



May 22, 2024

Q3 FY24 Unaudited Financial Results

TSX-V: [BNXA](#) | OTCQX: [BNXAF](#) | FSE: [AC00](#)

Forward-looking statements

This presentation contains "forward-looking statements." The statements contained in this presentation that are not purely historical are forward-looking statements. Forward-looking statements give the Company's current expectations or forecasts of future events. Such statements are subject to risks and uncertainties that are often difficult to predict and beyond the Company's control and could cause the Company's results to differ materially from those described. In some cases, forward-looking statements can be identified by terminology such as "may," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions. These statements include statements regarding moving forward with executing the Company's global growth strategy. The statements are based upon current beliefs, expectations and assumptions and are subject to a number of risks and uncertainties, many of which are difficult to predict. The Company is providing this information as of the date of this presentation and does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise, except as required by law. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved.

Presenting today



Holger Arians

Co-Founder,
Chairman and CEO



Zafer Qureshi

Executive Director &
Head of Corp. Affairs



Patrick Maguire

Chief Financial Officer



Tom Chalmers

Chief Product Officer

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Opening Remarks

Holger Arians, CEO

In ten years every business in the world
will benefit from the properties of
crypto-networks embedded in their
products and services

**Banxa will provide these services
in a world class platform**

Opening remarks

Under the new leadership of Holger Arians and Zafer Qureshi, the business has moved from strength to strength and can present the first positive results to shareholders:

- Achieved Profitability in Q3 FY24
- Significant uplift of our finance function and team under leadership of CFO Patrick Maguire
- Audit FY24: engaged with auditor for several weeks and ramped up teams on both sides
- Stronger, more innovative product platform and more diversified customer base
- Leaner and more scalable business
- Highly motivated workforce
- Expanding licenses and capabilities in our key markets
- Continue to significantly reduce our cost of capital
- We continue to operate with focus, discipline, substance and sustainability

Milestones achieved

- Rare UK Crypto license obtained
 - US Licenses activation in late 2024
 - EU MiCA license by end of 2024
 - Strengthened board with the addition of Kaushik Sthankiya, Global Head of Banking & Payments at Kraken Digital Asset Exchange
-
- We continue to trend positively across our KPIs and believe that the share price will follow
 - We are entering another positive crypto cycle
 - We see more crypto adoption based on more trust (e.g. ETFs, regulation) and better every day use cases
 - With a stronger than ever business, we are sure to be on the path to unlock our unicorn potential

**Banxa is now embedded in
applications reaching
1bn global users**





Q3 Business Highlights

Zafer Qureshi, Head of Corporate Affairs

Key highlights

Over
USD\$2.4B
crypto sold

Over
1.4 million
customers served and
5.5 million
orders completed

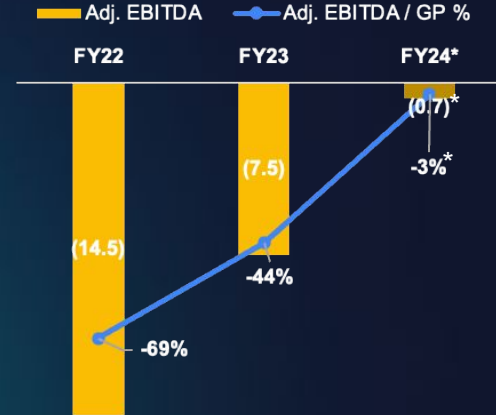
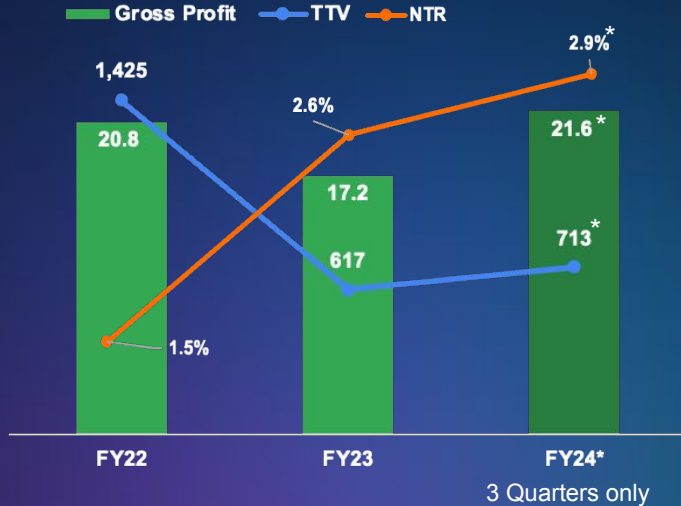
Processing a
new order every
18 seconds

300+
B2B partners including
market leaders - Metamask,
Ledger & OKX

40+
(crypto/
money-transmitter)
licenses and
registrations globally

20+
Payment Methods

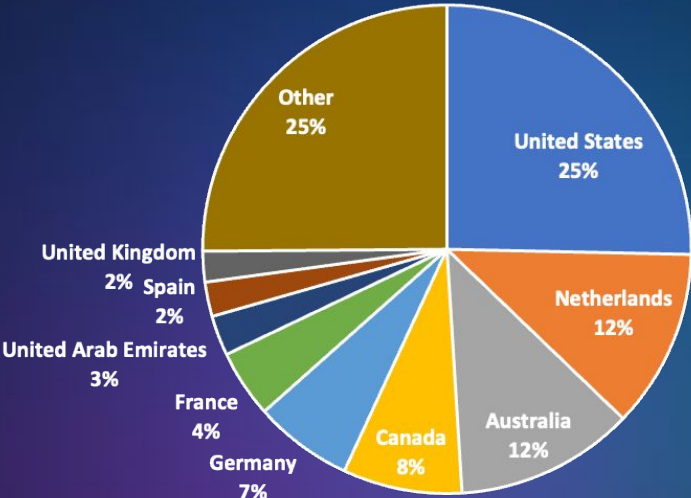
Operating more efficiently and positioned to scale



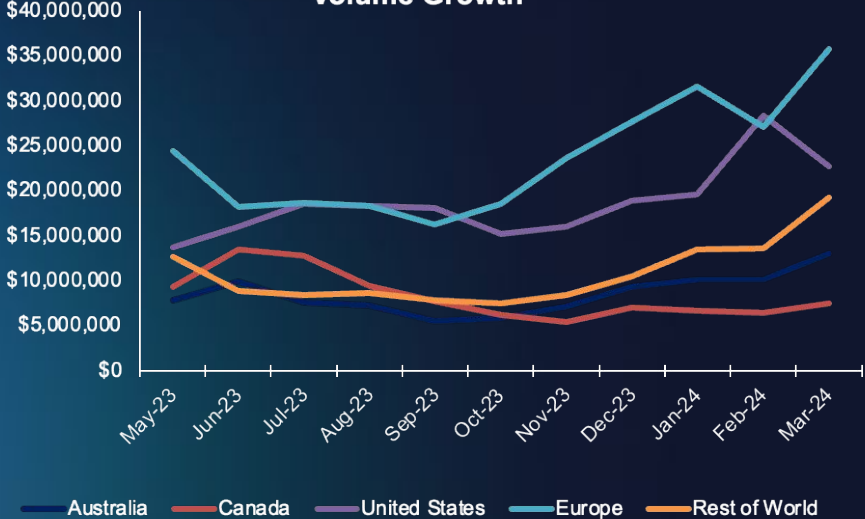
With the systems and processes implemented to control costs and greater focus on our growing key wallet segment, we are positioned to scale very profitably

Global reach while expanding footprint in key high growth markets

Volume by Geography *



Volume Growth



*Volumes as of March 31, 2024

Continued addition of partners, securing licenses in key markets and launching new product features

Partners consistently choose Banxa because of its enterprise grade on-ramp technology and vast infrastructure that delivers unparalleled user experience and high conversion rates

Newly Added Partners



Telegram



Newly Acquired Licenses

US*: 1 new MTL approved and 36 MTLs granted in total and 3 more MTLs in the pipeline

- 47 states covered
- Planned to activate MTLs in Q4 2024

New Product Features

- Seamless KYC for US customers
- Open Banking in the EU and UK to enable instant fund transfers
- Repeat payment attempts with Apple Pay

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Financial Highlights

Patrick Maguire, CFO

Q3 FY24 financial highlights

(AUD \$000s)	Q3 FY24	Q3 FY23	YoY Change
Total Transaction Volume (TTV)	269,016	166,909	61%
Revenue	104,808	21,418	389%
Gross Profit	8,156	5,220	56%
Core Operations Gross Profit (excl. integration revenue)	7,938	4,509	76%
Net Take Rate (NTR)	2.95%	2.7%	9%
Total Operating Expenditure	6,521	4,373*	49%
Operating Income (Loss)	1,636	847*	93%
Net Income (Loss)	651	584*	11%
Adj. EBITDA	1,257	(481)	361%
Core Operations Adj. EBITDA	1,039	(991)	187%

Commentary

- TTV increase driven by product innovation, organic growth with partners and addition of new partners, such as Trust Wallet
- Core Operations Gross Profit grew disproportionately due to growth in TTV, pricing and improved efficiency in processing transactions
- Net Take Rate expanded by 25 bps due to improved efficiency in transactions processing and pricing
- Adjusted EBITDA grew due to several factors, primarily due to deeper integrations with current partners and addition of new partners, expanded NTR, enhanced controls on operational expenses, and reduced interest expenses
- Cash, Trade Receivables and Crypto Inventories at \$14.7 million, up from \$12.9 million as of December 31st, 2023

*Includes reversal of \$2.1 million of share based compensation in the period

Cash and trade receivables

(AUD \$000s)	Q3 FY24	Q2 FY24
Cash and Cash equivalents	1,341	1,561
Total trade and other receivables	12,972	11,007
Total Cash and Trade Receivables	14,313	12,568

- Cash and trade receivables at \$14.3 million, up from \$12.6 million as of December 31st, 2023 quarter
- Receivables significantly higher due timing difference caused by the seasonal impact on cash receipts over Easter holiday season
 - Due to T+2 settlement delay by our credit card acquirers such as Worldpay
 - The full amount of \$13.0 million trade receivables was received in April 2024

FX losses

(AUD \$000s)	Q3 FY24	Q3 FY23
Realised Foreign exchange losses/(gains)	639	(215)
Unrealised Foreign exchange losses/(gains)	(10)	406
Total Foreign exchange losses/(gains)	629	191

- Realised Foreign exchange losses of \$0.6 million, down from a gain of \$0.2 million prior year
 - we see a lot of potential to reduce the FX fees with our credit card acquirers
- Unrealised Foreign exchange gain of \$0.01 million, up from a loss of \$0.4 million prior year

FY24 Guidance Update

(AUD \$000s)	Previous Guidance	Updated Guidance
Gross Profit	\$26.5 million to \$27.5 million <i>(USD \$17.2 million to USD \$17.9 million)</i>	\$27.8 million to \$28.8 million <i>(USD \$18.6 million to USD \$19.3 million)</i>
Adjusted EBITDA	(\$0.8 million) to \$0.2 million <i>(USD (\$0.5 million) to USD \$0.1 million)</i>	(\$0.1 million) to \$0.9 million <i>(USD (\$0.0 million) to USD \$0.6 million)</i>

The raising of the guidance is driven by:

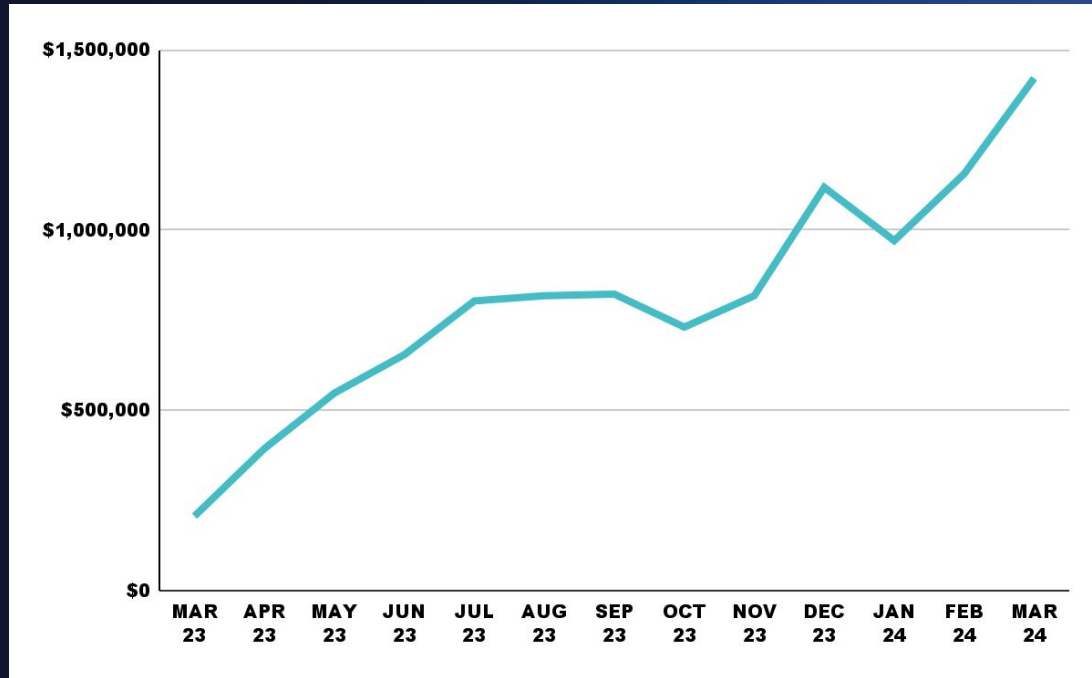
- Improved crypto markets
- Growth with current partners and addition of new partners
- Further improvements in our cost base, specifically legal and compliance

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2024 and Beyond

Tom Chalmers, CPO

Monthly revenue: Wallets & on-chain applications



On-chain tailwinds

Applications

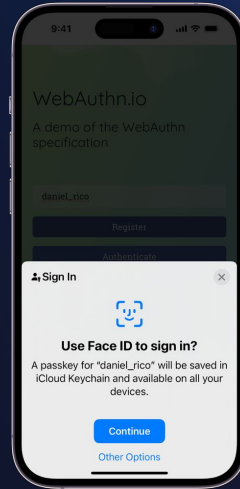
- Trading
- Prediction markets
- Social media 2.0
- Gaming

Usability

- Passkeys
- Account abstraction
- Session keys

Technology

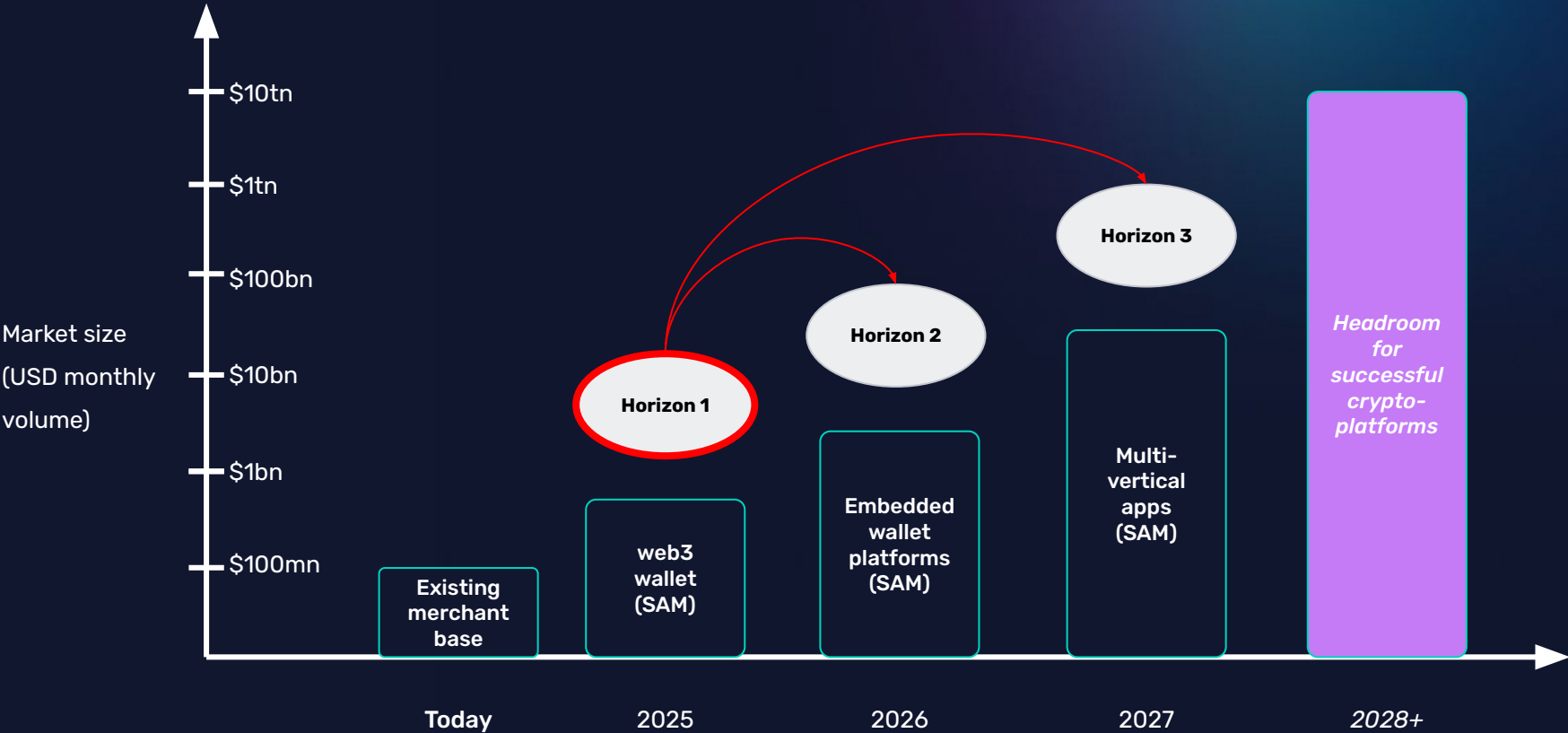
- Stablecoin proliferation
- Network cost reduction
- Service commoditization



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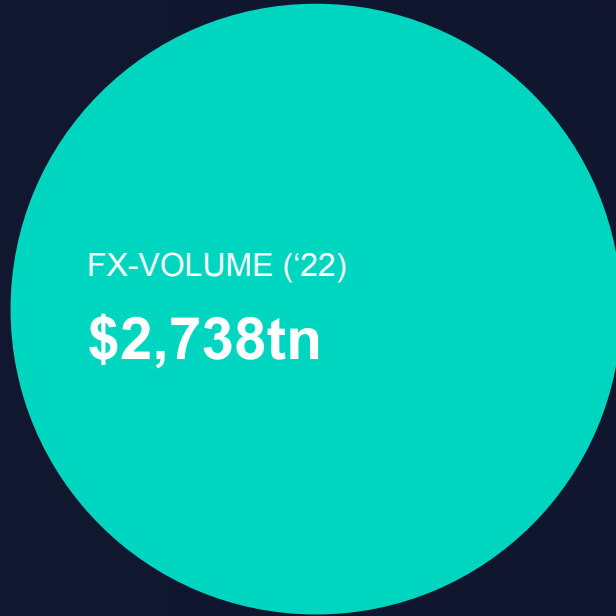
17 static CBlock CreateGenesisBlock(const char* pszTimestamp, const CScript&
genesisOutputScript, uint32_t nTime, uint32_t nNonce, uint32_t nBits, int32_t nVersion,
const CAmount& genesisReward)
18 {
19     CMutableTransaction txNew;
20     txNew.nVersion = 1;
21     txNew.vin.resize(0);
22     txNew.vout.resize(1);
23     txNew.vin[0].scriptSig = CScript() << 486604799 << CScriptNum(4) << std::vector<
unsigned char>(const unsigned char*pszTimestamp, (const unsigned char*)
pszTimestamp + strlen(pszTimestamp));
24     txNew.vout[0].nValue = genesisReward;
25     txNew.vout[0].scriptPubKey = genesisOutputScript;
26
27     CBlock genesis;
28     genesis.nTime = nTime;
29     genesis.nBits = nBits;
30     genesis.nNonce = nNonce;
31     genesis.nVersion = nVersion;
32     genesis.vtx.push_back(MakeTransactionRef(std::move(txNew)));
33     genesis.hashPrevBlock.SetNull();
34     genesis.hashMerkleRoot = BlockMerkleRoot(genesis);
35     return genesis;
36 }
    
```

Evolution to a platform economy

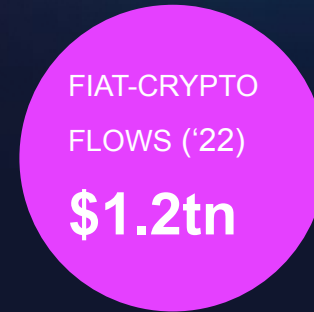


Banxa TAM: now / future

Crypto networks are forming the new hyper-financialised commercial system



Long-term
field size



Short-term
addressable
market

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Driving Shareholder Value

Zafer Qureshi, Head of Corporate Affairs

Disciplined focus on establishing a strong and sustainable business

We are focused on building strong fundamentals for Banxa:

- Implemented cost control processes and systems (e.g., Purchase Order approval system)
- Creating a culture of accountability with greater visibility of key projects and areas of the business
- Greater focus on our key partners to deepen the relationship, especially in the wallet segment
- Reducing cost of capital for our trading lines - targeting ~10% APR - by renegotiating terms in line with our improved risk profile and achieve the liquidity flexibility needed for scale

Deep value story

Banxa trades deeply discounted to its peers and we strongly feel it has the ability to re-rate in the short term

	Enterprise Value	Gross Profit		EV / Gross Profit		EBITDA		EV / EBITDA	
		2023	2024E	2023	2024E	2023	2024E	2023	2024E
Public: Fintech/Payments									
Block	42,166	7,504	8,716	5.6	4.8	1,792	2,638	23.5	16.0
PayPal	59,209	13,704	13,710	4.3	4.3	7,184	7,282	8.2	8.1
FIS	58,080	3,676	3,941	15.8	14.7	13,076	4,165	4.4	13.9
Global Payments	49,686	5,926	6,888	8.4	7.2	3,844	4,652	12.9	10.7
Average				8.5	7.8			12.3	12.2
Median				7.0	6.0			10.6	12.3
	Enterprise Value	Gross Profit		EV / Gross Profit		EBITDA		EV / EBITDA	
		2023	2024E	2023	2024E	2023	2024E	2023	2024E
Public: Non-Miner Crypto Pure Plays									
WonderFi	154	--	--	NM	NM	-8.5	9.8	NM	15.7
BIGG Digital	79	4.3	5.2	18.2	15.1	--	--	NM	NM
Galaxy Digital	3,838	--	--	NM	NM	104	--	36.9	NM
Coinbase	43,769	2,687	3,826	16.3	11.4	965	1,454	45.4	30.1
Bitcoin Group SE	203	--	--	NM	NM	--	--	NM	NM
Average				17.2	13.3			41.1	22.9
Median				17.2	13.3			41.1	22.9
Banxa	25	17	28	1.5	0.9	-8	5	NM	5.0

Expanding our investor base

- Generate organic sell-side analysts research coverage
- Actively engaging buy-side investors (e.g., investment advisors, family offices, HNW) who are interested in the crypto/web3 space
- Engaged a market maker to assist with liquidity and a more balanced market for our shares
- Strengthen the Board to continue raising Banxa's profile - new addition in March, Kaushik Sthankiya, Head of Global Banking and Partnerships at Kraken Digital Exchange
- Provide greater colour and transparency to the market on our progress
- Communicate frequently and with substance to the market
- Activating a new Employee Share Purchase Plan to allow employees to purchase Banxa shares on the TSX.V with their payroll

Banxa's stock is not the business - the business fundamentals are on a positive trajectory and we firmly believe it is only a matter of time that our stock price will be reflective of our strong business

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Thank you

Questions