



February 2024

Q2 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

BANXA

Opening Remarks

Holger Arians, CEO

Opening remarks

Banxa has endured a difficult previous two years, but under the new leadership it is back on the path to unlocking its unicorn potential.

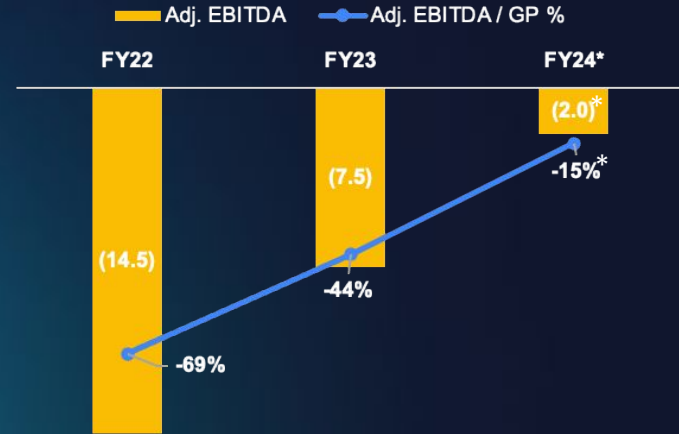
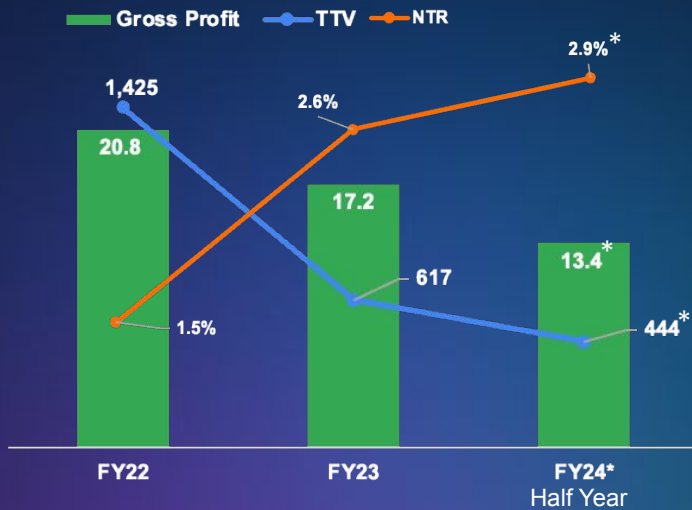
- **Holger Arians, Chairman and CEO, and Zafer Qureshi, Executive Director & Head of Corporate Affairs, took over the reins in October 2023 and 'put our money where our mouth is'**
 - Invested CAD\$1.25M in the recent capital raise
 - Bought shares on the market and will buy more at current severely discounted prices
 - Aligned to driving shareholder value
 - **New way of operating with focus, discipline, substance and sustainability**
 - Optimized the cost base in October 2024, full effects being realized in January 2024
 - Focused on driving core performance to efficiently scale
 - Driving a culture of performance and accountability
 - Put disciplined cost controls in place to maximize scalability
 - Investing in the finance function for timely and transparent reporting
 - **Strengthening our moat and driving strong financial performance**
 - Expanding licenses and capabilities in our key markets
 - Nearing profitability and reducing our cost of capital
- **Banxa is in a stronger position than ever before, demonstrated by our strong Q2 FY24 results**
- **We continue to trend positively across our KPIs and believe that the share price will follow**

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Business Highlights

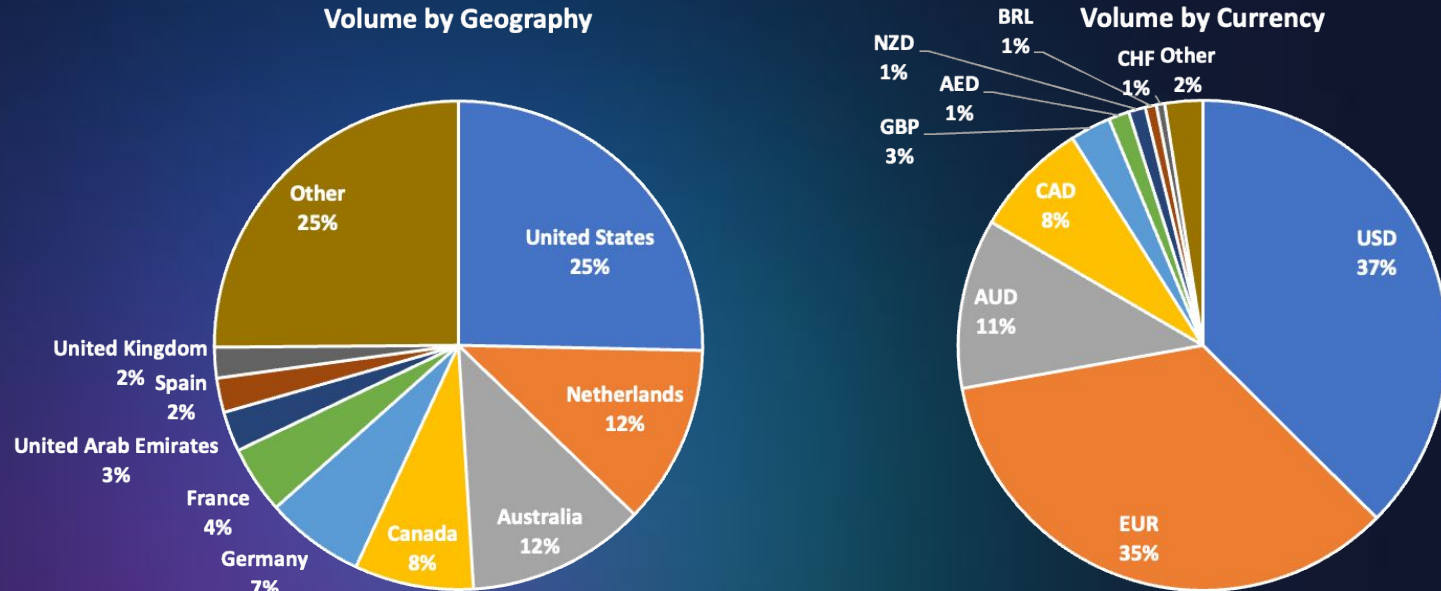
Holger Arians, CEO

Operating more efficiently than ever before



- Resilience with our volumes in the bear market by winning in the wallets vertical
- We put more focus on core performance, we are processing transactions in an ever efficient manner
- With the systems and processes implemented to control costs, we are positioned to keep our costs low as our volume and gross profit scales – incremental cost of new volume is negligible

Global reach demonstrated by diversity of volume



Banxa has reach to 200+ million users globally via 300+ partner network and vast infrastructure

Continued addition of partners and securing licenses in key markets

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



Trust Wallet



Sui



MELD



Coinmama



Backpack

Newly Acquired Licenses

US*: 35 MTLs granted in total, with recent licenses granted in Minnesota, Tennessee, Virginia and West Virginia

UK: Crypto Asset business registration with the Financial Conduct Authority - one of a handful of crypto firms

BANXA

Financial Results

Patrick Maguire, CFO

Q2 financial highlights

(AUD \$000s)	Q2 FY24	Q2 FY23
Total transaction volume (TTV)	242,122	148,749
Revenue	76,326	20,312
Gross profit	6,774	4,870
Net take rate (NTR)	2.7%	2.8%
Total operating expenses	(7,191)	(6,551)
Operating loss	(417)	(1,681)
Net loss	(897)	(1,457)
Basic and diluted net loss per share	(0.02)	(0.03)
Adjusted EBITDA	(715)	(1,246)

- 63% increase in Total Transaction Volume (“**TTV**”) to \$242 million (USD \$158 million), up from \$149 million (USD \$97 million), driven by organic growth with partners and addition of new partners
- 39% increase in Gross Profit to \$6.8 million (USD \$4.4 million), up from \$4.9 million (USD \$3.2 million) due to growth in TTV and Net Take Rate (NTR)
- Decrease in NTR to 2.7%, down from 2.8%, due to higher BTC transaction fees
- 43% increase in Adjusted EBITDA to (\$0.7 million) (USD (\$0.5 million)), up from (\$1.2 million) (USD (\$0.8 million)), due to reducing operating expenses, specifically staffing and legal & compliance costs
- Net loss per share on a basic and diluted basis decreased to (\$0.02) from (\$0.03)

Cash and trade receivables

(AUD \$000s)	Q2 FY24	Q2 FY23
Cash and Cash equivalents	1,561	1,771
Total trade and other receivables	11,007	8,141
Total Cash and Trade Receivables	12,568	9,912

- Cash and trade receivables at \$12.6 million (USD \$8.7 million), up from \$9.9 million (USD \$7.1 million) as of September 30th, 2023 quarter
- Receivables significantly higher due timing difference caused by the seasonal impact on cash receipts over December holiday season
 - The full amount of \$11 million trade receivable was received in January 2024

FX losses

(AUD \$000s)	Q2 FY24	Q2 FY23
Realised Foreign exchange (gains)/losses	469	188
Unrealised Foreign exchange (gains)/losses	(46)	(360)
Total Foreign exchange (gains)/losses	423	(172)

- Realised Foreign exchange losses of \$0.5 million, up from \$0.2 million prior year
- Unrealised Foreign exchange gain of \$0.05 million, down from gain of \$0.4 million prior year

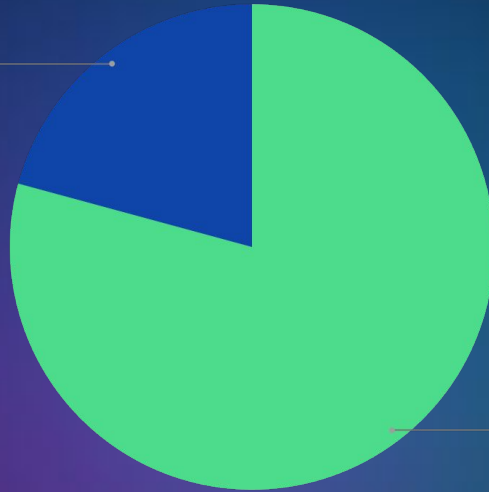
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2024 and Beyond Focus

Tom Chalmers, CPO

Core performance & large upside

Avg. SoW
20.8%

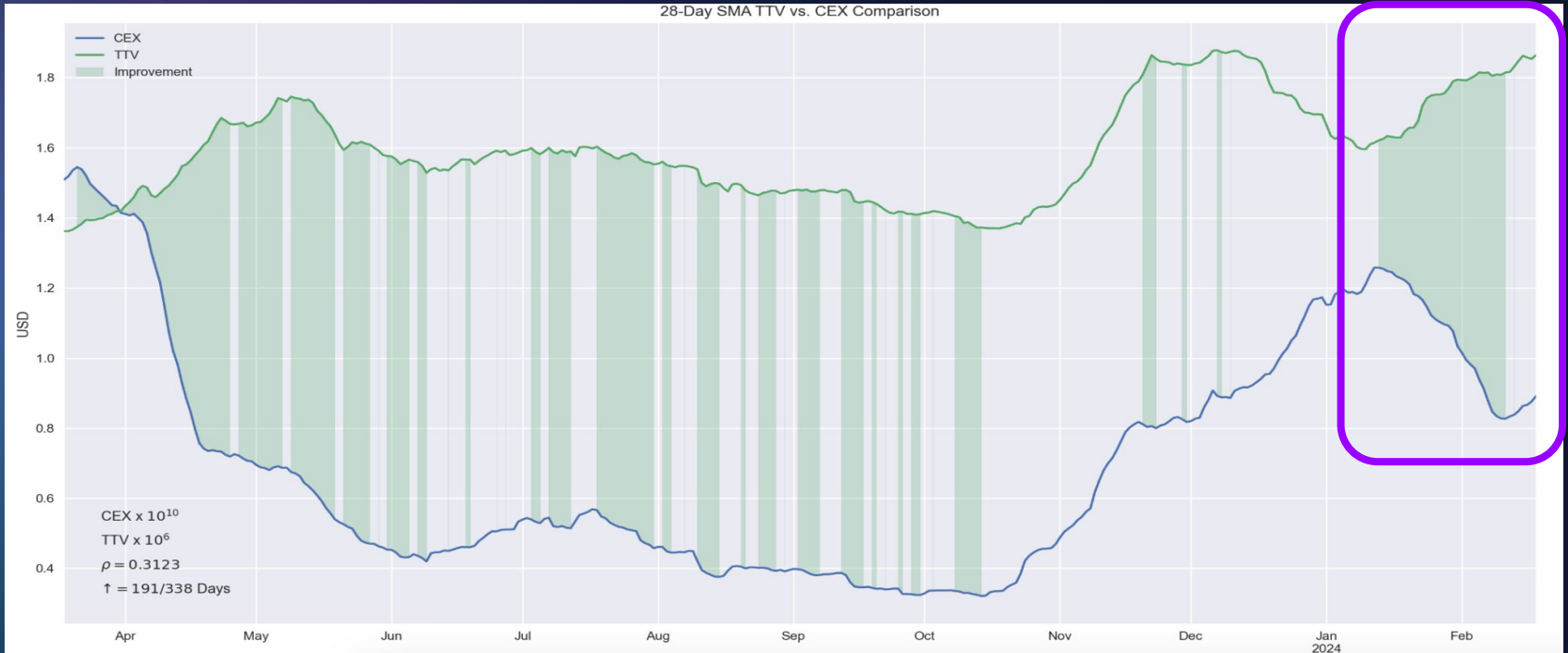


Accessible
79.2%

Tapping accessible near volume via:

- Competitive pricing
- Reducing onboarding friction
- Increasing payment conversion rates

Outpacing the market this year



Beyond FY24 Focus – Embedded Crypto

- Large demand in the market for more *embeddable* crypto option
- More businesses want to offer buy/sell crypto without building technology themselves
- Overwhelming need for solutions with better:
 - Flexibility of user journey design
 - Control of price economics

Wide and deep need for a solution

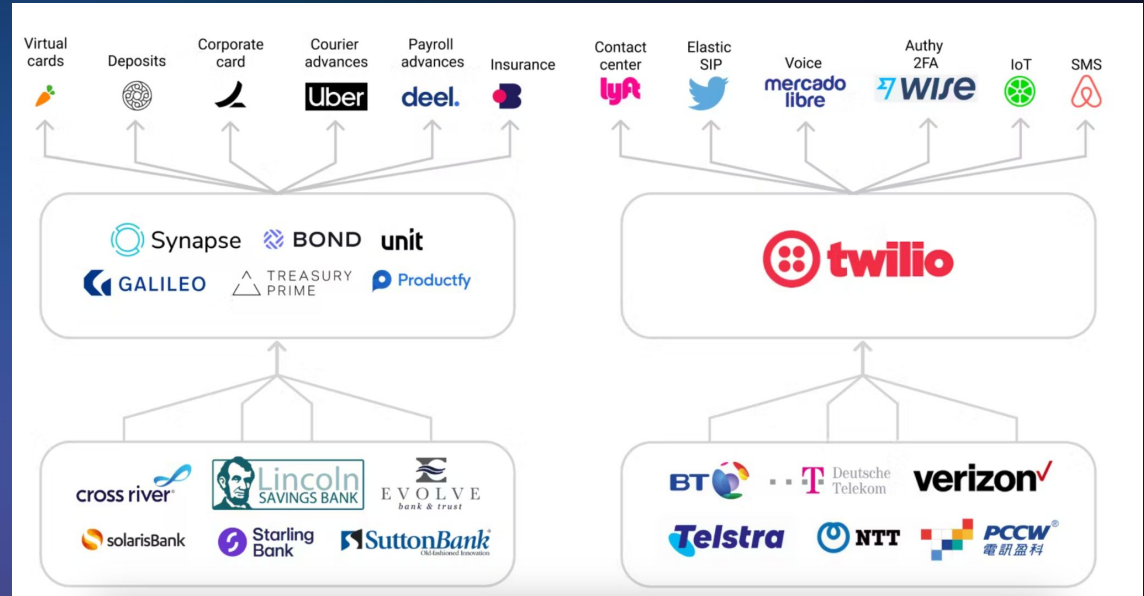
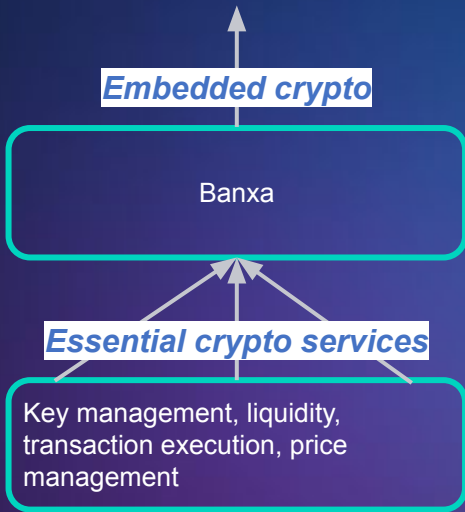
Market we are engaging:

- World's largest Bitcoin wallet
- Most reputable stablecoin provider
- Highest valued web3 company
- One of Europe's largest payment processors

An enormous future market space

(other markets for embedded solutions - finance, communications)

Digital wallets | marketplaces
payment providers | social networks



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Driving Shareholder Value

Zafer Qureshi, Head of Corporate Affairs

Enhanced operating culture, systems, and processes for greater performance and scalability

We are executing ruthlessly and implementing the needed changes to take Banxa to the next level:

- Maintain flat operating expenses with 'Purchase Order' approval system and greater oversight by leadership across all expense approvals
- Creating a culture of accountability with greater visibility of key projects and areas of the business
- Driving a cost conscious culture by rationalizing all spend across the organization and requiring strong business case for new spend
- Reducing cost of capital 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	
	Value	2023	2024E	2023	2024E	2023	2024E	2023	2024E
Public: Non-Miner Crypto Pure Plays									
WonderFi	154	--	--	NM	NM	-1.9	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	45	17	28	2.6	1.6	-8	-2	NM	NM

*As of February 26, 2024 based on best available data per Capital IQ

What are we doing to tell our story?

- Socialize Banxa to sell-side brokers to get us back on the radar for their potential clients
- Generate organic sell-side analysts research coverage
- Actively outreach to prospective buy-side investors who are interested in the crypto/web3 space
- Engaged a market maker to assist with liquidity and a more balance market for our shares
- Strengthen the Board to continue raising Banxa's profile
- Provide greater colour and transparency to the market
- Communicate frequently and with substance to the market

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

Corporate Structure

Banxa Holdings Inc.
TSX-V: BNXA | OTCQX: BNXAF | FSE AC00

BNXA / BNXAF Share Price <small>(Feb 16th)</small>	CAD \$0.69 / USD \$0.50
Market Cap	CAD \$31.5M / USD \$23.3M
Common Shares Outstanding	45.6M
ESOP	4.6M
Warrants	8.0M ¹
Float	~33.1M
Fully Diluted	~65.2M ²
Insider Holdings	~25%

1) ~2.1M warrants with a strike price of CAD \$8.50 and expire Oct-24

2) Includes ~7.1M common shares convertible debenture

Banxa Top Shareholders

All %'s are approximate based on available information and has been rounded to one decimal place

Shareholder	% Held
Board / Management	20.0%
Thorney Technologies Fund (Listed on the Australian Stock Exchange ASX: TEK)	7.0%
Qureshi Family Office	5.0%
NGC Ventures Fund (www.Ngc.fund Singapore)	4.6%
CCGF Family Office	3.0%
U & D Angel investor Syndicate	2.8%
Kucoin Exchange (Crypto exchange)	2.2%
DSAH Holdings (Australian tech entrepreneur Danny Wallis)	1.9%
General Research GmbH	1.1%
OK Group/OKEx Exchange (Crypto exchange)	1.1%

Why invest in Banxa?

The only publicly listed leading on/off ramp infrastructure provider

Access to
200M+ users
through B2B
partner
integrations

**300+ B2B
partners**
(e.g., Trust Wallet,
MetaMask,
Coinbase Wallet)

133 supported
blockchains and
coins

37 crypto licenses
and registrations
globally, with **more
applied and
pending**

Variety of **local
payment options**
leading to very high
**approval /
conversion rates**

**Adj. EBITDA
positive**
operations

Immense
**economies of
scale**

**Proven and
resilient team**

Positioned for
growth and new
**utility focused
revenue streams**
opportunities

Global reach

Catalysts for industry growth



Bitcoin ETFs

The SEC approved 11 spot Bitcoin ETF's in the US on January 10th. Trading volumes on those ETF's were over 9 Billion USD in the first week



Bitcoin Halving

The next Bitcoin Halving event is scheduled for mid April 2024. Historically, Bitcoin halvings have preceded times of explosive growth in BTC price and industry advancement



Regulatory Clarity

As more and more geographies adopt crypto regulatory frameworks (e.g., MICA in Europe), the greater the need for streamlined compliant market participants



Utility Use Cases

The institutional players are accelerating towards utility driven use cases. On/off ramps will play a critical role in enabling and streamlining access to all the utility use cases

**Banxa is trusted by
the leaders in
Crypto and Web3**



LG



Trust Wallet



KUCOIN



OKX

dYdX



METAMASK



LEDGER



Huobi



CAKEDEFI



changelly



coinbase



phemex



ShapeShift



Deribit



LOOPRING



GMX



LBANK



MEXC



ATOMICHUB



TREZOR



gate.io



edge



portis

...and many more

The most direct payment methods leading to the **highest conversion rates** in market

	Global	Europe/ UK	North America	South America	APAC	Africa
Existing	   	   	  	   	   	
Roadmap		  			<p>Local Payments:</p> <ul style="list-style-type: none"> India Indonesia Malaysia Philippines Singapore Vietnam 	

Unmatched global inventory of Crypto Licenses obtained via lengthy and costly processes, only to get tougher amid growing regulations

Licenses & Registrations

- **USA**
35 Money Service Business (MSB), Money Transmitter (MTLs)
- **UNITED KINGDOM**
Crypto Exchange Provider (MLR Registration), Custody and Exchange, FCA
- **AUSTRALIA**
Digital Currency Exchange (DCE), Custody and Exchange, AUSTRAC
- **THE NETHERLANDS**
Virtual Asset Exchange Service Provider (VASP), Custody and Exchange, Dutch Central Bank/ DNB
- **CANADA**
Money Service Business (MSB), FINTRAC, State Trust Company
- **LITHUANIA**
Digital Asset Exchange Operator, Custody and Exchange

Applied & In Process

- **PHILIPPINES**
Virtual Asset Service Provider (VASP), BSP
- **USA**
State Money Transmitter Licenses (MTLs), State Trust Company, FinCEN/respective states, Custody and Exchange

Transitioning to New Licensing Regimes

- **TURKEY**
Crypto Asset Service Provider (CASP), MASAK, Custody and Exchange
- **BRAZIL**
Fintech License
Custody and Exchange

Pipeline

- **GERMANY**
Crypto Custody Licence, (+MiCA), Bafin
- **FRANCE**
Digital Asset Service Provider (DASP) (+MiCA) , AMF
- **SINGAPORE**
Major Payment Institution License, MAS
- **MALAYSIA**
Recognised Market Operator (Digital Asset Exchange), SEC
- **JAPAN**
Virtual Currency Exchange License, JFSA
- **MEXICO**
- **INDIA**
- **ARGENTINA**
- **COLOMBIA**
Fintech Licences

Large moat backed by a Global Network Of Licenses combined with a competitive advantage via Local Payment Methods

