



Local Compliance & Payments for the Digital Asset Industry

TSX-V: BNXA | OTCQX: BNXAF | FSE: AC00

Investor Presentation - December quarter/half results
1st March 2022



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.

Our Vision & Mission

VISION

Providing equal access to financial opportunity for people in every part of the world.

MISSION

Banxa onboards the masses to crypto by providing payments and compliance solutions to global digital asset platforms.

Banxa Overview

Banxa powers the world's largest digital asset platforms by providing payments infrastructure and regulatory compliance across global markets.

- World's first stock exchange listed Fintech Payment Service Provider and RegTech provider for the digital asset industry
- Building a payments and compliance bridge between "fiat money" and "digital assets" such as Bitcoin and Ethereum via on/off ramps
- B2B focused business model is regulated, highly scalable, low touch and in a growing market (*whether the price of Bitcoin goes up or down*)
- 80 coins and chains now supported and growing partner network



Banxa Holdings Inc.	
TSX-V: BNXA OTCQX: BNXAF FSE AC0000	
BNXA/BNXAF Share Price ¹	CAD\$2.55/USD\$2
Market Cap ¹	CAD\$115M/ USD\$90M
TTM Revenue (\$USD) ²	\$80M
Cash & Equivalents (\$USD) ²	\$19.0M
FD Shares Outstanding	52.4M
Float (approx)	36M
Options & Warrants	7M
Insider Holdings (approx)	20%
Employees	200+
Locations	Australia (HQ), Europe & Canada

1. As of February 28, 2022
 2. At December 31, 2021

Banxa Four Pillars – Payments & RegTech

Global & Local Payments	Regulatory & Compliance	Data Science & Automation	Coin/Token Delivery
<p>Global</p> <ul style="list-style-type: none">• Mastercard• Visa• Apple Pay <p>Local</p> <ul style="list-style-type: none">• Interac Canada• SEPA Europe• iDeal Netherlands• Faster payments UK• Poli Australia• PayID Australia	<p>Multiple VASP (Virtual Asset Service Provider) licenses and registrations (RegTech) globally and a full AML/KYC compliance platform given the regulated nature of industry</p>	<p>Highly scalable technology platform that automatically manages across an API and Widget:</p> <ul style="list-style-type: none">• Market Data• Pricing• Payments• Order Management	<p>Coin token delivery technology that will deliver customer orders of Bitcoin, Ethereum etc. in the most efficient manner possible with on and off chain delivery technology solutions</p>

Why the Industry Chooses Banxa

The Most Ways to Pay



The widest choice of payment options locally and globally – giving partners local currencies and lower rates so they convert more.

Fast & Seamless Integration



Implement widgets and APIs however you prefer in minutes to days, not months.

Risk Profiling



Years of first-hand experience enabled development of sophisticated risk-profiling capabilities within the team.

Zero Chargebacks



Fraud detection systems and qualified team make sure businesses never loses out through chargebacks.

Maximized Conversions



Ensures partners that their users return again and again by providing the highest conversion rates and industry-leading UX/UI.

Fraud Detection



Advanced fraud detection systems to developed to keep businesses and customers safe.

Risk Management



Extensive risk-management strategy is designed to keep customers safe and businesses operational.

Layer 2 (L2) Fiat On-Ramp



L2 protocols cut transaction time in half and reduces costs by over 300,000%.

Sample Existing B2B Customers

With a strong pipeline of new partners, Banxa continues to grow the network and access to new customers



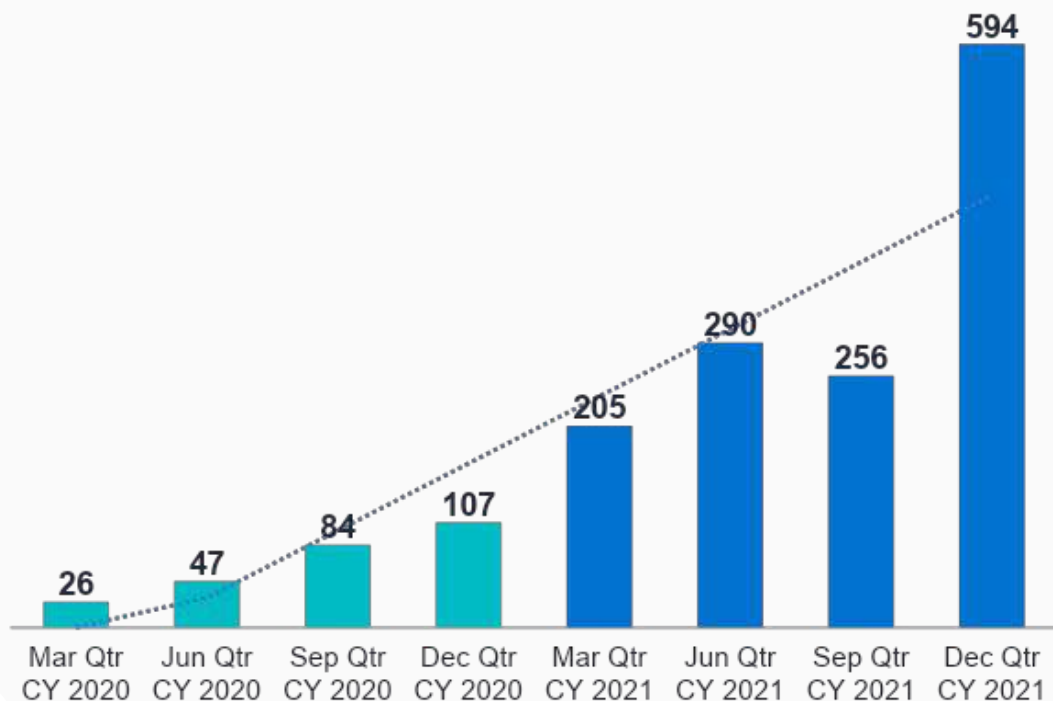
Growth Strategy

- Focused execution while increasing Total Transaction Value (TTV)
- Growing B2B customer base
- Payment option expansion
- Acquire new crypto licenses and registrations globally
- Expansion of coins and opportunities in DeFi , NFT, Metaverse and Blockchain Gaming sectors

Growing Total Transaction Value (TTV) & Revenue

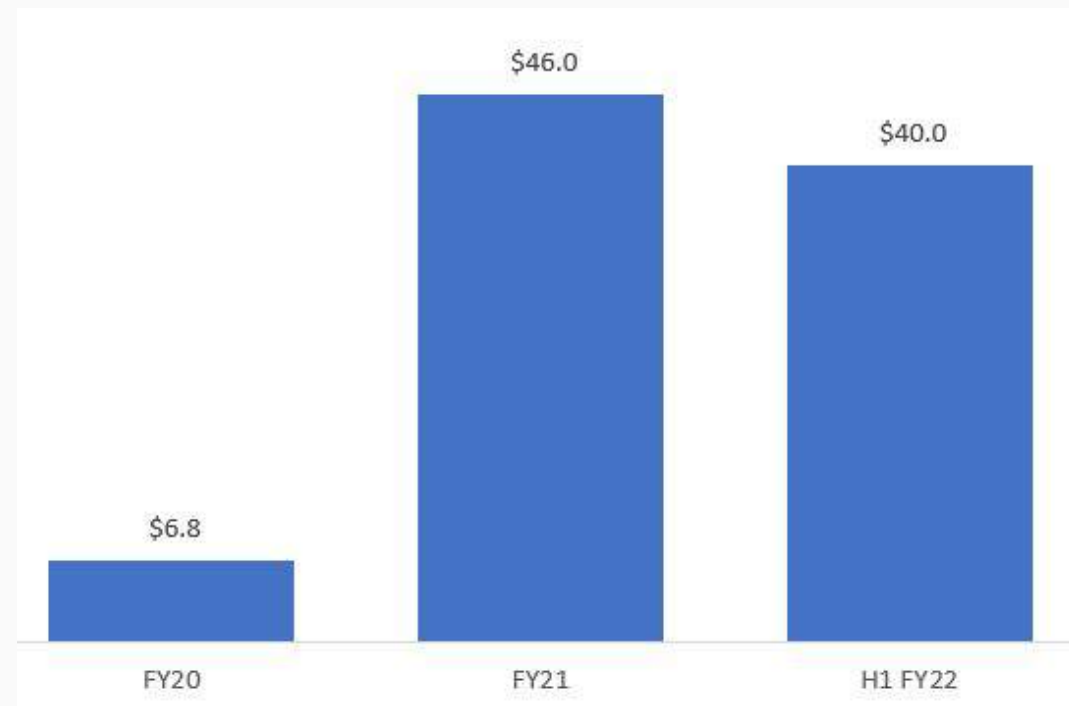
Total Transaction Value (TTV)

In Millions



Revenue

\$ in Millions



TTV numbers are management prepared. September TTV was down over summer with lower volumes

Financial Highlights

- **\$849 million AUD (US\$620 million) Total Transaction Value (TTV)** for the Half Year ended 31st December - up \$660 million or 348% period on period
- **Revenue of \$40 million AUD (US\$29 million)** for the Half Year ended 31st December - up \$33 million or 441% period on period
- **\$26 million AUD in liquid assets (US\$19 million)** (comprising of cash, deposits and digital assets)
- **Adjusted EBITDA loss of \$2.5 million AUD (US\$1.8 million)** for the half year
- **Statutory loss of \$3.1 million AUD (US\$2.3 million)** including non-cash items

Profit & Loss - Performance & EBITDA

Banxa Group (A\$m)	Q2 FY22	Q2 FY21	H1 FY22	H1 FY21	\$ delta	% delta
Profit & Loss (extract)						
TTV	594.0	106.6	849.0	189.3	659.7	348.5%
Revenue	28.0	4.5	40.0	7.4	32.6	441.1%
Gross Profit	10.3	0.9	15.7	2.2	13.5	628.5%
Operating expenses	8.7	2.1	16.5	3.6	12.9	359.8%
Loss before tax	(2.3)	(0.5)	(3.6)	(0.9)	(2.7)	-294.0%
<i>Gross take rate</i>	4.7%	4.2%	4.7%	3.9%		
<i>Net take rate</i>	1.7%	0.8%	1.9%	1.1%		
<i>Employee cost as % of opex</i>	56.4%	49.5%	56.0%	54.2%		
<i>Headcount</i>	191	61	191	61		
Adjusted EBITDA						
Loss before tax	(2.3)	(0.5)	(3.6)	(0.9)		
Amortization and depreciation	0.1	0.0	0.2	0.0		
Unrealized gain on fair value of inventory	0.0	(2.4)	0.0	(2.4)		
Realised gain on fair value of deposits	(0.2)	0.0	(1.3)	0.0		
Unrealized loss on fair value of deposits	0.1	0.0	0.0	0.0		
Loss on fair value of derivative liability	0.0	0.0	0.1	0.0		
Share based compensation expense	0.9	0.1	1.7	0.1		
Finance expense	0.2	0.1	0.3	0.2		
Listing expense	0.0	2.7	0.0	2.7		
Adjusted EBITDA	(1.3)	0.1	(2.5)	(0.3)	(2.2)	-786.5%

Highlights:

- TTV growth of \$660m or 349% underpinned by partner & user expansion
- Net take rate of 1.9% (GP as % of TTV) based on geographic mix and optimisation
- Continued investment in product, talent and systems has resulted in opex increasing to \$17m or 2% of TTV
- Employee cost is 56% of opex
- Adjusted EBITDA loss of \$2.5m impacted by \$3.8m of FX losses (0.45% of TTV)

Balance Sheet - Performance & KPIs

Banxa Group (A\$m)		Dec-21	Jun-21	Growth
Balance sheet (extract)				
Liquid assets (T+2)	Cash and cash equivalents	13.5	18.6	
	Trade and other receivables (net)	2.0	1.8	
	Deposits with exchanges (net)	9.8	3.7	
	Inventory	0.6	0.0	
	Prepaid	0.2	0.3	
	Total current assets	26.1	24.5	
	Total assets	28.8	24.9	1.2x
	Trade and other payables	6.5	3.8	
	Borrowings	0.1	1.6	
	Other	1.4	0.5	
Total current liabilities	8.0	5.9		
Total liabilities	9.0	6.0	1.5x	
Net Assets	19.7	18.9	1.0x	
Net working capital	19.3	18.8		
Quick ratio	3.2	4.1		
Debt equity ratio	0.0	0.1		

Highlights:

- Liquid assets of \$26m comprising of cash, deposits and digital assets
- Net working capital of \$19m and quick ratio of 3.2x
- Liabilities of \$9m, 1.5x growth on comparative period driven by expanding employee entitlements and tax provisions
- Debt free balance sheet
- Payment gateway receivable is collected ~T+2 days in contrast to standard payable terms of ~30 days
- Research and development costs are expensed as incurred and not capitalised on the balance sheet

Cash Flow - Overview

Banxa Group (A\$m)	H1 FY22	H1 FY21	Growth
Cash Flow (extract)			
Cash used in operating activities	(5.1)	(5.0)	
Cash (used in)/ provided by investing activities	(0.0)	0.0	
Cash provided by financing activities	0.0	6.3	
(Decrease)/ increase in cash and cash equivalents	(5.1)	1.3	
Cash, end of period	13.5	3.3	4.1x

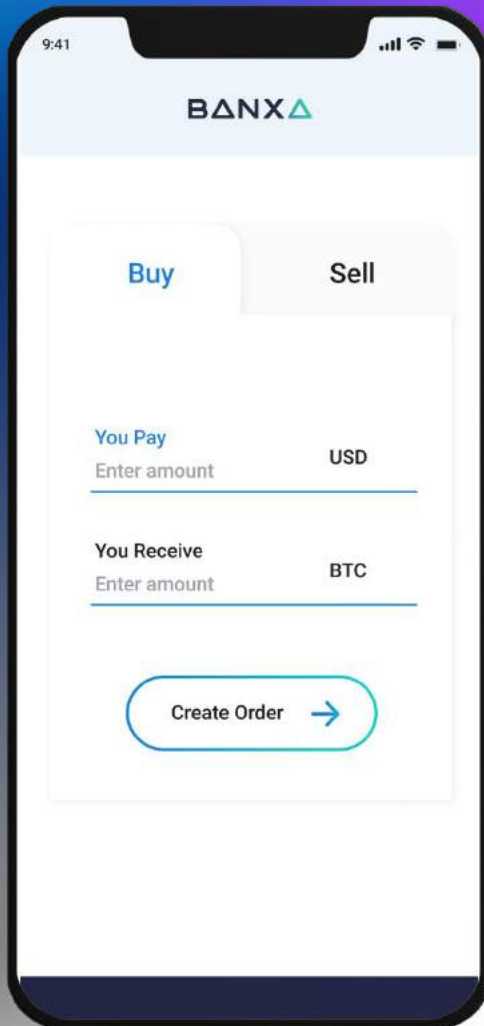
Highlights:

- Cash balance of \$14m, 4.1x growth on comparative period
- Liquid assets of \$26m, 54% of the balance is held in cash and 40% in deposits with Exchanges
- During the period company increased its deposits with Exchanges by \$6.6m (working capital required to support the business). **Adjusted cash from operating activities of \$1.5m**

Investment Highlights

- World's first stock exchange listed Fintech Payment Service Provider (PSP) and RegTech provider for the digital asset industry
- Licenses and registrations across jurisdictions provide digital asset service providers with the security of working with a transparent industry leader
- Technology platform offers partners the most ways to pay, maximized conversions, seamless integration and zero chargebacks
- Growing the network with a strong pipeline of new partners
- B2B focused business model is regulated, highly scalable, low touch and in a growing market
- December quarter 2021 Total Transaction Volume (TTV) of AUD\$594 million (USD\$429million), up 461% year on year
- Increased trading volumes from new partners has driven a significant increase in revenues up 577% in FY 2021

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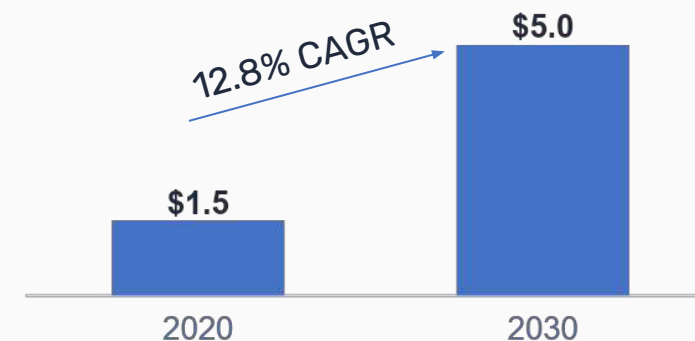
Appendix

Global Market Opportunity

- Increased consumer interest, investment and acceptance in digital assets and cryptocurrencies
- Mainstream companies across multiple industries taking interest in digital assets
- Institutional buy-in from banks, financial institutions and investors, becoming a new asset class to hedge inflation
- First Bitcoin ETF debuted on the NYSE in October
- Rise in need for transparency in the payment system
- Increasing demand in developing and emerging countries

Global Cryptocurrency Market¹

(\$ in Billions)



\$1.7 Trillion

Global Cryptocurrency
Market Cap²

Banxa Platform

Banxa provides a **secure** and **regulatory compliant** payment channel for digital asset businesses to allow their end-user customers to safely purchase cryptocurrency via the widest range of payment methods in the industry.

1. Enter Amount

Customer enters the amount they wish to buy (fiat or crypto), followed by their email address and mobile. By default, the customer's wallet is set to your business' wallet.

3. Secure Verification

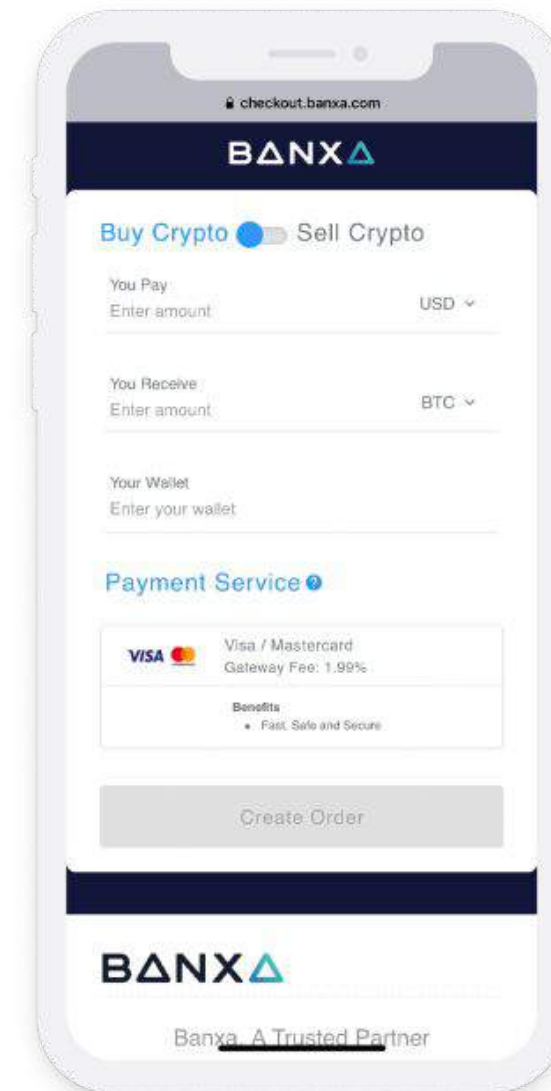
Customer then verifies identity and we confirm their details via our Know-Your-Customer (KYC) security procedures.

2. Select Payment

They choose their preferred payment: Bank transfer, credit card, wire transfer or digital options, like Apple Pay.

4. Transfer Complete

Once verified, the customer will receive assets into their account rapidly – depending on the payment method.



Key Accounting Policy

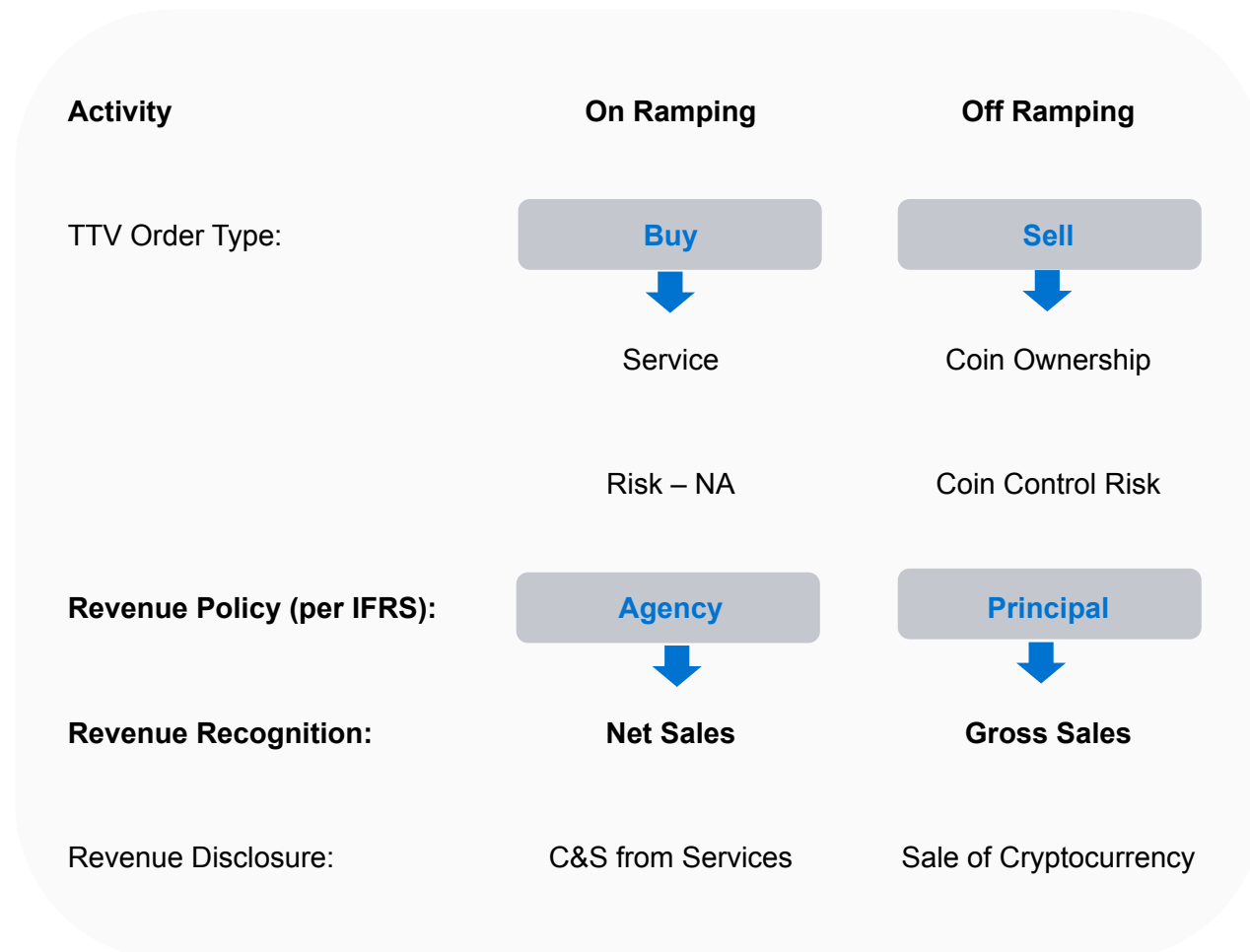
REVENUE RECOGNITION POLICY

Agency vs. principal

Judgment is required in determining whether Banxa is the principal or the agent in transactions between customers.

Banxa evaluates the presentation of revenue on a gross or net basis based on whether it **controls the cryptocurrency** provided before it is transferred to the customer (gross) or whether it acts as an agent by arranging services on the platform to provide the cryptocurrency to the customer (net).

In respect of net sales transactions, Banxa does not control the cryptocurrency being provided before it is transferred to the buyer and does not have inventory risk related to the cryptocurrency. As a result, Banxa acts as an agent in facilitating the ability for a customer to purchase cryptocurrencies.



Thank You