

Banxa Holdings Inc
(formerly A-Labs Capital I Corp)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
31 DECEMBER 2020 AND 2019
(EXPRESSED IN AUSTRALIAN DOLLARS)
(UNAUDITED)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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General information

The financial statements cover Banxa Holdings Inc (“the Company”) as a consolidated entity including and representing continuation of operations of BTC Corporation Holdings Pty Ltd and the entities it controlled at the end of, or during, the period: BC Cloud Mining Pty Ltd, Global Internet Ventures Pty Ltd, Global Internet Ventures Limited (UK), Banxa.com Pty Ltd, BTC Sing SPV Pte Ltd, EU Internet Ventures BV, RhinoLoft Pty Ltd, Richmond Internet Ventures Corporation (acquired on 30 September 2020), Internet SG Ventures Pte Ltd (acquired on 7 September 2020), and LT Internet Ventures UAB (incorporated on 17 November 2020).

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Consolidated statement of financial position
As at 31 December 2020 and 30 June 2020
(Expressed in Australian Dollars)

	Note	31 Dec 2020 \$	30 Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents	5	3,302,948	2,067,304
Trade and other receivables	6	4,063,296	761,766
Inventories	7	5,586,851	33,059
Prepays		152,394	3,631
Deposits	8	1,558,157	1,029,887
Total Current assets		<u>14,663,646</u>	<u>3,895,647</u>
Non-current assets			
Intangible assets - goodwill		151,643	151,643
Equipment		3,849	5,712
Total non-current assets		<u>155,492</u>	<u>157,355</u>
Total assets		<u>14,819,138</u>	<u>4,053,002</u>
Liabilities			
Current liabilities			
Trade and other payables	9	3,649,272	1,493,313
Borrowings	10	3,078,780	90,875
Income Tax		145,754	209,812
Employee Benefits		156,093	63,791
Deferred Consideration	11	399,625	500,000
Total current liabilities		<u>7,429,524</u>	<u>2,357,791</u>
Non-current liabilities			
Borrowings	12	446,599	446,599
Employee benefits		28,304	22,401
		<u>474,903</u>	<u>469,000</u>
Total liabilities		<u>7,904,427</u>	<u>2,826,791</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Consolidated statement of financial position
As at 31 December 2020 and 30 June 2020
(Expressed in Australian Dollars)

		Consolidated	
	Note	31 Dec 2020	30 June 2020
		\$	\$
Equity			
Issued capital – Common Shares	13	12,903,445	6,523,314
Foreign currency translation reserve		10,517	54,386
Contributed surplus		267,131	6,848
Accumulated Losses		<u>(6,266,382)</u>	<u>(5,358,337)</u>
Total equity		<u>6,914,711</u>	<u>1,226,211</u>
Total liabilities plus equity		<u>14,819,138</u>	<u>4,053,002</u>

Approved and authorised for issuance by the Board of Directors of Banxa Holdings Inc on 24 February 2021.

“signed”

D. Carosa, Chairman

“signed”

J. Landau, Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Loss
For the three and six months ended 31 December 2020 and 2019
(Expressed in Australian Dollars)

		Six months ended		Three months ended	
	Note	31 Dec 2020	31 Dec 2019	31 Dec 2020 (refer note 21)	31 Dec 2019
Revenue					
Revenue from sale of goods and services	3	7,399,281	3,308,586	4,496,380	1,371,529
Cost of sales and services		5,243,315	2,597,618	3,626,581	865,234
Gross profit		2,155,966	710,968	869,799	506,295
Operating expenses					
Salary expense		1,951,416	1,084,167	1,058,585	574,277
Depreciation and amortization	4	16,175	309,739	8,724	154,869
Share based expense	13	100,641	-	100,641	-
General and administration	4	1,530,145	852,172	971,555	472,501
Total operating expenses		3,598,377	2,246,078	2,139,505	1,201,647
Loss from operations before other items and income tax		(1,442,411)	(1,535,110)	(1,269,706)	(695,352)
Other income/ (expenses)					
Unrealized gain on fair value of inventory		2,364,622	-	2,372,860	-
Other Income		256,926	987	587	252
Foreign exchange gains/ (losses)		785,034	(4,407)	1,255,713	(3,088)
Finance expense		(181,703)	-	(137,276)	-
TSX Listing expenses	16	(2,690,513)	-	(2,690,513)	-
Total other income/ (expenses)		534,366	(3,420)	801,371	(2,836)
Net loss before tax		(908,045)	(1,538,530)	(468,335)	(698,188)
Income tax benefit/ (expense)		-	(347,791)	-	(578,884)
Net loss after tax		(908,045)	(1,886,321)	(468,335)	(1,277,072)
Other comprehensive income/ (loss)					
<i>Items that may be reclassified to profit or loss</i>					
Foreign currency translation		(43,869)	(8,998)	10,517	(8,838)
Total Other comprehensive loss		(43,869)	(8,998)	10,517	(8,838)
Total comprehensive loss		(951,914)	(1,895,319)	(457,818)	(1,285,910)
Loss per share					
Basic		(0.03)	(0.07)	(0.01)	(0.04)
Diluted		(0.03)	(0.07)	(0.01)	(0.04)
Weighted average number of basic shares		33,740,842	28,956,669	34,322,713	29,001,857
Weighted average number of diluted shares		33,740,842	28,956,669	34,322,713	29,001,857

The calculation of weighted average number of shares has been adjusted retrospectively for the effects of the equity recapitalisation associated with the reverse takeover, refer note 16.

The above Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Loss should be read in conjunction with the accompanying notes.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Condensed Consolidated Interim Statements of Changes in Equity
For the six months ended 31 December 2020 and 2019
(Expressed in Australian Dollars)

Consolidated	Number	Share capital \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2019	16,425	2,923,744	2,172	(1,223,334)	1,702,582
Loss for the period	-	-	-	(1,886,321)	(1,886,321)
Other comprehensive loss for the period	-	-	(8,998)	-	(8,998)
Total comprehensive loss for the period	-	-	(8,998)	(1,886,321)	(1,895,319)
<i>Transactions with owners in their capacity of owners:</i>					
Issue of additional shares	775	1,083,150	-	-	1,083,150
Prepaid shares	-	333,298	-	-	333,298
Capital raising costs	-	(234,893)	-	-	(234,893)
Balance at 31 December 2019	<u>17,200</u>	<u>4,105,299</u>	<u>(6,826)</u>	<u>(3,109,655)</u>	<u>988,818</u>

The above Condensed Consolidated Interim Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Condensed Consolidated Interim Statements of Changes in Equity
For the six months ended 31 December 2020 and 2019
(Expressed in Australian Dollars)

	Common Stock:		Foreign Currency Translation Reserve	Contributed Surplus	Accumulated Losses	Total equity
Note	Shares	Amount				
		\$	\$	\$	\$	\$
Balance at 1 July 2020	19,066	6,523,314	54,386	6,848	(5,358,337)	1,226,211
Loss for the period	-	-	-	-	(908,045)	(908,045)
Other comprehensive loss for the period	-	-	(43,869)	-	-	(43,869)
Total comprehensive loss for the period	-	-	(43,869)	-	(908,045)	(951,914)
<i>Transactions with owners in their capacity of owners:</i>						
Private placement	334	517,700	-	-	-	517,700
Shares issued for acquisition consideration	55	100,375	-	-	-	100,375
Conversion of Prepaid shares	274	-	-	-	-	-
Shares issued pursuant to subscription receipts	2,316	4,226,700	-	-	-	4,226,700
<i>Recapitalisation transaction:</i>						
Total BTC shares originally issued	(22,045)	-	-	-	-	-
Issue of resulting issuer shares	13 38,314,210	-	-	-	-	-
Reverse takeover ("RTO") issue	13 1,200,000	1,220,160	-	-	-	1,220,160
Options issued pursuant to RTO	-	-	-	108,914	-	108,914
Shares issued to arrangers	1,186,500	1,206,433	-	-	-	1,206,433
Shares issue to advisors	10,000	10,168	-	-	-	10,168
Options issued to advisors	-	(50,728)	-	50,728	-	-
Share-based compensation	-	-	-	100,641	-	100,641
Costs of share issues	-	(850,677)	-	-	-	(850,677)
Balance at 31 December 2020	13 <u>40,710,710</u>	<u>12,903,445</u>	<u>10,517</u>	<u>267,131</u>	<u>(6,266,382)</u>	<u>6,914,711</u>

The above Condensed Consolidated Interim Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Condensed Consolidated Interim Statements of Cash Flows
For the six months ended 31 December 2020 and 2019
(Expressed in Australian Dollars)

	Note	6 months ended 31 December 2020 \$	6 months ended 31 December 2019
Cash flows from operating activities			
Receipts from trading activities		3,918,616	2,448,599
Integration revenue, inclusive of GST		121,205	-
Commission revenue, inclusive of GST		3,703,102	973,337
Receipts on behalf of the trading platforms in the entity's capacity as agent		177,931,814	19,043,284
Payments to suppliers (inclusive of GST) and employees		<u>(190,867,053)</u>	<u>(23,505,278)</u>
		(5,192,316)	(1,040,058)
Income taxes paid		(64,058)	(44,889)
Interest Received		15	188
Interest paid		(42,771)	-
Australian Taxation Office Covid-19 cash flow supplement		25,000	-
R&D tax refund received		<u>231,005</u>	<u>-</u>
Net cash used in operating activities	22	<u>(5,043,125)</u>	<u>(1,084,759)</u>
Cash flows from investing activities			
Payment for intangible assets		-	(49,116)
Payment for equipment		(14,312)	-
Net advances to director-related entity pre-acquisition.		(82,254)	-
Payment for acquisitions net of cash acquired		<u>111,047</u>	<u>-</u>
Net cash provided by/ (used in) investing activities		<u>14,481</u>	<u>(49,116)</u>
Cash flows from financing activities			
Proceeds from capital raising (net of capital raising costs)		3,769,452	1,315,553
Repayment of credit card borrowings		(25,164)	(3,471)
Loans from related parties		520,000	-
Proceeds from unsecured borrowings		<u>2,000,000</u>	<u>-</u>
Net cash provided by financing activities		<u>6,264,288</u>	<u>1,312,082</u>
Net increase in cash and cash equivalents		1,235,644	178,207
Cash and cash equivalents at the beginning of the financial period		<u>2,067,304</u>	<u>1,130,290</u>
Cash and cash equivalents at the end of the financial period	5	<u><u>3,302,948</u></u>	<u><u>1,308,497</u></u>

The above Consolidated Interim Statements of Cash Flows should be read in conjunction with the accompanying notes.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)

Notes to the consolidated financial statements

(Expressed in Australian Dollars)

31 December 2020

Note 1. Nature of Operations and Going Concern

Banxa Holdings Inc. (the “Company” or “BNXA”) was incorporated as a Canada Business Corporation on 6 March 2018. The Company’s shares are traded on the TSX Venture Exchange as a Tier 2 Technology company under the trading symbol “BNXA”. On 23 December 2020, the Company’s shares were accepted for listing on the TSX Venture Exchange.

Following the listing, company issued additional shares which were exchanged with 100% of shares of BTC Corporation Holdings Pty Ltd, a company registered and domiciled in Melbourne, Australia. Following this transaction, Banxa and its subsidiary (“the Consolidated entity”) are deemed to be a continuation of BTC’s operations.

The Consolidated entity focuses on:

- Operation of websites allowing customers to purchase or sell crypto currencies; and
- Sourcing and purchase of cryptocurrencies on behalf of the customers.

The head office is located in Melbourne, Australia at 44 Gwynne St, Level 4, Cremorne, Victoria.

The registered office of the Company is located at 595 Howe St 10th floor, Vancouver, BC V6C 2T5

Basis of preparation

These general-purpose financial statements have been prepared in accordance with IFRSs and Interpretations issued by the International Financial Reporting Standards Board. The Consolidated entity is a for-profit oriented entity.

These general-purpose financial statements for the six-month period ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*. These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual reports of Banxa (formerly A-Labs Capital I Corp) and BTC Corporation Holdings for the year ended 31 December 2019 and 30 June 2020 respectively. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting periods.

The Consolidated entity is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for inventory which is recognised and subsequently measured at fair value less costs to sell, as explained in notes 7. Changes in fair value less cost to sell of inventory are recognised in profit or loss.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activity and the recognition and settlement of liabilities in the normal course of business.

The Consolidated entity incurred a loss of \$908,045 and had net cash outflows from operating activities of \$5,043,125 for the six-month period ended 31 December 2020. The Consolidated entity has historically incurred losses, as well as reported net cash outflows from operating activities.

The various matters detailed above indicate the existence of a material uncertainty which cast significant doubt on the ability of the Consolidated entity to continue as a going concern and therefore whether it will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report

The Directors have considered the net working capital position, which include cash and cash equivalents of \$3,302,948, of the Consolidated entity as at 31 December 2020 amounting to \$7,234,122 and reviewed the cashflow forecasts for a period in excess of 12 months from the signing of this financial report, and believe the Consolidated entity has the ability to meet its debts as and when they fall due. The cashflow forecasts assumes that the level of volume of cryptocurrency transactions trade in the platform will continue to increase, driven by the Bitcoin price, as well as the significant increase in the market the Consolidated entity has already leveraged in the last 12 months. Should the actual level of trade transactions not be achieved and the Directors assess as necessary, the Consolidated entity has the ability to raise further capital. The Directors are confident they will be successful with such plans, particularly given recent successful capital raisings.

Accordingly, the Directors believe the Consolidated entity 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.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)

Notes to the consolidated financial statements

(Expressed in Australian Dollars)

31 December 2020

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated entity does not continue as a going concern.

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 (formerly A-Labs Capital I Corp) and BTC Corporation Holdings Pty Ltd for the year ending 30 June 2020. These policies have been consistently applied to all the periods presented, unless otherwise stated. The consolidated financial statements of the combined entities are issued under the legal parent, Banxa Holdings Inc, but are considered a continuation of the financial statements of the legal subsidiary, BTC. All comparative figures reflect the consolidated BTC group only and exclude A-Labs Capital I Corp. Additional information on the reverse takeover and the accounting impacts is included in note 16.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees or other service providers ('recipients').

Equity-settled transactions are awards of shares, or options over shares, that are provided to recipients in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the recipient to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability .

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)

Notes to the consolidated financial statements

(Expressed in Australian Dollars)

31 December 2020

If the non-vesting condition is within the control of the consolidated entity or recipient, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or recipient and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Provisions

Provisions are recognised when the Consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The provisions recognised are the best estimates of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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. The adoption of the new or amended IFRSs and Interpretations resulted in no impact to the consolidated entity financial position and performance for the six months ended 31 December 2020.

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

Banxa Holdings Inc (formerly A-Labs Capital I Corp)**Notes to the consolidated financial statements****(Expressed in Australian Dollars)****31 December 2020****Note 2. Basis of Preparation****Basis of consolidation**

Following completion of a reverse takeover on 23 December 2020, the consolidated financial statements of the combined entities are issued under the legal parent, Banxa Holdings Inc, but are considered a continuation of the financial statements of the legal subsidiary, BTC Corporation Holdings Pty Ltd (refer note 16 for additional details).

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries as follows:

Name	Country of incorporation	% Equity interest at	
		31 Dec 2020	30 June 2020
BTC Corporation Holdings Pty Ltd	Australia	100.00%	100.00%
BC Cloud Mining Pty Ltd	Australia	100.00%	100.00%
Global Internet Ventures Pty Ltd	Australia	100.00%	100.00%
Global Internet Ventures Limited (UK)	United Kingdom	100.00%	100.00%
Richmond Internet Ventures Corporation	Canada	100.00%	na
Internet SG Ventures Pte Ltd	Singapore	100.00%	na
Banxa.com Pty Ltd	Australia	100.00%	100.00%
RhinoLoft Pty Ltd	Australia	100.00%	100.00%
EU Internet Ventures B.V.	The Netherlands	100.00%	100.00%
BTC Sing SPV Pte Ltd	Singapore	100.00%	100.00%
LT Internet Ventures UAB	Lithuania	100.00%	na

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Statement of compliance

The condensed consolidated interim financial statements of the Company and its subsidiary, including comparatives, have been prepared in accordance with accounting policies in compliance with IFRS and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended 31 December 2020.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Notes to the consolidated financial statements
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Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated entity operates. There remain uncertainty on the ongoing impact that the COVID19 pandemic will have on the global economy, and consequently the impact on the price of cryptocurrencies and in the consolidated entity's trading volumes and revenues. The Directors and senior management are confident that they can continue growing the business, even under these market conditions with the strategy they have in place and the milestones they have achieved so far this year, despite the global health and economic crisis. Therefore, at this time, the pandemic will not give rise to any material shifts in business strategy.

Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 6, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair value measurement hierarchy

The Consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)

Notes to the consolidated financial statements

(Expressed in Australian Dollars)

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Determination of Principal vs Agent consideration

Management has used the following key definitions in distinguishing between sales as principal and agent: 1) Principal, the party that controls the goods and services before they are transferred to customers. 2) Agent, the party that arranges for the goods or services to be provided by another party without taking control over those goods and services. Management has applied judgement to use assume gross margin to determine the portion of sales that were conducted as principal.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Share-based payments

The consolidated entity measures the cost of equity-settled transactions with other parties by reference to the fair value of the goods and services received, or if this cannot be determined, the fair value of the equity instruments issued, at the date at which they are granted. The fair value is determined using the assumptions that market participants would use when pricing like goods and services. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities, profit or loss, or equity within the next reporting period.

Legal settlements provision

A provision has been made for the present value of anticipated costs for legal settlements. The calculation of this provision requires assumptions such as the number of unresolved payment disputes during each reporting period that will advance to legal refund demands or be referred to police investigation. The provision recognised for each operating subsidiary is periodically reviewed and updated based on the facts and circumstances available at the time.

Banxa Holdings Inc (formerly A-Labs Capital I Corp)
Notes to the consolidated financial statements
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31 December 2020

Note 3. Revenue

	6 months ended 31 December 2020	6 months ended 31 December 2019	3 months ended 31 December 2020	3 months ended 31 December 2019
	\$	\$	\$	\$
<i>Sales revenue</i>				
Sale of cryptocurrencies	3,922,638	2,423,734	2,621,546	907,681
Integration revenue	110,187	-	110,187	-
Commissions received from exchange services	3,366,456	884,852	1,764,647	463,848
Revenue	<u>7,399,281</u>	<u>3,308,586</u>	<u>4,496,380</u>	<u>1,371,529</u>
<i>Disaggregation of revenue</i>				
The disaggregation of revenue from contracts with customers is as follows:				
	6 months ended 31 December 2020	6 months ended 31 December 2019	3 months ended 31 December 2020	3 months ended 31 December 2019
	\$	\$	\$	\$
<i>Geographical regions</i>				
Australia	3,101,515	3,272,803	1,031,585	1,371,529
North America	-	-	-	-
Europe	4,297,766	35,783	3,464,795	-
	<u>7,399,281</u>	<u>3,308,586</u>	<u>4,496,380</u>	<u>1,371,529</u>
<i>Timing of revenue recognition</i>				
Cryptocurrencies transferred at a point in time	3,922,638	2,423,734	2,621,546	907,681
Services transferred over time	110,187	-	110,187	-
Services transferred at a point in time	3,366,456	884,852	1,764,647	463,848
	<u>7,399,281</u>	<u>3,308,586</u>	<u>4,496,380</u>	<u>1,371,529</u>

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Note 4. Expenses

	6 months ended 31 December 2020	6 months ended 31 December 2019	3 months ended 31 December 2020	3 months ended 31 December 2019
	\$	\$		
Loss before income tax includes the following specific expenses:				
<i>Amortisation and Depreciation:</i>				
Back-end Platform	-	65,866	-	32,932
Customer Interface Platform	-	32,934	-	16,467
Customer List	-	207,640	-	103,820
Website development	-	3,299	-	1,650
Computer equipment	16,175	-	8,724	-
	<u>16,175</u>	<u>309,739</u>	<u>8,724</u>	<u>154,869</u>
<i>General and Administration:</i>				
Bank charges	66,797	39,346	54,992	17,172
Provisions for recoverability/bad debts	318,428	378	340,172	-
Rental expense relating to operating leases	44,926	62,110	20,695	32,536
Travel	19,559	78,909	(3,578)	36,311
Software development expenses	200,799	134,043	88,141	72,192
Legal, accounting, consulting	730,439	172,236	355,730	135,375
Marketing and advertising	17,759	158,601	16,201	73,218
Security audit	42,000	-	21,000	-
Other	89,438	206,549	78,243	105,697
	<u>1,530,145</u>	<u>852,172</u>	<u>971,596</u>	<u>472,501</u>

Note 5. Current assets - cash and cash equivalents

	31 Dec 2020	30 June 2020
	\$	\$
Cash on hand	139	44
Cash at bank	<u>3,302,809</u>	<u>2,067,260</u>
	<u><u>3,302,948</u></u>	<u><u>2,067,304</u></u>

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Note 6. Current assets – trade and other receivables

	31 Dec 2020	30 June 2020
	\$	\$
Trade receivables	4,233,034	723,338
Allowance for expected credit losses	(210,110)	-
GST receivable	<u>40,372</u>	<u>38,438</u>
	<u><u>4,063,296</u></u>	<u><u>761,766</u></u>

Note 7. Current assets – inventory

	31 Dec 2020	30 June 2020
	\$	\$
Crypto currency held for resale	<u>5,586,851</u>	<u>33,059</u>

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

Earnings for the six month period ended 31 December 2020 include an unrealised gain on fair value re-measurement of \$2,364,622.

Note 8. Current assets - deposits

	31 Dec 2020	30 June 2020
	\$	\$
Deposits with trading exchanges	962,657	606,689
Deposits with trading exchanges held in cryptocurrency, Tether	677,454	423,198
Provision for recoverability	<u>(81,954)</u>	<u>-</u>
	<u><u>1,558,157</u></u>	<u><u>1,029,887</u></u>

Deposits with trading exchanges are made to facilitate the consolidated entity's ability to transact more efficiently at various trading volumes. Deposits with trading exchanges held in crypto currency are measure at fair value less cost to sell, in accordance with the consolidated entity's accounting policy for crypto currencies and in accordance with *IAS 2 Inventories*.

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Note 9. Current liabilities – trade and other payables

	31 Dec 2020	30 June 2020
	\$	\$
Trade Payables	1,163,607	707,057
Other payables and accruals	1,294,847	571,487
Accrued interest	138,932	6,773
Other payables	66,064	78,061
Employee withholdings payable	282,895	123,196
Provision for legal settlements	480,000	-
Payment provider liabilities	<u>222,927</u>	<u>6,739</u>
	<u><u>3,649,272</u></u>	<u><u>1,493,313</u></u>

Note 10. Current Liabilities - Borrowings

	31 Dec 2020	30 June 2020
	\$	\$
Loans from directors – unsecured, non-interest bearing	380,000	60,000
Loans from officers – unsecured, non-interest bearing	200,000	-
Crypto currency advances from directors - unsecured, non-interest bearing	493,068	-
Credit card	5,712	30,875
Short-term unsecured loans	<u>2,000,000</u>	<u> </u>
	<u><u>3,078,780</u></u>	<u><u>90,875</u></u>

Note 11. Deferred Consideration

	31 Dec 2020	30 June 2020
	\$	\$
Deferred consideration	<u>399,625</u>	<u>500,000</u>

The deferred consideration liability relates to the May 2018 acquisition of RhinoLoft Pty Ltd. Total consideration was \$1,350,000 of which \$850,000 was paid up-front, with the remaining \$500,000 balance deferred for 24 months. Since May 2020 the outstanding balance has been deferred to 31 March 2021, with interest payable at 10%. On 23 December 2020, \$100,375 was repaid through the issue of common shares (refer note 13).

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Note 12. Non-current liabilities – Borrowings

	31 Dec 2020	30 June 2020
	\$	\$
Convertible notes	<u>446,599</u>	<u>446,599</u>
	<u>446,599</u>	<u>446,599</u>

The convertible note value of \$446,599 includes a \$76,698 derivative component and a \$369,901 non-derivative component.

Notes were issued for \$446,599 (\$C 419,000) on 15 June 2020 at an issue price of \$C 1.00 per note. Each note entitles the holder, at the holder's discretion, to convert to one common share at a cost of \$CAD 0.85 per share.

The convertible notes are non-transferable, bear compounding interest at a rate of 12% per annum, and mature on 22 July 2022. At the maturity date, the convertible notes still outstanding will automatically convert into common shares of the Company at \$CAD0.85. Consequently, up to 492,941 common shares are issuable upon conversion.

As the notes are denominated in a foreign currency, no amount of the financing can be considered equity.

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Note 13. Equity - issued capital

Summary of movements

As detailed in note 16, the consolidated entity reflects the effects of a reverse takeover between BTC Corporation Holdings Pty Ltd ("BTC") and Banxa Holdings Inc (formerly A-Labs Capital I Corp, or "A-Labs").

Accordingly, the balance in Equity represents the continuing equity balance of BTC prior to its takeover of A-Labs, together with common share transactions arising from the transaction, as summarized below:

\$

• Opening balance of BTC equity 30 June 2020	6,523,314
• Capital raised during the period by BTC	4,744,400
• Shares issued by BTC in respect of acquisition payment	100,375
• Share issues included in Listing Expenses	2,436,761
• Cost of issues	<u>(901,406)</u>

Total **12,903,444**

The number of outstanding shares at the end of the period comprises:

• Common shares issued as consideration to BTC shareholders	38,314,210
• Common shares attributable to pre-transaction A-Labs shareholders	1,200,000
• Common shares issued to arrangers and advisers	<u>1,196,500</u>

Total **40,710,710**

Common shares

Common shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid common shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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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 consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Prepaid shares

Amounts described in the Condensed Consolidated Interim Statements of Changes in Equity as “Prepaid shares” represent amounts received during the period to 31 December 2019 as part of a share subscription agreement with multiple investors in Singapore, for which 274 preference shares of special-purpose vehicle BTC Sing SPV Pte Ltd were issued. In December 2020, 274 ordinary shares of BTC were issued to replace these prepaid shares.

Share purchase warrants

The following is a summary of the changes in the Company’s share purchase warrants for the period ended 31 December 2020 and year ended 30 June 2020:

	31 December 2020		30 June 2020	
	Number of warrants	Weighted-average exercise price (\$CAD)	Number of warrants	Weighted-average exercise price
Outstanding, beginning of year	-	-		\$
Granted	614,601	\$1.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of period	614,601	\$1.00	-	-

On 23 December 2020, 492,941 share purchase warrants were granted to convertible note holders. Each warrant entitles the holder to acquire one common share in the Company at \$CAD 1.00 per share until 23 December 2022. No expense has been determined in the current period’s profit and loss.

On 23 December 2020, 79,948 share purchase warrants were granted to listing advisers. Each warrant entitles the holder to acquire one common share in the Company at \$CAD 1.00 per share until 23 December 2022. The fair value of these warrants was determined as \$50,728 using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.21%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	125%

On 23 December 2020, 41,712 share purchase warrants were granted to the Company’s convertible note advisors. Each warrant entitles the holder to acquire one common share in the Company at \$CAD 1.00 per share until 22 June 2022. These warrants replaced options over shares in BTC previously granted to the advisor in relation to the convertible note financing. No expense has been included in the current period’s profit and loss.

Share options

The Company has adopted a share option plan whereby it is authorized to grant options to executive officers and directors, employees and/or consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The aggregate maximum number of common shares issuable under the plan is 4,071,070 common shares.

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The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Directors grant such options.

The following is a summary of the changes in the Company's share option activities for the period ended 31 December 2020 and year ended 30 June 2020:

	31 December 2020		30 June 2020	
	Number of options	Weighted-average exercise price (\$CAD)	Number of options	Weighted-average exercise price
Outstanding, beginning of period	-	-	-	-
Granted	3,746,745	\$0.98	-	-
Expired	-	-	-	-
Cancelled	-	-	-	-
Outstanding, end of period	3,746,745	\$0.98	-	-

On 23 December 2020, the Company granted 3,746,745 share options to various consultants, directors and officers of the Company. 3,583,888 share options have an exercise price of \$CAD 1.00 per share and expire on 22 December 2025. 120,000 share options have an exercise price of \$CAD 0.47 per share and expire on 31 October 2023. 42,857 share options have an exercise price of \$CAD 0.47 per share and expire on 1 May 2021.

The fair value of these options was determined as \$ 209,555 (presented as a share-based payment of \$100,641 with the remainder, representing legacy A-Labs entitlements, included in the determination of Listing Expense in note 16) using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.19 - 0.39%
Expected term (in years)	0.5 - 5
Estimated dividend yield	0%
Weighted-average estimated volatility	125%

The following table summarizes information regarding share options outstanding and exercisable as at 31 December 2020:

Expiry Date	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise Price (\$CAD)
Options				
1 May 2021	42,857	42,857	0.33	\$0.47
31 October 2023	120,000	120,000	2.83	\$0.47
22 December 2025	3,583,888	10,000	4.98	\$1.00
Total	3,746,745	172,857	4.86	\$0.98

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Note 14. Loss Per Share

	For the six month period ended		For the three month period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	\$	\$	\$	\$
Profit (loss) after income tax attributable to the owners of Banxa Holdings Inc used in calculating diluted earnings (loss) per share	(908,045)	(1,886,321)	(468,336)	(1,277,072)
Weighted average number of common shares used in calculating basic earnings (loss) per share	33,740,842	28,956,669	34,322,713	29,001,857
Impact of dilutive items including options and warrants (issued 23 December 2020), and convertible notes outstanding during the period	na	na	na	na
Weighted average number of common shares used in calculating diluted earnings (loss) per share	33,740,842	28,956,669	34,322,713	29,001,857
Basic earnings/ (loss) per share	(0.03)	(0.07)	(0.01)	(0.04)
Diluted earnings/ (loss) per share.	(0.03)	(0.07)	(0.01)	(0.04)

The calculation of weighted average number of shares has been adjusted retrospectively for the effects of the equity recapitalisation associated with the reverse takeover, refer note 16.

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Note 15. Acquisitions

Singapore

On 7 September 2020 BTC Corporation Holdings Pty Ltd acquired 100% of the ordinary shares of Internet SG Ventures Pte Ltd (ISGV) for the total consideration of \$1. ISGV operates a similar business on a shared platform as part of the strategy to enter the South-East Asian market. The acquired entity did not meet definition of business combination as per IFRS 3, hence, this transaction was treated as asset acquisition.

Canada

On 30 September 2020 BTC Corporation Holdings Pty Ltd acquired 100% of the ordinary shares of Richmond Internet Ventures Corporation ("RIV") for the total consideration of \$16. RIV operates a similar business on a shared platform in the Canadian market. The acquired entity did not meet definition of business combination as per IFRS 3, hence, this transaction was treated as asset acquisition.

Total acquisition payments

Total net cash inflow as the result of acquisition of the above entities was \$111,046, after total cash considerations paid for \$17.

Note 16. Reverse Takeover

On 23 December 2020, the formerly named A-Labs Capital I Corp ("A-Lab") completed a reverse takeover transaction ("RTO") with BTC Corporation Holdings Pty Ltd ("BTC") whereby the Company acquired 100% of the issued and outstanding common shares of BTC. Pursuant to the RTO, the Company issued an aggregate of 38,314,210 common shares of the Company in exchange for all of the issued and outstanding shares of BTC. Upon closing of the transaction, the Company was renamed Banxa Holdings Inc and the ownership of the Company was as follows:

	%
-Previous shareholders of BTC	94.1
-Previous shareholders of A-Labs	3.0
-Shares issued to arrangers.	2.9

As a result, the transaction is considered a reverse acquisition of the Company by BTC. The Company changed its year end from 31 December to 30 June in order to align the fiscal year period to that of BTC. For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 Business Combinations since A-Labs Capital I Corp, prior to the RTO, did not constitute a business. The RTO is accounted for in accordance with IFRS 2 Share-based Payments whereby BTC is deemed to have issued shares in exchange for the net assets in exchange for the net assets of A-Labs together with its TSX-V listing status at the fair value of the consideration received by BTC.

Accordingly, these accounts have been prepared as follows:

- The consolidated financial statements of the combined entities are issued under the legal parent, Banxa Holdings Inc, but are considered a continuation of the financial statements of the legal subsidiary, BTC;
- All comparative figures reflect the consolidated BTC group only and exclude A-Labs;
- Since BTC is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying value; and

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- The value in excess of the net identifiable assets or obligations of A-labs acquired on closing was expensed in the condensed consolidated statement of loss as a listing transaction expense.

The fair value of the 1,200,000 common shares issued was determined to be \$CAD 1.00 per share 1,220,160

The fair value of all the consideration given was as follows:

- 1,200,000 common shares of the Company 1,220,160
- 162,857 options of the Company 108,914
- 1,329,074

The listing transaction expense was determined as follows:

Trade and other payables acquired	144,838
Charge related to the public company listing -equity issue	1,329,074
Arranger fees -equity issue	<u>1,216,601</u>
Total Listing expenses	<u>2,690,513</u>

Note 17. Related Party Transactions

For the periods ended 31 December 2020 and 2019, the Company had related party transactions with the following companies related by way of management, directors or shareholders in common (amounts include GST where applicable):

	For the six month period ended		For the three month period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	\$	\$	\$	\$
Consulting fee paid to a company controlled by the Chairman;				
• Bonus (paid in equity)	10,850	100,000	-	-
• CEO fees (at cost)	-	150,563	-	75,281
• Other staff costs (at cost)	-	60,500	-	27,500
• Overheads (at cost)	3,041	47,629	2,330	21,304
Director fees	72,000	56,250	36,000	36,000
Bonus payable to director	55,000	-	-	-
Issue of shares to an officer as part of an issuer arrangement	722,945	-	722,945	-
Consulting fees paid to officers	83,290	33,239	52,375	33,239
Rent expense (at cost) paid to a company controlled by the Chairman	47,181	51,238	20,625	25,619

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Purchase of crypto currency for resale from director related entity	-	67,214	-	67,214
Crypto currency advances (interest-free) by a director included in Borrowings	493,067	-	493,067	-
Short-term unsecured cash advances during the period to an acquired company with related director	82,254	-	82,254	-
Acquisition consideration paid to a director	17	-	17	-

As at 31 December 2020, included in Trade and Other Payables is a balance of \$259,022 (30 June 2020: \$54,242) payable to related parties as follows:

	As at 31 December 2020	As at 30 June 2020
	\$	\$
Directors of the company	173,522	33,997
Officers of the company	81,717	10,818
Employees of the company	3,784	9,427
Total Trade and Other Payables to related parties	259,023	54,242

As at 31 December 2020, included in Borrowings is a balance of \$1,073,068 (30 June 2020: 60,000) payable to related parties as follows:

	As at 31 December 2020	As at 30 June 2020
	\$	\$
Directors of the company (cash borrowings)	380,000	60,000
Directors of the company (crypto currency borrowings)	493,068	-
Officers of the company	200,000	-
Total Borrowings to related parties	1,073,068	60,000

The amounts due to related parties are without stated terms of repayment or interest.

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Note 18. Key Management Personnel Compensation

The remuneration of directors and other members of key management for the periods ended 31 December 2020 and 2019 were as follows:

	For the six-month period ended		For the three-month period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	\$	\$	\$	\$
Salaries and short-term employee benefits	473,805	254,150	252,111	140,409
Management and consulting fees	248,626	74,475	149,904	46,494
Board compensation	72,000	56,250	30,000	30,000
Share based compensation	74,353	-	74,353	-
Total key management personnel compensation	868,784	384,875	506,368	216,903

Note 19. Contingent liabilities

With the exception of the following matter, there are no contingent liabilities as at 31 December 2020 and 31 December 2019.

The actual amount repayable on convertible notes could exceed this carrying value by \$75,183 if the noteholders choose to convert the notes into equity, at the agreed discount, prior to the date when the Company is eligible to redeem the notes at face value with a cash payment

Note 20. Events after the reporting period

The company announced appointing Lytham Partners LLC to lead a U.S. investor relations program. Lytham Partners will be compensated \$6,500 (U.S.) and the terms are on a month-to-month basis.

Note 21. Correction of error in prior quarter

During the current period management identified that BTC Holdings Corporation Pty Ltd (refer to note 16) made an error in the accounting of Inventory as at 30 September 2020, which resulted in an understatement of Inventory of \$666,892 and an overstatement of cost of sales and services of \$675,130 in the financial report for the three-month period ended 30 September 2020. The error has been corrected in this financial report by adjusting the balance of Inventory as at 30 September 2020 and the cost of sales and services for the three month period ended 31 December 2020. The above matter has neither impacted the financial position of the Consolidated entity as at 31 December 2020 nor impacted its results for the six-month period ended on that date.

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Summary impact on the financial position as at 30 September 2020 (not reported again in the current interim report):

Balance Sheet	Originally reported 30 September 2020	Adjustment Increase/(decrease)	Restated 30 September 2020
Inventory	164,257	666,892	831,149
Total Assets	6,458,739	666,892	7,125,631
Total Equity	582,924	666,892	1,249,816
Total Liabilities and Equity	6,458,739	666,892	7,125,631

Summary impact on statement of profit or loss and other comprehensive income for three-month period ended 30 September 2020 (respective amounts are re-stated in the P&L):

Profit and Loss	Original reported 30 September 2020	Adjustment Increase/(decrease)	Restated 30 September 2020
Cost of Sales	(2,291,863)	675,130	(1,616,733)
Other Income (Expenses)	256,399	(8,238)	248,101
Profit and Loss	(1,135,227)	666,892	(468,335)
Total Comprehensive Loss	(1,160,987)	666,892	(494,095)

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Note 22. Reconciliation of Net Cash Outflows Used in Operating Activities

	31 Dec 2020	31 Dec 2019
	\$	\$
Net loss after tax	(908,045)	(1,886,321)
Net investment in working capital	(5,448,055)	144,032
Non-cash items:		
Income tax expense	-	347,791
Provision for legal settlement	480,000	-
Movement in other provisions	390,268	-
TSX Listing expense	2,690,513	-
Unrealised gain on inventory	(2,364,622)	-
Share based compensation	100,641	-
Amortization and depreciation	16,175	309,739
	<u>(5,043,125)</u>	<u>(1,084,759)</u>
Net Cash Outflows Used in Operating Activities	<u>(5,043,125)</u>	<u>(1,084,759)</u>