

BANXA HOLDINGS INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 30 JUNE 2025
(EXPRESSED IN AUSTRALIAN DOLLARS)

DATED: 27/10/2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is current as at 27 October 2025 and presents an analysis of the financial condition of Banxa Holdings Inc and its subsidiaries (collectively referred to as "BANXA", "BNXA" or the "Company") as at and for the year ended 30 June 2025 compared with the corresponding periods in the prior year. This MD&A should be read in conjunction with the Company's Year end consolidated financial statements and the related notes thereto for the Year ended 30 June 2025.

This MD&A is the responsibility of management and was approved by the Board of Directors after receiving the recommendation of the Company's Audit Committee.

Unless otherwise noted or the context indicates otherwise "we", "us", "our", the "Company" or "BNXA" refer to Banxa Holdings Inc and its subsidiaries. The Company presents its consolidated financial statements in Australian dollars. Amounts in this MD&A are stated in Australian dollars unless otherwise indicated.

The Company's continuous disclosure materials, including interim filings, audited consolidated financial statement and annual information form can be found on SEDAR at www.sedar.com and on the Company's website at <http://www.banxa.com/>.

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "outlook", "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to the Company's expectations regarding its revenue, expenses and operations, key performance indicators, provision for loan losses (net of recoveries), anticipated cash needs and its need for additional financing, funding costs, ability to extend or refinance any outstanding amounts under the Company's credit facilities, ability to protect, maintain and enforce its intellectual property, plans for and timing of expansion of its product and services, future growth plans, ability to attract new members and develop and maintain existing customers, ability to attract and retain personnel, expectations with respect to advancement of its product offering, competitive position and the regulatory environment in which the Company operates, anticipated trends and challenges in the Company's business and the markets in which it operates, third-party claims of infringement or violation of, or other conflicts with, intellectual property rights, the resolution of any legal matters, and the acceptance by the Company's consumers and the marketplace of new technologies and solutions.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors that are discussed in greater detail in the "Risk Factors" section of the Company's current annual information form available at www.sedar.com which risk factors are incorporated herein by reference.

The forward-looking statements made in this MD&A relate only to events or information as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this MD&A, including the occurrence of unanticipated events. A reader should review this MD&A with the understanding that our actual future results may be materially different from what we expect.

Company Overview

Formerly known as A-Labs Capital I Corp, BANXA Holdings Inc is a continuation of the business activities of BTC Holdings Pty Ltd. Banxa is an Australian/European/North American based payment service provider (PSP) and Reg-tech company focused on bridging the gap between traditional "mass market" legacy financial institutions and processes and the digital asset space. The Company commenced operations in March 2014 as a bitcoin miner and B2C business, before moving the business model into payment infrastructure and compliance systems to facilitate fiat/cash (currencies such as USD, AUD, CAD and EUR) to digital asset conversions with a focus on B2B business.

The Company has a payment gateway infrastructure that includes online payments across multiple currencies and payment types. With both global and local payment options, BANXA is also able to offer those payment and compliance rails to major crypto industry players. Global exchanges and wallets can utilize BANXA's B2B platform to offer their users a fast and reliant fiat to crypto conversion service (and vice versa) within our partner's platforms. They benefit from the extensive groundwork in countries where Banxa is represented in and compliance with local laws and international Anti Money Laundering / Know Your Client (AML/KYC) standards. This service allows our partners to focus on their crypto currency business without touching payments and fiat currency.

BANXA has built a strong position in the Australian market and, since the acquisition of EUIV in June 2020, has been focusing on international expansion and the exploitation of new growth markets.

The Company focuses on acting as a gateway between the traditional fiat currencies and cryptocurrencies, rather than competing with traditional open book cryptocurrency exchanges which facilitate crypto to crypto trading.

The irreversible nature of cryptocurrency transactions presents a unique challenge for platforms aiming to on-board users via traditional reversible fiat payment rails. This challenge is further increased by Anti-Money Laundering regulation coalescing globally to enforce consistent requirements for companies providing fiat-to-crypto and crypto-to-fiat conversion services.

BANXA earns revenue from the sale of crypto-currencies, commission fees and/or spread. It is therefore a "flow" based business, similar to international forex companies such as PayPal, TransferWise or Ant Financial and Australian forex company OFX.

BANXA, through its subsidiary Global Internet Ventures Pty Ltd, is a registered digital currency exchange provider with the Australian Transaction Reports and Analysis Centre (AUSTRAC), the peak government body for overseeing financial transaction compliance in Australia. BANXA's European subsidiaries are also registered in The Netherlands and Lithuania as well as with Fintrac in Canada.

BANXA's technology platform utilises Machine Learning and Liquidity Management, conducts Anti-Money Laundering (AML) and Know Your Customer (KYC) checks on all its customers and is in compliance with the local laws of the jurisdictions in which it operates.

B2B – FIAT Aggregator to the Digital Asset Industry

BANXA offers a conversion widget/API product to third parties who require fiat on- and off-ramps, allowing the Company to embed its product deeply into the crypto ecosystem. We stand out from competitors by offering B2B clients a variety of payment methods, currencies, managed AML compliance and crypto-chargeback expertise.

Overheads associated with providing fiat-to-crypto services are high for a single exchange, but by implementing economies of scale, BANXA is able to reduce marginal costs of these overheads and allow consumers to seamlessly switch between fiat and crypto at a small cost. Our fiat-to-crypto gateway addresses an existing market gap, and we believe that our conversion widget will be a key enabler for more adoption and continued growth.

BANXA further combines payment infrastructure, fraud detection and mitigation and regulatory compliance into a single product, which increases our clients' addressable market and reduces their customer acquisition cost. We protect our clients from chargebacks and are able to process conversion requests in as little as a few minutes depending on the selected payment method and individual compliance requirements.

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Non-IFRS Financial Measures – Adjusted EBITDA

This MD&A references adjusted EBITDA, which is a non-IFRS financial measure. Adjusted EBITDA is not a recognized measure under IFRS, has no standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to adjusted EBITDA presented by other companies. Rather, it is provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, adjusted EBITDA should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

We use non-IFRS financial measures to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We believe that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. There are certain limitations related to the use of non-IFRS financial measures versus their nearest IFRS equivalents. Investors are encouraged to review our financial statements and disclosures in their entirety and are cautioned not to put undue reliance on any non-IFRS financial measure and view it in conjunction with the most comparable IFRS financial measures. In evaluating non-IFRS financial measures, you should be aware that in the future we will continue to incur expenses similar to those adjusted in non-IFRS financial measures.

Adjusted EBITDA is a non-IFRS financial measure that we calculate as net loss before tax excluding depreciation and amortization expense, share based compensation expense, unrealized loss on inventory, finance expense, realized/unrealized gain on fair value of deposits & derivative liability, (gain)/loss on fair value of derivative, unrealised exchange gain/loss, (gain)/loss on sale of capital asset and listing expenses. Adjusted EBITDA is used by management to understand and evaluate the performance and trends of the Company's operations. 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 2025 and 2024:

	Three months ended 30 June 2025	Three months ended 30 June 2024	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$	\$	\$
Loss before tax	(3,856,487)	(1,079,029)	(7,885,305)	(3,605,257)
Amortization and depreciation	88,551	102,619	388,263	410,176
Net gain on borrowings and derivative liability	-	219,785	-	(256,530)
Unrealised Foreign exchange (gains)/losses	404,329	(298,398)	(157,959)	40,947
Share based compensation expense	33,717	29,952	493,749	300,993
Finance expense	503,500	597,256	1,540,441	2,402,286
Gain on sale of capital asset	-	(384,783)	(170,609)	(384,783)
Adjusted EBITDA	(2,826,390)	(812,598)	(5,791,420)	(1,092,168)

Adjusted EBITDA includes costs of the go private, go shop and plan of arrangement to be acquired by OSL of \$664,789 for the three months ended 30 June 2025 and \$1,467,376 for the full year ended 30 June 2025.

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Financial Performance Review

Revenue Recognition

In presenting the revenues of the group, the Company's accounting revenue recognition policy makes a distinction between:

- Principal revenues (control of inventory, therefore risk, therefore 100% of the sale transaction is treated as revenue); and
- Agency transactions (no effective control of inventory, different risk profile, as Company is acting as agent only the net amount of the transaction is considered revenue).

Revenue

Total revenues increased by \$67,232,654 or 123% to \$121,758,540 during the three months ended 30 June 2025 from \$54,525,886 for the three months ended 30 June 2024, and by \$110,914,506 or 35% to \$432,129,291 during the year ended 30 June 2025 from \$321,214,785 for the year ended 30 June 2024, as more revenue was recognised on a principal basis as we increase the numbers of non custodial wallets that we hold inventory in to fulfill future orders, which reduces transaction costs.

The following table shows the breakdown of the different components of revenue for the periods discussed:

	Three months ended		Year Ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$	\$	\$	\$
Sale and purchase of cryptocurrencies	119,933,791	52,011,257	418,619,517	302,776,075
Integration revenue	673,468	262,777	2,319,059	1,236,012
Commissions and spread from services	1,151,281	2,251,852	11,190,715	17,202,698
Total revenue	121,758,540	54,525,886	432,129,291	321,214,785

The following table shows revenue by geographical regions:

	Three months ended:		Year ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$	\$	\$	\$
<i>Geographic regions</i>				
Australia	14,997,900	4,996,472	80,262,153	51,863,093
North America	10,100,424	5,018,838	42,544,171	39,521,774
Europe	96,660,216	44,510,576	309,322,967	229,829,918
Total sales revenue by geographical region	121,758,540	54,525,886	432,129,291	321,214,785

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Results of Operations

The following table sets forth a summary of our results of operations for the Year ended 30 June 2025 and 2024:

	Three months ended 30 June 2025 \$	Three months ended 30 June 2024 \$	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
Revenue	121,758,540	54,525,886	432,129,291	321,214,785
Cost of sales	(116,507,886)	(47,321,524)	(406,595,789)	(292,457,717)
Gross profit	5,250,654	7,204,362	25,533,502	28,757,068
Employment expenses	(3,869,742)	(3,938,457)	(16,414,919)	(16,114,481)
Depreciation and amortisation	(88,551)	(102,618)	(388,263)	(410,176)
General, administration and other	(3,929,619)	(3,658,481)	(13,379,337)	(11,939,973)
Share based compensation	(33,717)	(29,952)	(493,749)	(300,993)
Total operating expenses	(7,921,629)	(7,729,508)	(30,676,268)	(28,765,623)
Operating loss before other items and income tax	(2,670,975)	(525,146)	(5,142,766)	(8,555)
Other items				
Impairment	(97,337)	-	(97,337)	-
Unrealised Gain/(loss) on fair value of derivative liability		(219,785)	-	256,530
Net foreign exchange losses	(585,300)	(92,158)	(1,275,912)	(1,933,577)
Other Income/(losses)	625	355,317	171,151	482,631
Finance expenses	(503,500)	(597,256)	(1,540,441)	(2,402,286)
Total other items (losses) / gains	(1,185,512)	(553,882)	(2,742,539)	(3,596,702)
Loss before tax	(3,856,487)	(1,079,028)	(7,885,305)	(3,605,257)
Income tax expense	530,072	(475,099)	638,021	(655,974)
Net loss for the year	(3,326,415)	(1,554,127)	(7,247,284)	(4,261,231)
Other comprehensive (loss)/income				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)				
Exchange differences on translation of foreign operations	80,363	(285,290)	114,694	(401,243)
Total comprehensive loss for the year	(3,246,052)	(1,839,417)	(7,132,590)	(4,662,474)

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Key Income Statement Components

Revenue from sale of goods and services

The following table summarizes total revenue and breakdown by percent for the three months ended 30 June 2025 and 2024:

	Three months ended 30 June 2025		Three months ended 30 June 2024		% Change in revenue
	\$ Value of revenue stream	% of total revenue	\$ Value of revenue stream	% of total revenue	
Sale and purchase of cryptocurrencies	119,933,791	98.5%	52,011,257	95.4%	3.1%
Integration revenue	673,468	0.6%	262,777	0.5%	0.1%
Commissions and spread from services	1,151,281	0.9%	2,251,852	4.1%	-3.2%
Total revenue	121,758,540		54,525,886		

The following table summarizes total revenue and breakdown by percent for the Year ended 30 June 2025 and 2024

	Year ended 30 June 2025		Year ended 30 June 2024		% Change in revenue
	\$ Value of revenue stream	% of total revenue	\$ Value of revenue stream	% of total revenue	
Sale and purchase of cryptocurrencies	418,619,517	96.9%	302,776,075	94.3%	2.6%
Integration revenue	2,319,059	0.5%	1,236,012	0.4%	0.2%
Commissions and spread from services	11,190,715	2.6%	17,202,698	5.3%	-2.8%
Total revenue	432,129,291		321,214,785		

Commissions and spread from services – represent revenues from BNXA's business on an "Agency basis".
Sale and purchase of cryptocurrencies - represents revenues from BNXA's business operations on a "Principal basis".
Integration revenue - represents revenues from setup fees charged to partners.

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Cost of sales and services

The following table summarizes the cost of revenue for the year ended 30 June 2025 and 2024:

	Three months ended 30 June 2025	Three months ended 30 June 2024	% Change	Year ended 30 June 2025	Year ended 30 June 2024	% Change
	\$	\$		\$	\$	
Cost of sales and services	116,507,886	47,321,524	146.2%	406,595,789	292,457,717	39.0%
% of total revenue	95.7%	86.8%		94.1%	91.0%	

Movements in the percentage cost of sales achieved between periods are impacted by the sales mix between agency (net sales) and principal (gross sales) as discussed above. The cost of sales and services for the year ended 30 June 2025 increased from 91% for the prior year period to 94.1% of total revenue. Management considers the net "take rate" (refer below) a more meaningful measure of operating performance.

Gross margin on TTV (Net take rate %)

The following table summarizes the gross margin on TTV for the year ended 30 June 2025 and 2024 (TTV represents Total Transaction Value):

	Three months ended 30 June 2025	Three months ended 30 June 2024	% Change	Year ended 30 June 2024	Year ended 30 June 2024	% Change
	\$	\$		\$	\$	
TTV	165,926,105	244,230,028	-32.1%	829,642,343	957,233,055	-13.3%
Revenue¹	121,085,072	54,263,109	123.1%	429,810,232	319,978,773	34.3%
% of TTV	73.0%	22.2%		51.8%	33.4%	
Gross margin²	4,577,186	6,941,585	-34.1%	23,214,443	27,521,056	-15.7%
Net take rate %³	2.4%	2.8%		2.7%	2.9%	

¹ Excludes integration revenue.

² Excludes gross margin on integration revenue.

³ Net take rate % is margin associated with TTV.

Gross margin on TTV has decreased approximately 15.7% from the year ended 30 June 2024 to 30 June 2025. This is as a result of market factors throughout the three months ended June 2025 as well as the loss of bitcoin.com in September 2024 due to external factors. On a positive note, the business has launched its Money transmitter licenses in the US and the UK. This will reduce costs and enable new product opportunities in our key market going forward.

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Operating expenses

The following table provides the operating expenses for the year ended 30 June 2025 and 2024:

	Three months ended 30 June 2025	Three months ended 30 June 2024	% Change	Year ended 30 June 2025	Year ended 30 June 2024	% Change
	\$	\$		\$	\$	
Employment expenses	(3,869,742)	3,938,457	-1.7%	(16,414,919)	16,114,481	1.9%
Depreciation and amortisation	(88,551)	102,618	-13.7%	(388,263)	410,176	-5.3%
General, administration and other	(3,929,619)	3,658,481	7.4%	(13,379,337)	11,939,973	12.1%
Share based compensation	(33,717)	29,952	12.6%	(493,749)	300,993	64.0%
Total operating expenses	(7,921,629)	(7,729,508)	2.5%	(30,676,268)	28,765,623	6.6%
% of total revenue	6.5%	14.2%		7.1%	9.0%	

Amortization and depreciation

Amortization and depreciation expense relates to property, plant, and equipment and right of use assets. Depreciation of property, plant, and equipment assets includes fixtures and fittings of \$24,363 (30 June 2024: \$34,182), computer equipment of \$1,134 (30 June 2024: \$1,861), and leasehold improvements of \$115,878 (30 June 2024: \$115,878). Right-of-use assets had a depreciation of \$246,888 (30 June 2024: \$258,255).

Employment expenses

Salary expenses decreased slightly by 1.7% to \$3,869,743 for the three months ended 30 June 2025 compared to the prior corresponding period, primarily reflecting timing and mix of staffing costs. On a full-year basis, salary expenses increased by 1.9% to \$16,414,919 for the year ended 30 June 2025, consistent with overall headcount and business activity levels. As at 30 June 2025, the Company employed 163 personnel, comprising 51 direct employees and 112 under service arrangements.

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General, administration, and other

The following table summarizes the general, administration, and other expenses for the year ended 30 June 2025 and 2024:

	Three months ended			Year ended		
	30 June 2025	30 June 2024	%	30 June 2025	30 June 2024	%
	\$	\$	Change	\$	\$	Change
General, administration and other						
Bank charges	242,207	245,518	-1.4%	1,174,311	666,248	76.3%
Chargeback expenses	315,225	1,009,392	-68.8%	1,416,958	2,150,736	-34.1%
Utilities expenses	214,108	63,280	238.4%	391,668	302,169	29.6%
Travel	43,387	70,911	-38.8%	231,356	169,663	36.4%
Software development	713,747	664,506	7.4%	2,346,016	2,480,514	-5.4%
Legal, accounting, consulting	1,015,185	1,048,603	-3.2%	4,320,386	4,189,079	3.1%
Marketing and advertising	100,455	27,685	262.9%	258,654	121,422	113%
Investor relations	14,988	12,287	22.0%	198,897	399,757	-50.3%
Insurance	212,134	164,923	28.6%	684,034	488,768	40.0%
Recruitment	19,458	41,436	-53.0%	152,025	277,116	-45.1%
Other	1,038,725	309,940	235.1%	2,205,032	694,501	217.5%
Total general, administration and other	3,929,619	3,658,481	7.4%	13,379,337	11,939,973	12.1%
% of total revenue	3.3%	6.7%		3.1%	3.7%	
% of TTV	2.4%	1.5%		1.6%	1.3%	

Foreign Exchange Losses

Foreign exchange loss for the three months ended 30 June 2025 of \$585,300 (30 June 2024 – loss of \$92,158) includes realized foreign exchange loss of \$180,972 (30 June 2024 – loss of \$390,556) and unrealized foreign exchange loss of \$404,328 (30 June 2024 – gain of \$298,398).

Foreign exchange loss for the year ended 30 June 2025 of \$1,275,912 (30 June 2024 – loss of \$1,933,577) includes realized foreign exchange loss of \$1,433,871 (30 June 2024 – loss of \$1,892,630) and unrealized foreign exchange gain of \$157,959 (30 June 2024 – loss of \$40,947).

	Three months ended			Year ended		
	30 June 2025	30 June 2024	%	30 June 2025	30 June 2024	%
	\$	\$	Change	\$	\$	Change
Net foreign exchange losses						
Realised Foreign exchange losses	180,972	390,556	-53.7%	1,433,871	1,892,630	-24.2%
Unrealised Foreign exchange losses/(gains)	404,328	(298,398)	-235%	(157,959)	40,947	-486%
Net Foreign exchange losses	585,300	92,158	535.1%	1,275,912	1,933,577	-34%
% of total revenue	0.5%	0.2%		0.3%	0.6%	
% of TTV	0.4%	0.1%		0.2%	0.2%	

Foreign exchange loss of \$1,275,912 includes realized foreign exchange loss of \$1,433,871 mainly due to settlements from global payment processors and unrealized foreign exchange gain of \$157,959 which is due to the revaluation of the intercompany payment and receivables at the end of each month.

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Other Items

The following table provides a breakdown of other income and (expenses) by type for the three months ended 30 June 2025 and 2024 and year ended 30 June 2025 and 2024:

	Three months ended 30 June 2025	Three months ended 30 June 2024	% Change	Year ended 30 June 2025	Year ended 30 June 2024	% Change
	\$	\$		\$	\$	
Impairment	(97,337)	-	100%	(97,337)	-	100%
Net (loss)/gain on borrowings and derivative liability	-	(219,785)	-100%	-	256,530	-100%
Net foreign exchange losses	(585,300)	(92,158)	535.1%	(1,275,912)	(1,933,577)	-34.0%
Other Income/(loss)	625	355,317	-99.8%	171,151	482,631	-64.5%
Finance expense	(503,500)	(597,256)	15.7%	(1,540,441)	(2,402,286)	-35.9%
Total other items (losses)/gains	(1,185,512)	(553,882)	114.0%	(2,742,539)	(3,596,702)	-23.8%
% of total revenue	-1.0%	-1.0%		-0.7%	-1.1%	
% of TTV	-0.8%	-0.2%		-0.3%	-0.4%	

Total other items increase by \$631,630 from the loss of \$553,882 in the three months ended 30 June 2024 to the loss of \$1,185,512 for the three months ended 30 June 2025. Total other items decreased by \$854,163 from the loss of \$3,596,702 in the year ended 30 June 2024 to the loss of \$2,742,539 for the year ended 30 June 2025 (see other income comment below).

Other items for the Year ended 30 June 2025 includes net gain on borrowings and derivative liability of \$Nil (30 June 2024 – loss \$256,530), other income of \$171,151 (30 June 2024 – income \$482,631) and finance expense (interest on short term borrowings and convertible notes) of \$1,540,441 (30 June 2024 – expense \$2,402,286).

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Selected Annual Information for the years ended 30 June 2025, 2024, and 2023

	Year ended 30 June 2025	Year ended 30 June 2024	Year ended 30 June 2023
	\$	\$	\$
TTV	829,642,343	957,233,055	645,537,597
Total revenue	432,129,291	321,214,785	80,351,632
(Loss)/income from operations before other items and income tax	(5,142,766)	(8,555)	(10,240,595)
Net (Loss)/income after tax	(7,247,284)	(4,261,231)	(9,360,355)
Comprehensive (Loss)/income	(7,132,590)	(4,662,474)	(9,637,563)
Basic and diluted (Loss)/income per common share	(0.16)	(0.09)	(0.21)
Total Assets	14,969,330	14,432,071	16,523,708
Total Noncurrent financial liabilities	6,130,613	5,731,001	502,516
Distributions or cash dividends per share	Nil	Nil	Nil

Selected Quarterly Information for the years ended 30 June 2025 and 30 June 2024

	Quarter ending 30.06.24	Quarter ending 31.03.24	Quarter ending 31.12.23	Quarter ending 30.09.23	Quarter ending 30.06.24	Quarter ending 31.03.24	Quarter ending 31.12.23	Quarter ending 30.09.23
	\$	\$	\$	\$	\$	\$	\$	\$
TTV	165,926,105	194,326,555	217,219,431	252,170,252	244,230,028	269,015,814	242,122,138	201,865,075
Total revenue	121,085,072	122,319,565	91,561,086	96,490,100	54,525,886	104,808,352	76,326,305	85,554,242
(Loss)/income from operations before other items and income tax	(2,670,975)	(2,471,791)	169,610	13,912	(525,146)	1,635,530	(417,021)	(701,918)
Net (Loss)/income after tax	(3,326,415)	(3,920,869)	(1,513,605)	(72,211)	(1,554,127)	335,688	(896,879)	(2,145,913)
Comprehensive (Loss)/income	(3,246,053)	(3,886,538)	(1,364,251)	(196,527)	(1,839,417)	650,536	(1,385,172)	(2,088,421)
Basic and diluted (Loss)/income per common share	(0.07)	(0.05)	(0.03)	(0.00)	(0.01)	0.01	(0.02)	(0.05)

Key Quarterly Trends

Total revenue has decreased during the current quarter 30 June 2025 primarily due to the reduction in TTV from the previous quarters.

- Across the three months ended 30 June 2025, the Company continued its focus on establishing its US and UK licenses. This puts the business in good stead to improve margin due to local acquiring and initiate new customer acquisition drives.
- The business focused on growing the integrated services across the quarter resulting in an additional AUD \$410,691 in comparison to the quarter ended 30 June 2024.
- In September we lost Bitcoin.com due to external factors which has had a year to date impact of AUD \$4.5m.

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Key Balance Sheet Components

The following table provides a summary of the key balance sheet components as at 30 June 2025 and 30 June 2024:

	30 June 2025	30 June 24
	\$	\$
Cash	3,162,314	2,028,753
Trade and other receivables	8,615,230	9,099,181
Cryptocurrency inventories	709,983	348,255
Prepays	812,716	501,632
Property, plant & equipment	60,271	184,594
Right-of-use assets	-	246,888
Total assets	14,969,330	14,432,071
Trade and other payables	8,318,037	6,796,890
Borrowings	12,112,165	5,775,887
Lease liabilities	-	430,820
Total liabilities	27,419,059	20,242,959

Total assets increased by \$537,259 during the year ended 30 June 2025, driven primarily by increases in cash of \$1,133,561 (refer Cash Flow section) offset by decreases in trades and other receivables of \$483,951. Total liabilities increased by \$7,176,100 during the year ended 30 June 2025.

Trade and other receivables

The following table provides a breakdown of trade and other receivables as at 30 June 2025 and 30 June 2024

	30 June 2025	30 June 2024
	\$	\$
Payment gateway receivables	4,735,772	8,964,215
Allowances for chargeback expenses	(304,247)	(611,761)
Receivables from trading exchanges	2,566,913	458,969
Integration Fees	255,685	243,748
Sundry deposit denominated in USD Tether	37,999	37,506
Other receivables	1,323,108	6,504
Total trade and other receivables	8,615,230	9,099,181

Total trade and other receivables decreased by \$483,951 during the year ended 30 June 2025.

Receivables from Payment gateway relate to all crypto buy transaction and the decrease from 30 June 2025 over 30 June 2024 is due to significantly higher trading volumes on 30 June 2024 over 30 June 2025 and timing differences on settlement dates year on year. The majority of the payment gateway receivable for June 2024 represents sales that were made over the weekend between Friday 28 June to Sunday 30th June 2024 inclusive. Cash receipt of these sales was received by the 4 July 2024. The settlement of sales made by payment processors is typically between 1 and 2 business days.

Trade receivables include receivables from exchanges including fiat held at exchanges or with custodians of \$2,566,913 which are at call.

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Inventory

The following table provides a breakdown of inventory as at 30 June 2025 and 30 June 2024:

	30 June 2025	30 June 2024
	\$	\$
Crypto currency held for resale	709,983	348,255
Total Inventory	709,983	348,255

Crypto currency and liquidity inventories are measured at fair value less cost to sell in accordance with the Company's accounting policy for crypto currencies and in accordance with IAS 2 Inventories.

Management considers the fair value of inventories to be a Level 2 input under IFRS 13 Fair Value Measurement ("IFRS 13") fair value hierarchy. There has been no change to the valuation technique during the period.

The Company's realized gain or loss on inventories is calculated as the proceeds received from the sale of cryptocurrencies less its assigned original cost. Subsequent to initial recognition at cost, the cryptocurrencies are held at fair value less costs to sell. Changes in value of cryptocurrencies are included in profit and loss for the period.

	30 June 25		30 June 2024	
	Number of coins held	Value	Number of coins held	Value
		\$		\$
Bitcoin (BTC)	1.4	230,316	1.38	140,290
Ethereum (ETH)	38.95	148,900	12.61	67,388
Loopring (LRC)	52,648	5,995	5,077	1,798
USD Coin (USDC)	66,355	101,580	3,157	9,605
Tether (USDT)	46,148	70,663	76,811	115,017
Other	3,550,128	152,529	144,380	14,157
Total inventory	3,715,320	709,983	229,439	348,255

Trade and other payables

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The following table provides a breakdown of trade and other payables as at 30 June 2025 and 30 June 2024:

	30 June 25	30 June 2024
	\$	\$
Trade payables	1,399,140	841,844
Employee withholdings payable	110,738	195,898
Other payables	2,310,757	1,637,907
Accrued Expenses	2,981,990	3,289,470
GST Payable	1,515,412	831,771
Total trade and other payables	8,318,037	6,796,890

The total trade payable balance included Contractual Liabilities of \$387,318 (30 June 2024: \$628,219). The details of Contractual Liabilities from Integration fees were as mentioned below:

	30 June 25	30 June 2024
	(\$)	(\$)
Contract Liabilities arising from Integration Fees	387,318	628,219
Income In Advance	387,318	628,219

Borrowings

The following table provides a breakdown of borrowings as at 30 June 2025 and 30 June 2024:

	30 June 2025	30 June 2024
	\$	\$
Borrowings - Current		
Convertible Note		-
Short term borrowings	12,112,165	5,775,887
Total Current	12,112,165	5,775,887
Borrowings – non-current		
Convertible notes	5,991,803	5,628,597
Total non-current	5,991,803	5,628,597
Total Borrowings	18,103,968	11,404,484

Short-Term Borrowings

As of 30 June 2025, the Company had short-term borrowing agreements with the following external entities:

- VerityVision Holdings Ltd AUD \$4,646,258 (2024: Nil) at 10% per annum. Promissory note available until repayment date 31 January 2026.
- Checkout.com (fronting payment) AUD \$1,540,901 (June 2024: AUD \$1,540,901) at 16.43% per annum. Due in November 2025.
- Red Envelope AUD \$5,925,006 (June 2024: AUD \$113,787) at 0% per annum. Credit line will be available until May 2026.
- Alam Group Loan AUD \$Nil (June 2024: AUD \$945,185) at 20% per annum (Alam Group is a related party).
- Buzz Development Inc AUD \$Nil (June 2024: AUD \$2,255,416)
- Clearpool Caurius AUD \$Nil (June 2024: AUD \$920,598)

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As of 30 June 2025, the Company had total short-term borrowing capacity of AUD \$13,779,440

Convertible Notes

During the year ended 30 June 2024 the Company completed a non-brokered private placement (the "Private Placement") of convertible debenture units (the "Note Units") for gross proceeds of CAD \$5,694,024 bearing interest at 10% per annum. Banxa issued to the Investor 2,847,010 warrants, each warrant entitles the holder to purchase one common share at a price of CAD \$1 per share for a period of 36 months from the date of issuance of the convertible note. Each Note Unit consists of one unsecured convertible debenture (each, a "Note") and such number of common share purchase warrants in the capital of the Company (each, a "Warrant") equal to 40% of the number of common shares in the capital of the Company (each, a "Common Share") issuable upon conversion of the Note (as described below). The principal of the security is convertible, at the option of the holder, to common shares of the Company at a price of CAD \$0.80, and the accrued interest is convertible, at the option of the holder, equal to the last closing price of the common shares on the exchange on the last trading day immediately prior to the announcement of the interest conversion by news release. Convertible notes of CAD \$750,000 and CAD \$500,000 were issued to Alam Group and Blackhawk Ventures Private Limited which are related parties. All convertible notes are due to mature in Q2 2027 and are unsecured.

Promissory Note

During the year ended 30 June 2025, the Company entered into a loan transaction pursuant to which it issued a secured promissory note in the principal amount of up to US\$5.0 million (the "Loan"). The Loan proceeds were to be advanced in an initial tranche of US\$2.0 million on the date of execution, with the balance of the Loan to be advanced in three successive tranches of US\$1.0 million on the first, second and third months following such date. The Loan bears interest at a rate of 10% per annum, payable in arrears together with the outstanding principal amount on the repayment date. The proceeds of the Loan are intended to be used for working capital and general corporate purposes. The Loan is not convertible into any securities of the Company. The collateral under the General Security Agreement includes all present and after-acquired personal property, assets, and undertakings of Banxa Holdings Inc., excluding consumer goods and certain excluded assets. This encompasses accounts, inventory, equipment, intellectual property, subsidiary shares, and related proceeds

Subsequent to the initial agreement, the promissory note was amended to revise the definition of the "Repayment Date". Pursuant to the amendment, the "Repayment Date" means 31 January 2026, or such later date as may be agreed to in writing between the parties, provided that:

- In the event the transactions contemplated under the arrangement agreement are completed, the repayment date shall remain unchanged and shall not be extended.
- In the event the arrangement agreement is validly terminated in accordance with its terms, the lender shall have the right, in its sole and absolute discretion and upon written notice to the Company, to accelerate the repayment date to a date that is not less than three months from the date such notice is provided.

Net (Loss)/gain on borrowings and derivative liability

	Three months ended 30 June 2025	Three months ended 30 June 2024	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$	\$	\$
(Loss)/gain on repayment of convertible note	-	(219,785)	-	280,442
Loss on repayment of derivative liability	-	-	-	(23,912)
Net (Loss)/gain on borrowings and derivative liability	-	(219,785)	-	256,530

Related Party Transactions

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

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a) Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended 30 June 2025 \$	Three months ended 30 June 2024 \$	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
Salaries	1,444,165	1,158,156	4,884,078	4,198,704
Consulting fees including reimbursements at cost	179,556	-	550,368	276,089
Director's fees	23,532	119,591	200,542	406,907
Share-based compensation	37,124	21,504	493,749	183,362
Total	1,684,377	1,299,251	6,128,737	5,065,062

Key management personnel were not paid post-employment benefits, termination benefits, or other (non share-based) long-term benefits during the year ended 30 June 2025 (30 June 2024: nil)

b) The Company entered into the following transactions with related parties:

	Three months ended 30 June 2025 \$	Three months ended 30 June 2024 \$	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
Proceeds from loans from directors ⁽¹⁾	800,000	1,000,000	1,100,000	18,926,676
Repayment of loans from directors ⁽¹⁾	(1,761,672)	(3,811,491)	(2,061,672)	(17,981,491)
Proceeds from convertible note for trade working capital ⁽²⁾	-	(7,271)	-	1,407,286
Interest paid to related parties ⁽¹⁾	(46,528)	(186,583)	(276,367)	(499,111)
Purchase of cryptocurrencies (transaction value)	164,194	1,262,637	2,814,767	1,293,647
Total	(844,006)	(1,742,708)	1,576,728	3,147,007

⁽¹⁾ The loans were received from directors of the Company. Refer to Note 12 in audited 2025 financial statements.

⁽²⁾ The convertible notes were issued to related parties. Refer to Note 12 in audited 2025 financial statements.

c) As at 30 June 2025, included in trade and other payables is a balance of \$Nil (30 June 2024: \$Nil) payable to related parties as follows:

	Year Ended 30 June 2025 \$	Year Ended 30 June 2024 \$
Directors of the company	194	-
Officers of the company	8,958	-
Total	9,152	-

Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company has no off-balance sheet arrangements.

Liquidity and Capital Resources

As at 30 June 2025 the Company had \$3,162,314 in cash compared to \$2,028,753 as at 30 June 2024. The increase in cash is primarily caused by changes in trade receivables which decreased by \$483,951 during the year ended 30 June 2025 (trade receivables includes receivables from exchanges including fiat held at exchanges or with custodians of \$2,566,913 which are at call) and borrowings amounting to \$12,112,165 (30 June 2024: \$ 5,775,887)). Noncurrent convertible note was \$5,991,803 in 2025 (2024: \$5,628,597). During the year ended 30 June 2025, the Company had a net increase in cash and cash equivalents held of \$151,065 compared to a decrease of \$6,414,463 during the year ended 30 June 2024.

These consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

The Company incurred a loss of \$7,247,284 and had net cash outflows from operating activities of \$5,265,184 for the year ended 30 June 2025. The Company has historically incurred losses, as well as reported net cash outflows from operating activities.

The above noted conditions indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern and otherwise execute on its business strategies. These audited consolidated financial statements do not give effect to adjustments or disclosures that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these audited consolidated financial statements.

The Directors have considered the net current asset position of the Company as at 30 June 2025 which amounts to a negative balance of \$7,697,330 (including cash of \$3,162,314 and includes payments in transit from payment service providers and deposits held with exchanges of \$7,302,685 which are highly liquid short term duration balances that are fully available to the Company for working capital and operational needs), and reviewed the cashflow forecasts for a period in excess of 12 months from the signing date of this financial report, and believe the Company has the ability to meet its debts as and when they fall due. The cashflow forecast assumes that the level of volume of cryptocurrency transactions traded by the Company's global partners will continue to increase, driven by continued increases in the global partner network and continued usage of the Company's payment infrastructure by the global partner network, irrespective of day-to-day movements in specific crypto currencies which will facilitate an increase of commission income of the Company. The Company is reliant on the continued support of its lenders of which a significant portion are related parties. Furthermore, the Company believes it is able to raise additional funds or extend maturity of expiring loans.

Accordingly, the Directors believe the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Cash Flow and Operating Expenses

The company is currently in a consolidation phase as it closes out the planned arrangement with OSL and is managing to control operating expenses effectively. Cash has increased in June 2025 compared to June 2024 due to the timing of settlement dates. In June 2024, sales made between 28-30 June were not settled until 1-2 days into July, leading to higher payment gateway receivables at month-end. By June 2025, no such timing difference arose, resulting in lower receivables and a corresponding increase in cash as those sales were settled earlier.

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Cash Flow Summary

The following table provides a summary of cash inflows and outflows by activity for the year ended 30 June 2025 and 2024:

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Cash provided (used) in operating activities	(5,265,184)	(7,950,824)
Cash provided (used) in investing activities	153,557	379,305
Cash provided (used) in financing activities	5,262,692	1,157,056
Net increase / (decrease) in cash for the period	151,065	(6,414,463)

Cash used in operating activities

Cash used in operating activities was \$5,265,184 in the year ended 30 June 2025 and decreased by \$2,686,640 compared to \$7,950,824 on 30 June 2024 primarily driven by:

- Net loss for the year of \$7,247,284
- A decrease in trade & receivables of \$483,951
- An increase in trades & other payables of \$1,521,147
- An increase of digital currencies inventory of \$361,728
- An increase in prepaid expenses of \$311,084
- Offsetting the above cash outflows, are the increase in provision of \$44,317 and increase in income tax payable of \$350,921.
- Non-cash items include depreciation & amortization of \$388,263, share-based compensation of \$493,749, foreign exchange gain of \$266,239, deferred tax assets of \$184,647.

Cash used in investing activities

Our investing activities consist primarily of purchase of property & equipment. For the year ended 30 June 2025, cash used in the purchase of property & equipment was \$Nil (30 June 2024 - \$Nil), purchase of other assets was \$17,052 (30 June 2024: \$5,478). Proceeds from sale of intellectual property was \$Nil in 2025 (30 June 2024: \$384,783) and proceeds from sale of subsidiaries was \$170,609 (30 June 2024: Nil).

Cash provided by financing activities

Historically, our financing activities have consisted primarily of the issuance of our common shares.

For the year ended 30 June 2025 and 30 June 2024 the Company increased its net borrowings by \$6,336,278 to \$12,112,165 compared to \$5,775,887 in year ended 30 June 2024. The Company made lease repayments of \$443,239 during the year ended 30 June 2025 compared to \$429,224 during the same period in 2024, including interest of \$12,419 during the year ended 30 June 2025 compared to \$38,069 in same period in 2024.

Disclosure of Outstanding Shares

Our authorized capital consisted of an unlimited number of common shares without par value. As at 30 June 2025, and the date of this MD&A, no preferred shares have been issued and the following common shares, and rights to acquire common shares, were outstanding:

Class of Security	Number outstanding as at 30 June 2025	Number outstanding as at 30 June 2024
Common shares	45,587,056	45,587,056
Share purchase warrants	2,886,006	7,561,801
Stock options	3,504,583	4,503,888

Risks and Uncertainties

The Company is subject to certain risks and uncertainties that could have a material adverse effect on the Company's results of operations, business prospects, financial condition and dividends to shareholders. Some, but not all, of such risks and uncertainties are discussed below and elsewhere in this MD&A. Readers should also refer to the Company's risks as described under the "Nature and extent of risk arising from financial instruments and digital assets" heading set out in the accompanying Financial Statement to which this MD&A is attached, which are specifically incorporated by reference in this MD&A.

In the normal course of business, the Company's is exposed to financial risk that arises from a number of sources. Management's involvement in operations helps identify risks and variations from expectations. As a part of the overall operation of the Company, Management takes steps to avoid undue concentrations of risk.

Digital asset risks

Access to digital assets can be disrupted by a number of matters including:

- Loss of access risk, such as to private keys;
- Irrevocable transactions given that transactions cannot be changed or corrected once a transaction has been verified and recorded on the blockchain;
- Fluctuations in digital asset prices due to global forces, interest rate, exchange, inflation, political/economic conditions;
- Vulnerability of crypto networks to hacking; and
- Unregulated crypto exchanges.

The Company's investments in crypto currency holdings for liquidity purposes are held on various digital platforms, some of which are unregulated exchanges. The Company is exposed to counterparty risk in the event that one or more of these unregulated exchanges fail or suffer a security breach, resulting in the loss or theft of the Company's assets. The Company maintains a risk management framework to mitigate the risks associated with its investments in cryptocurrencies, including monitoring the creditworthiness of its counterparties and implementing security measures to protect its assets. However, there can be no assurance that these measures will be effective in all circumstances. The Company continually evaluates its crypto holdings for liquidity purposes in cryptocurrencies and may make changes to its portfolio or risk management framework as market conditions or regulatory requirements change.

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, to meet the needs of ongoing operations, and to maintain a flexible capital structure which optimizes the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

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Foreign currency risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Consolidated	\$	\$	\$	\$
US Dollars	4,231,019	3,737,634	819,627	5,476,605
Euros	2,948,064	7,824,186	6,798,306	5,695,557
Pound sterling	396,205	-	198,391	91,726
Singapore Dollar	114	105	113	104
Canadian Dollars	291,424	170,545	6,301,624	1,793,127
Turkish Lira	-	244,504	-	-
	7,866,826	11,976,974	14,118,061	13,057,119

The Company had net liabilities denominated in foreign currencies of \$6,251,235 (assets of \$7,866,826 less liabilities of \$14,118,061) as at 30 June 2025 (30 June 2024: net liabilities of \$1,080,145 (assets of \$11,976,974 less liabilities of \$13,057,119). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% (30 June 2024: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Company's loss before tax for the year would have been \$625,124 lower/\$625,124 higher (30 June 2024: \$108,015 lower/\$108,015 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each period and the spot rate at each reporting date. The net foreign exchange loss for the year ended 30 June 2025 was \$1,275,912 (30 June 2024: loss of \$1,933,577).

Price risk relating to digital assets

Fluctuations in the prices of cryptocurrencies may impact the day-to-day trading volumes of the Company's exchange partners, and unfavorably impact the Company's revenues. Additionally, during periods of rapid price fluctuations, there is a risk that unfavorable trading margins may occur due to delays in filling orders.

Interest rate risk

The Company's has \$12,112,165 debt outstanding at 30 June 2025 that is exposed to interest rate risk of \$605,608 if the interest rate changed by +/-5%. (30 June 2024: \$288,795).

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Credit risk

The Company has credit risk in respect of both financial instruments and crypto-currency deposits. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references, and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount of cash and cash equivalents (including cash deposits) and trade and other receivables, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The Company does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 30 days. There is a liquidity management function within the business, which on a daily or more frequent basis manages and monitors the trading activities and volumes associated with amounts deposited with trading exchanges.

The Company limits its credit risk by placing its cryptocurrencies with crypto exchanges (“trading exchanges”) on which the Company has performed internal due diligence procedures.

The Company deems these procedures necessary as some trading exchanges are unregulated and not subject to regulatory oversight. Furthermore, trading exchanges may engage in the practice of commingling with clients’ assets in exchange wallets. When crypto assets are commingled, transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange, potentially reducing the integrity of the data.

As at 30 June 2025, the Company held receivables from trading exchanges of \$2,566,913 (30 June 2024: \$458,969) together with payment gateway receivables of \$4,735,772 (30 June 2024: \$8,964,215). These amounts represent balances with exchanges or custodians that do not have system or organisation control reporting available.

Credit risk Exposure	30 June 2025	30 June 2024
	\$	\$
Receivables from trade exchanges	2,566,913	458,969
Payment gateway receivables	4,735,772	8,964,215
Total Assets	7,302,685	9,423,184

The Company’s due diligence procedures around exchanges include, but are not limited to, internal control procedures around on-boarding new exchanges which includes review of the exchanges anti-money laundering (“AML”) and know-your-client (“KYC”) policies, obtaining a security ratings report by an independent third party on certain exchanges, constant review of market information specifically regarding the exchanges’ security and solvency risk, setting balance limits for each exchange account based on risk exposure thresholds and preparing daily asset management reports to ensure limits are being followed and having a fail-over plan to move digital assets held on an exchange in instances where risk exposure significantly changes. The Company limits its credit risk with respect to its payment gateways receivables by transacting with credit-worthy counterparties that are believed to have sufficient capital to meet their obligations as they come due and with regard to over-the-counter counterparties, on which the Company has performed the relevant AML and KYC procedures. As of each reporting period, the Company assesses if there may be expected credit losses requiring a provision.

While the Company intends to only transact with trading exchanges that it believes to be creditworthy, there can be no assurance that a trading exchange will not default and that the Company will not sustain a material loss on the transaction as a result. As at 30 June 2025, the Company does not expect any material unprovided loss of any of its digital assets.

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Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and (where required) available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and where practical matching the maturity profiles of financial assets and liabilities. In addition, as outlined above the daily liquidity management function monitors and manages amounts deposited with trading exchanges. The Company further manages all liquidity risk through maintaining a sufficient working capital amount through daily monitoring of controls, cash balances, and operating results.

The Company's trade payables and accruals are substantially due within twelve months. The maturity schedule of the Company's lease liabilities is detailed below.

30 June 2025	2026	2027	2028	2029	Thereafter
	\$	\$	\$	\$	\$
Commitment - operational					
Trade payables	1,399,140	-	-	-	-
Accrued wages and other	110,738	-	-	-	-
Other payables	2,310,757	-	-	-	-
Accrued expenses	2,981,990	-	-	-	-
GST Payable	1,515,412	-	-	-	-
Commitments - other					
Short term borrowings	12,112,165	-	-	-	-
Total contractual obligations	20,430,202	-	-	-	-

30 June 2024	2025	2026	2027	2028	Thereafter
	\$	\$	\$	\$	\$
Commitment - operational					
Trade payables	841,844	-	-	-	-
Accrued wages and other	195,898	-	-	-	-
Other payables	1,637,907	-	-	-	-
Accrued expenses	3,289,470	-	-	-	-
GST Payable	831,771	-	-	-	-
Commitments - other					
Short term borrowings	5,775,887	-	-	-	-
Lease payments	443,239	-	-	-	-
Total contractual obligations	13,016,016	-	-	-	-

Non-Financial Measures

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amount of assets and liabilities, and the reported amount of revenues and expenses during the year. Actual results may differ from these estimates. Estimates, assumptions, and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized on a prospective basis beginning from the period in which they are revised.

Changes in Accounting Policies including Initial Adoption

Recent IFRS standards adopted in 2024-2025

The Company has adopted all of the new or amended International Financial Reporting Standards (IFRSs) and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Financial Reporting Standards or Interpretations that are not yet mandatory have not been early adopted.

Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied for the audited financial statements of Banxa Holdings Inc. for the year ending 30 June 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Events after the reporting period

August 28, 2025 – The Company held the annual general and special meeting of securityholders (the "Meeting"). In addition to approvals obtained relating to annual general business, securityholders of the Company overwhelmingly approved the previously announced plan of arrangement (the "Arrangement") to be acquired by OSL, a company listed on the Hong Kong Stock Exchange. OSL Group Limited and OSL BNXA Acquisition Inc. (the "Purchaser"), pursuant to which the Purchaser will acquire all of the issued and outstanding common shares of the Company ("Shares") for cash consideration of C\$1.55 per Share.

An aggregate of 26,772,184 votes were cast at the Meeting with respect to the resolution approving the Arrangement (the "Arrangement Resolution"), of which 25,786,627 votes were cast in favour of the Arrangement Resolution, representing approximately 98.33% of the total votes cast. Accordingly, the Arrangement Resolution was duly approved by the requisite threshold of votes, being: (i) at least two-thirds (66⅔%) of the votes cast at the Meeting in person or by proxy by holders of Shares; and (ii) at least two-thirds (66⅔%) of the votes cast at the Meeting in person or by proxy by the holders of Shares and the holders of common share purchase warrants and stock options of the Company, voting together as members of a single class. Shareholders of the Company also overwhelmingly approved all other annual general items of business at the Meeting, including, without limitation, the election of directors and the appointment of the auditor, in each case, for the financial years of the company ended June 30, 2024 and 2023

September 4, 2025 – The Company provided an update with respect to certain outstanding required regulatory approvals (the "Required Regulatory Approvals"), the receipt of which is a key condition precedent to the completion of the previously announced plan of arrangement (the "Arrangement" with OSL Group Limited and OSL BNXA Acquisition Inc. (together with the Company, the "Parties").

As it relates to such Required Regulatory Approvals, the Company has, as of the date hereof: (a) received change of control approval for money-transmitter licenses in 17 out of 37 designated U.S. states; (b) received the declaration of no objection from the Netherlands De Nederlandsche Bank, representing a key milestone as we near a decision from the Netherlands' Authority for Financial Markets for the Markets in Crypto-Assets Regulation License; and (c) submitted the required notifications to the Financial Conduct Authority in the United Kingdom. The hearing for the final order to approve the Arrangement, originally scheduled for September 2, 2025, has been adjourned by order of the Supreme Court of British Columbia to give the parties additional time to obtain the remaining Required Regulatory Approvals. Completion of the Arrangement remains subject to the satisfaction or waiver of the conditions precedent set out in the arrangement agreement dated June 27, 2025

October 10, 2025 – The Company announced that it has secured regulatory approval for the Markets in Crypto Assets ("MiCA") licence in the Netherlands, allowing it to operate as a regulated crypto asset service provider across the European Union. This

milestone expands Banxa's global regulatory footprint and underscores its commitment to meeting the highest regulatory standards while powering millions of businesses and users worldwide with trusted embedded crypto infrastructure.

October 22, 2025 – The proposed acquisition, the “Arrangement Agreement” and the transactions contemplated thereunder were approved, confirmed and ratified by the OSL Group Limited Shareholders at their extraordinary general meeting. The vote passed unanimously, with 100% of shareholders voting in favour.

October 27, 2025 -As it relates to the required regulatory approvals (the "Required Regulatory Approvals"), the receipt of which is a key condition precedent to the completion of the Arrangement, Banxa has, as of the date hereof: (a) received change of control approval for money-transmitter licenses in 26 out of 37 designated U.S. states, with the remaining states' approvals expected to be obtained on or before October 31, 2025; (b) received the MiCA license, and the Purchaser is preparing to submit the declaration of no objection application to the DNB; and (c) submitted the required notifications to the Financial Conduct Authority in the United Kingdom, with a decision thereon expected on or before October 28, 2025.