

Banxa Reports FY23 Q1 & Q2 Results

HIGHLIGHTS

- Financial results submitted which allows company to request lifting of COT
- Company remains on track to reach operational break even in the coming months
- Company anticipates filing FY23 Q3 (March Qtr 2023) by 31st May 2023

TORONTO, May 16, 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 lodging of Australian fiscal year 2023 Q1 (September Qtr 2022) and Q2 (December Qtr 2022) unaudited results. The full results including Management Discussion & Analysis (MD&A) are available on SEDAR.

Domenic Carosa, Banxa Chairman, said: "Banxa continues to make progress in seeking to resume trading of BNXA stock as soon as possible, and will file a request with regulators and the TSX Venture Exchange imminently. We expect to resume trading in the coming weeks."

Holger Arians, Banxa CEO, said: "The first and second quarters saw our company go through a difficult but necessary restructure that allowed us to dramatically cut costs while re-focusing on product development and revenue generation in our core business. We onboarded industry-leading DeFi wallets MetaMask and ZenGo as tier-one partners, and established a services arm of the business for paid asset listings, both of which have allowed us to diversify our revenue from centralised exchanges. Looking ahead, we expect to continue to see the results of our efforts reflected in the company's performance, as Banxa executes on our current strategy of aggressively pursuing profitability in the near-term."

FY23 Q1 (September Qtr 2022) Overview (\$AUD)

- TTV: \$120 million
- Gross profit \$2,804,140
- Operating loss \$4,800,918, due to cost optimization
- Major restructure undertaken for cost optimisation July 2022

FY23 Q2 (December Qtr 2022) Overview (\$AUD)

- TTV: \$148 million (Up 23.78% on FY23 Q1)
- Gross profit \$4,869 million, up 73% on FY23 Q1
- Operating loss \$1,680 million, improvement of 65% from Q1 FY23 due to increased growth and cost optimization
- Additional restructure measures and cost optimisation implemented in September 2022 and realised in statutory accounts from November 2022
- Signed flagship DeFi partners MetaMask and ZenGo and established paid services division, which contributes directly to gross profit

Update on removal of Trade Cessation Order and resumption of trading

The Company confirms it will be formally requesting that the British Columbia Securities Commission and the TSX remove the Cessation of Trade to allow the resumption of trading. Prior to the resumption of trading, the Banxa management team will host a webinar (with Q&A) to provide an update to shareholders, including fiscal year 2023 Q3 (March Qtr 2023) results which the Company anticipates filing by the 31st May 2023.

CONTACTS

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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.

