

Banxa Reports Audited Full Year 2022 Results

KEY FINANCIAL HIGHLIGHTS FY22

- 107% growth in Total Transaction Volume (TTV) to \$AUD1.425 Billion (\$USD964 Million), up \$AUD737 Million (\$USD497 Million)
- 56% growth in Revenue to \$AUD71.6 Million (\$USD48.3 Million), up \$AUD25.6 Million (\$USD17.3 Million)
- 24% growth in Gross Profit to \$AUD20.8 Million (\$USD\$14 Million), up \$AUD4 Million (\$USD2.7 Million)
- Total comprehensive loss of \$AUD16.6 Million (\$USD11.5 Million), due to significant investment into expansion plans

TORONTO, April 14, 2023 (GLOBE NEWSWIRE) -- Banxa Holdings Inc. (TSXV: BNXA) (OTCQX: BNXAF) (FSE: AC00) ("Banxa" or the "Company"), the leading on-and-off ramp solution for Web3, announces today its full audited financial reports for Australian fiscal year ending June 30th 2022. The full results including Management Discussion & Analysis (MD&A) are available on Sedar.

Domenic Carosa, Banxa Chairman, said: "We are pleased to announce the completion of our audited annual financial statements for the fiscal year ended June 30, 2022. Banxa has made significant strides in FY22 towards building a sustainable business for the long run, whilst also upgrading our financial reporting systems to keep up with the company's growth. As a leading publicly traded company in the crypto industry, we remain committed to navigating the ever-expanding regulatory environment for crypto with transparency and compliance.

We recognize that delays in the audit process have been challenging for shareholders. Today's announcement is an important milestone on our path to resume trading on the TSX Venture Exchange as soon as possible.

Looking ahead, we will continue to execute on our strategy for long-term growth, and we will share the progress we have made in fiscal year 2023 to-date in due course."

Updates on FY23 results to date and path to profitability, proposed relisting plans and webinar date will be announced in the coming weeks.

FINANCIAL REVIEW

\$AUD1.425 Billion (\$USD964 Million) Total Transaction Value (TTV) for the fiscal year ending 30th June 2022 - up AUD\$737 Million (\$USD497 Million) or 107% year on year. The end of calendar year 2022 saw one of the largest bull markets in crypto to date, resulting in the explosion of volumes seen in the financial results.

Adjusted EBITDA (\$AUD)

The following table shows a reconciliation of adjusted EBITDA to net loss before tax, the most comparable IFRS financial measure, for the three months and the years ended 30 June 2022 and 2021:

	Three months ended 30 June 2022 \$	Three months ended 30 June 2021 \$	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Loss before tax	(8,529,885	) (4,608,120	) (17,041,897	) (5,687,662
Amortization and depreciation	141,948	13,657	454,970	39,075
Realised loss (gain) on fair value of deposits	16,215	2,744,986	(1,233,920)-
Unrealized loss (gain) on fair value of deposits	-	975,829	-	975,829
(Gain) loss on fair value of derivative liability	48	1,050,793	136,866	1,050,793
Share based compensation expense	512,444	862,510	2,924,538	2,081,011
Finance expense	8,444	(48,055	) 287,154	532,771
Listing expense	-	-	-	2,690,513
Adjusted EBITDA	(7,850,786	) 991,600	(14,472,289	) 1,682,330

PROFIT AND LOSS STATEMENT (\$AUD)

Consolidated Statements of Profit or Loss and Other Comprehensive income

For the years ended 30 June 2022 and 2021

	30 June 2022	30 June 2021
	(\$)	(\$)
Revenue	71,596,457	45,970,658
Cost of sales	(50,758,136)	(29,119,825)
Gross profit	20,838,321	16,850,833
Employment expenses	(18,047,647	)(7,266,313)
Depreciation	(454,970	)(39,075)
General, administration and other	(13,304,500	)(5,814,207)
Share based compensation	(2,924,538	)(2,081,011)
Total operating expenses	(34,731,655	)(15,200,606)
Operating Income (loss) before other items and income tax	(13,893,334	) 1,650,227
Other items		
Realised gain on fair value of deposits (treasury coins)	1,233,920	-
Unrealised loss on fair value of deposits (treasury coins)	-	(975,829)
Realised loss on fair value of derivative liability	(136,866)-
Unrealised loss on fair value of derivative liability	-	(1,050,793)
Net foreign exchange losses	(4,202,131	)(2,715,843)
Other Income	243,668	627,860
Finance costs	(287,154	)(532,771)
Listing expenses	-	(2,690,513)
Total other items	(3,148,563	)(7,337,889)
Loss before tax	(17,041,897	)(5,687,662)
Income tax (expense)	(228,886	)(140,454)
Net loss for the year	(17,270,783	)(5,828,116)
Other comprehensive income		
Exchange differences on translation of foreign operations	645,279	456,860
Total comprehensive loss for the year	(16,625,504	)(5,371,256)
Basic loss per share	(0.38	)(0.15)
Diluted loss per share	(0.38	)(0.15)

Highlights

- Revenue growth of \$AUD25.6 Million (\$USD17.3 Million) or 56% and Gross Profit growth of \$AUD4 Million (\$USD2.7 Million) or 24% driven by partner and user acquisition.
- Investment in building bespoke infrastructure to enter new geographical markets and market segments resulted in operating expenses increasing to \$AUD34.7 Million.
- Total comprehensive loss for the year increased to \$AUD16.6 Million due to the increase in operating expenses to expand into new markets.
- The Company implemented aggressive cost reduction measures in June 2022 to right size the business for the long term.

BALANCE SHEET (\$AUD)

Consolidated Statements of Financial Position

As at 30 June 2022 and 2021	30 June 2022	30 June 2021 (Restated)
	(\$)	(\$)
Assets		
<i>Current assets</i>		
Cash and cash equivalents	9,364,013	18,615,803
Trade and other receivables	2,766,934	5,502,432
Inventories	883,885	45,311
Prepays	464,332	292,902
Total current assets	13,479,164	24,456,448
<i>Non-current assets</i>		
Property, plant & equipment	495,077	35,244
Right-of-use assets	763,399	-
Goodwill	151,643	151,643
Other deposits - bank guarantee	505,516	252,758
Total non-current assets	1,915,635	439,645
Total assets	15,394,799	24,896,093
Liabilities		
<i>Current liabilities</i>		
Trade and other payables	5,720,071	3,815,872
Borrowings	-	444,869
Current tax liabilities	355,310	255,431
Provisions	632,309	289,855
Derivative liability	-	1,127,457
Lease liability - current	354,348	-
Total current liabilities	7,062,038	5,933,484
<i>Non-current liabilities</i>		
Provisions and other liabilities	63,710	28,889
Lease liability	821,975	-
Total non-current liabilities	885,685	28,889
Total liabilities	7,947,723	5,962,373
Net assets	7,447,076	18,933,720
Equity		
Issued capital	23,128,075	20,913,753
Contributed surplus	11,619,713	8,695,175
Foreign currency translation reserve	1,156,524	511,245
Accumulated losses	(28,457,236)	(11,186,453)
Total equity	7,447,076	18,933,720

Highlights

- Liquid assets of \$AUD9.3 Million (\$USD6.4 Million) comprising cash, deposits and digital assets.

- No borrowings resulting in a debt free balance sheet.
- The reduction in liquid assets of \$AUD9.3 Million (\$USD6.3 Million) is largely driven by higher operating cash outflows in line with market expansion.

CONTACTS

Media:

Wachsman

Ethan Lyle

banxa@wachsman.com

ON BEHALF OF THE BOARD OF DIRECTORS

Per: "DOMENIC CAROSA" <https://twitter.com/DomCarosa>

Domenic Carosa = Chairman (1-888-218-6863)

dcarosa@banxa.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release

Forward-looking Information and Statements

This news release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events.

Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends", "expects" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or will "potentially" or "likely" occur. This information and these statements, referred to herein as "forward looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding the completion of the audit by the Company's auditor, timing for the filing of the Annual Filings and interim financial statements by the Company; expected revenue; completion of the Company's review of audit procedures needed to validate the accounting treatment of digital assets; and that the Company will satisfy the conditions of the BCSC to have the CTO lifted.

These forward looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things, risks related to the completion of the audit by the Company's auditor within the timeframe expected by management, and risks relating to the filing of the Annual Filings and interim financial statements within the timeframe expected by management, risks relating to the BCSC's removal of the CTO, and risks related to changes in general economic, business and political conditions, including changes in the financial markets, changes in applicable laws, and compliance with extensive government regulation, as well as those risk factors discussed or referred to in the Company's disclosure documents filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, assumptions regarding the completion of the audit by its auditor in a timely manner and the filing of the Annual Filings and interim financial statements by the Company in a timely manner; assumptions that the Company will satisfy the conditions of the BCSC to lift the CTO; revenue numbers will be reported as stated herein and that the Company will complete the review of audit procedures needed to validate the accounting treatment of digital assets.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be

other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.

4/14/2023 2:45:00 PM