | -                                | 121,010,848        | -                       | -                       | -                | 121,010,848                        |
| <i>Interest-bearing - variable</i>         |                                  |                    |                         |                         |                  |                                    |
| Convertible note payable                   | 4.78%                            | 83,160             | 83,389                  | 249,481                 | 2,050,143        | 2,466,173                          |
| Lease liability                            | 4.37%                            | 574,627            | 501,207                 | 1,045,125               | 357,442          | 2,478,401                          |
| <b>Total non-derivatives</b>               |                                  | <b>126,969,543</b> | <b>584,596</b>          | <b>1,294,606</b>        | <b>2,407,585</b> | <b>131,256,330</b>                 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value hierarchy

In accordance with IFRS 13 – Fair Value Measurement, the Group categorises financial instruments carried at fair value into a three-level fair value hierarchy. This hierarchy is based on the observability and reliability of the inputs used in the valuation techniques applied to determine fair value.

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.  
 The Group's Level 1 instruments comprise European Government Money Market Funds, which are actively traded and valued using daily prices published by the respective fund administrators. These instruments are highly liquid and considered to have minimal valuation uncertainty.
- Level 2:** Inputs are other than quoted prices included in Level 1 that are observable either directly (e.g. prices) or indirectly (e.g. derived from prices).  
 The Group's Level 2 instruments consist of Convertible Notes, which are valued using model-driven techniques incorporating market-relevant observable inputs, such as comparable instrument yields, credit spreads, interest rate curves and the underlying fair value of underlying shares of NSX Limited.
- Level 3:** Inputs are unobservable inputs for the asset or liability. These are typically based on the Group's own assumptions about the assumptions market participants would use in pricing the asset or liability.  
 The Group's Level 3 instruments include shares held in a private company. Management believes that since the purchase of the shares in a private company happened during December 2024 fair value equals the purchase price.

The following tables present the Group's assets and liabilities that are measured at fair value by the level in the fair value hierarchy as at the reporting date:

| Consolidated - 31 December 2024                       | Total €          | Level 1 € | Level 2 €        | Level 3 €      |
|---|------------------|-----------|------------------|----------------|
| <i>Financial assets measured at fair value</i>        |                  |           |                  |                |
| Financial assets at fair value through profit or loss | 1,209,340        | -         | 1,209,340        | -              |
| Financial assets at fair value through OCI            | 677,065          | -         | -                | 677,065        |
| <b>Total financial assets measured at fair value</b>  | <b>1,886,405</b> | <b>-</b>  | <b>1,209,340</b> | <b>677,065</b> |

| Consolidated – 31 December 2023                       | Total<br>€       | Level 1<br>€     | Level 2<br>€ | Level 3<br>€ |
|---|------------------|------------------|--------------|--------------|
| <i>Financial assets measured at fair value</i>        |                  |                  |              |              |
| Financial assets at fair value through profit or loss | 5,500,311        | 5,500,311        | -            | -            |
| <b>Total financial assets measured at fair value</b>  | <b>5,500,311</b> | <b>5,500,311</b> | -            | -            |

## 32 Key management personnel disclosures

### Directors

The following persons were directors of ISX Financial EU Plc during the financial year and up to the date of this report, unless otherwise stated:

|                              |   |
|------------------------------|---|
| <b>Christakis Taoushanis</b> | (Independent Non-Executive Director, Chairman)  |
| <b>Panikos Poulos</b>        | (Independent Non-Executive Director)            |
| <b>Adonis Pegasiou</b>       | (Independent Non-Executive Director)            |
| <b>Nikogiannis Karantzis</b> | (Managing Director and Chief Executive Officer) |
| <b>Dominic Melo</b>          | (Executive Director)                            |
| <b>Paul Barnes</b>           | (Independent Non-Executive Director)            |

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

|                              | Consolidated     |                  |
|------------------------------|------------------|------------------|
|                              | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| Short-term employee benefits | 2,327,172        | 1,642,714        |
| Post-employment benefits     | -                | 6,613            |
|                              | <b>2,327,172</b> | <b>1,649,327</b> |

## 33 Remuneration of auditors

The following fee was paid or payable for services provided by BDO Ltd, the auditor of the Group:

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 Dec 2024<br>€ | 31 Dec 2023<br>€ |
| <i>Fees to BDO Ltd</i>                      |                  |                  |
| Audit or review of the financial statements | 119,000          | 115,500          |
| <i>Audit services - unrelated firms</i>     |                  |                  |
| Audit or review of the financial statements | 93,764           | 57,455           |

## 34 Related party transactions

### Ultimate controlling party

No person holds a controlling holding individually in the share capital of the Company. Moreover, whilst the interests of Nikogiannis Karantzis (together with his spouse Ada Caroline Karantzis via their holding vehicle Select All Enterprise Ltd) and Andrew Karantzis (brother of Nikogiannis Karantzis) are material, the absence of any agreement to act in concert, the regulated nature of the Group's activities, the presence of an experienced independent Board of Directors, and extensive policies and procedures that have been audited under a Section 166 'skilled persons' governance audit for access to a Bank of England settlement account and under an on-site audit of the Central Bank of Cyprus ("CBC"), provide comfort that control of the Company will not be abused. The Company's activities rely upon strong, consistent, auditable governance and reporting in order to maintain its regulatory authorizations.

Whilst there is an absence of any formal agreement to act in concert between Nikogiannis Karantzis, Ada Karantzis, Konstantina Karantzis and Andrew Karantzis, that for the purpose of the Takeover Law, ISX Financial EU Plc will be treated as controlled undertaking.

### Parent entity

ISX Financial EU Plc is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in note 36.

### Key management personnel

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the management report.

### Transactions with related parties

For the year ended 31 December 2024 ISX Financial EU Plc was charged by Southern Cross Payments Ltd €85,751 (2023: €135,260) interest, per the terms of the convertible note.

For the year ended 31 December 2024 Authenticate Pty Ltd, a wholly owned subsidiary at the time, charged NSX Limited €162,732 (including GST) for IT services (2023: €145,456).

As at 31 December 2024, there was €323,950 eMoney issued to Related Parties with non-zero account balances. This includes the foregoing eMoney issued liabilities and the corresponding client funds held as assets in Partner MFI's, with individual account balances as follows:

|                                 |          |
|---------------------------------|----------|
| • Andrew Karantzis              | €4,120   |
| • Ada Caroline Karantzis        | €169,973 |
| • Nikogiannis Karantzis         | €152     |
| • Constantina Karantzis         | €313     |
| • Select All Enterprise Limited | €19,449  |
| • ISX Technologies Plc          | €58,656  |
| • Indian Pacific Kinetics Ltd   | €65,022  |
| • Authenticate Payments Ltd     | €1,200   |
| • ISX Capital Ltd               | €1,000   |
| • ISX Financial Canada Ltd      | €1       |
| • Numismeta Sp zoo              | €4,064   |

For the year ended 31 December 2024, Andrew Karantzis, brother of Managing Director and Chief Executive Officer Nikogiannis Karantzis, earned €1,225,541 before tax related to his role as the Chief Sales Officer. For the year ended 31 December 2023, Andrew Karantzis earned €703,929 before tax related to his role as the Group Global Sales Leader.

As at 31 December 2024, NSX Limited owed €33,676 to Authenticate Pty Ltd as mentioned in the transactions with related parties note above. The amount is recorded in trade receivables in note 11. The receivable is interest-free and repayable on demand.

### Loans to/from related parties

At 31 December 2024, Red 5 Solutions Limited owed Probanx Solutions Limited €1,612,047 (2023: €1,664,052). The loan is secured by shares held in ISXFEU by related parties. The loan is secured by shares held in the Company by related parties and repayable on 9 January 2028, or six months from the date, ISXF EU Plc be admitted on regulated Market other than the Cyprus Stock Exchange. The loan bears an interest charge of 1.25% per annum above the European Short Term Rate (ESTR). During 2024 the loan increased by €78,208 interest charge and decreased by €130.213 due to repayments.

### Financial asset at fair value through profit and loss

At 31 December 2024, NSX Limited owed ISX Financial EU Plc €1,209,340 (2023: €-) The loan is convertible into NSX Limited shares at a price AUD 0.025. The loan is repayable in cash or shares on 5 August 2026, except to the extent repaid earlier. Loans bears an interest charge of 0% for the first four months of the loan and 10% per annum after the first four month.

### Convertible note payable

The convertible note of AUD 6.6 million (EUR 4.2 million equivalent) was issued by Southern Cross Payments Ltd on 18 October 2021 from conversion of intercompany balance between Southern Cross Payments Ltd and ISX Financial EU Plc (ISXFEU). The convertible note charged an interest expense at the rate

that is 1% above the Reserve Bank of Australia's cash rate expressed on a per annum basis. The convertible note matures on the 10th anniversary of the Completion Date which is 30 August 2031. If Southern Cross Payments Ltd elects to convert the loan, Southern Cross Payments Ltd will hold the Conversion Shares and will be a shareholder in ISXFEU. The convertible note is recognised at amortised cost.

During 2023, ISXFEU made 5 repayments of total AUD1,505,125, leaving the convertible note payable balance AUD2,870,423 (EUR 1,745,146).

During 2024, ISXFEU made 6 repayments of total AUD880,060, leaving the convertible note payable balance AUD1,981,695 (EUR 1,166,388).

## 35 Parent entity information

Set out below is the supplementary information about the parent entity.

| Statement of profit or loss and other comprehensive income | Parent            |                  |
|--|-------------------|------------------|
|  | 31 Dec 2024<br>€  | 31 Dec 2023<br>€ |
| Profit after income tax                                    | 27,360,820        | 5,794,898        |
| <b>Total comprehensive income</b>                          | <b>27,360,820</b> | <b>5,794,898</b> |

| Statement of profit or loss and other comprehensive income | Parent             |                    |
|--|--------------------|--------------------|
|  | 31 Dec 2024<br>€   | 31 Dec 2023<br>€   |
| Current assets   | 220,234,373        | 135,354,667        |
| Non - current assets                                       | 13,309,155         | 14,148,620         |
| <b>Total assets</b>  | <b>233,543,528</b> | <b>149,503,287</b> |
| Current liabilities  | 186,598,036        | 127,278,380        |
| Non - current liabilities                                  | 2,629,117          | 3,184,495          |
| <b>Total liabilities</b>                                   | <b>189,227,153</b> | <b>130,462,875</b> |
| <b>Net Assets</b>  | <b>44,316,375</b>  | <b>19,040,412</b>  |
| Equity   |                    |                    |
| Issued capital   | 7,705,562          | 7,705,562          |
| Other reserves   | 208,646            | 53,503             |
| Retained earnings  | 36,402,167         | 11,281,347         |
| <b>Total equity</b>  | <b>44,316,375</b>  | <b>19,040,412</b>  |

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

### Capital commitments - Plant and equipment

The parent entity had no capital commitments for plant and equipment as at 31 December 2024 and 31 December 2023.

## 36 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

| Name                                 | Principal place of business / Country of incorporation | Ownership interest |                  |
|--------------------------------------|--|--------------------|------------------|
|                                      |  | 31 Dec 2024<br>%   | 31 Dec 2023<br>% |
| Authenticate Pty Ltd                 | Australia  | 100%               | 100%             |
| Authenticate Solutions Pty Ltd       | Australia  | 100%               | 100%             |
| Authenticate B.V.                    | Netherlands  | 100%               | 100%             |
| Authenticate Ltd                     | Malta  | 100%               | 100%             |
| ClearPay Pty Ltd <sup>(1)</sup>      | Australia  | 100%               | 59%              |
| ISX Employee Plan Ltd <sup>(2)</sup> | Cyprus   | 100%               | -                |
| ISX IP Ltd                           | Cyprus   | 100%               | 100%             |
| ISX Technologies Inc.                | USA  | 100%               | 100%             |
| ISX Financial UK Ltd                 | United Kingdom   | 100%               | 100%             |
| ISXH Nederlands B.V.                 | Netherlands  | 100%               | 100%             |
| Probanx Solutions UK Ltd             | United Kingdom   | 100%               | 100%             |
| ISX Financial B.V.                   | Netherlands  | 100%               | 100%             |
| Probanx Holdings Ltd                 | Cyprus   | 100%               | 100%             |
| Probanx Solutions Ltd                | Cyprus   | 100%               | 100%             |
| UAB Authenticator                    | Lithuania  | 100%               | 100%             |
| UAB Probanx Solutions                | Lithuania  | 100%               | 100%             |

<sup>(1)</sup> ISXF EU acquired 41% of Clearpay for the amount of AUD 500,000 (EUR 302,047) from NSX during December 2024.

<sup>(2)</sup> Incorporated during the year ended 31 December 2024.

### Subsidiaries

The results of all entities where the Group has 100% ownership interest, are included within ISXFEU Group consolidated financial statements.

Entities with less than 100% ownership interest are reviewed by management and approved by the Board to determine whether the Group controls the entity. Where the Group has determined an entity is controlled by the ISXFEU Group, its results are included within ISX Financial EU Plc's consolidated financial statements.

## 37 Operating environment

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus and globally with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and worldwide, which are difficult to precisely estimate if the war escalates.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. ISXFEU Group management will continue to monitor the situation closely and take appropriate actions when and if needed.

## 38 Commitments

On 4 December 2024 the subsidiary of the Group, Probanx Solutions Limited entered into an agreement with KG Capital Advisors (Europe) Limited to pay AUD 4.5 (EUR 2.7 million) million in exchange of 120 million fully paid ordinary shares at AUD 0.0375 cents per share of nViso Ltd. As per the agreement, the amount of AUD 4.5 million (EUR 2.7 million) must be paid in 6 tranches following that specific requirements have been met.

Up to 31 December 2024 the Group paid AUD 1,125,000 (EUR 677,065) in exchange of 30 million share. From January 2025 and up to the date of this report the Group acquired additional 49 million shares for the amount of AUD 1,852,620 (EUR 1,096,826).

The Group had no other capital or other commitments as at 31 December 2024.

## 39 Events after the reporting period

On 9 January 2025 and on 27 March 2025, Probanx Solution Limited acquired 49,403,194 additional shares of nViso Ltd for a total consideration of AUD 1,852,620 (EUR 1,096,826) increasing its shareholding to 14.40%.

On 10 January 2025, the Group entered into a convertible loan deed, whereas the Group granted the amount of AUD 1,600,000 (EUR 964,389) to NSX Limited, which bears interest at the rate of the Reserve Bank of Australia (RBA) Cash rate + 4% per annum. The loan repayment date was the earlier of the issue and distribution of any share from NSX Limited to the Company or 24 months from the loan date.

On 2 April 2025, in his "Liberation Day" speech, the new US president announced a sweeping new tariff plan. While some trading partners opted to negotiate, others chose to retaliate. Markets fell amid rising uncertainty over trade policy and economic outlook. The Group has not experienced any losses, however the management will continue to monitor the situation closely and take appropriate actions when and if needed.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

## 40 Reconciliation of profit after income tax to net cash from operating activities

|  | Consolidated      |                   |
|--|-------------------|-------------------|
|  | 31 Dec 2024<br>€  | 31 Dec 2023<br>€  |
| Profit after income tax expense for the year                   | 25,982,242        | 5,247,696         |
| <i>Adjustments for:</i>  |                   |                   |
| Depreciation and amortisation                                  | 3,081,507         | 2,947,903         |
| Share of losses - investment in associate                      | 733,394           | 555,765           |
| (Reversal of impairment)/impairment of investment in associate | (441,257)         | 1,307,012         |
| Interest income  | (3,931,819)       | (347,539)         |
| Interest expense   | 85,751            | 107,768           |
| Expenses related to leases                                     | 982,595           | 895,451           |
| Fair value loss on financial assets                            | 105,290           | -                 |
| Share based payments   | 155,143           | 26,265            |
| Foreign exchange differences                                   | 180,624           | (4,796)           |
| <i>Change in operating assets and liabilities:</i>             |                   |                   |
| (Increase)/decrease in trade and other receivables             | (241,879)         | 85,073            |
| Increase in other current assets                               | (519,307)         | (44,466)          |
| (Increase)/decrease in trade and other payables                | (1,139,519)       | 1,201,406         |
| Decrease/(increase) in employee benefits                       | 34,930            | (10,545)          |
| Increase/(decrease) in contract liabilities                    | 278               | (38,738)          |
| Increase in Other  | (50,026)          | (147,553)         |
| <b>Net cash from operating activities</b>                      | <b>25,017,947</b> | <b>11,780,702</b> |



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## **Independent Auditor's Report To the Members of ISX Financial EU PLC**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of ISX Financial EU PLC (the "Company") and its subsidiaries (the "Group"), which are presented in pages 62 to 102 and comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Responsibilities of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



### Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

### Other Matter

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink, appearing to read 'T Kiely'.

Terence Kiely  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
BDO Limited  
Certified Public Accountants (CY) and Registered Auditors  
Nicosia, Cyprus  
28 May 2025

# Investor Enquiries

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