

Business

Swyftx pays \$48.5m dividend, sacks one-third of staff

The Brisbane-based crypto platform, with \$173m in deposits, has unwound almost all fixed-term arrangements with third parties.

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m dividend in the months before it went

New accounts lodged with the corporate regulator show the company, which earlier this year announced a merger with share trading platform Superhero, reported a \$36.7m profit after tax for the 12 months to June 30, down from \$48.2m in the prior financial period.

Separately, the company told staff on Monday that it was making 90 positions – or over one-third of all employees – redundant.

In an email, Swyftx co-founder Alex Harper said the redundancies, on top of 74 positions cut in April, were part of preparations for a “worst-case scenario” in cryptocurrency markets.

“The truth is that Swyftx grew too fast,” Mr Harper wrote.

“Our world was very different at the start of the year and our forecasts were for global trading volumes to carry on rising for at least six months longer than they did.

“As a result, we have to prepare in advance for a worst-case scenario of further significant drops in global trade volumes during the first half of next year and the potential for more black swan-type events.”

Staff made redundant will receive between four and six weeks’ pay.

The platform has also moved to a more conservative arrangement as the cryptocurrency sector is buffeted by investor scepticism and a fall asset values, unwinding almost all fixed-term arrangements with third parties in the last five months.

The Australian Securities and Investments Commission filings note the company would “continue to monitor recent market events, including in relation to the cryptocurrency exchange FTX and the impacts and risks its insolvency may present to the broader market”.

“The group will take proactive action in response to any anticipated change to market conditions,” the accounts read.

“Further information about likely developments in the operations of the group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the group.”





Swyftx counts among its investors billionaire businessman Alex Waislitz and funds managers Ophir Asset Management and Wilson Asset Management. Picture: Ian Waldie/Bloomberg

[FTX, one of the largest cryptocurrency platforms in the world, collapsed in November](#). That platform, run by Sam Bankman-Friend, was using billions of dollars of money deposited by customers to pay for trades at an affiliated business, known as Alameda Research, with the undisclosed loans leading to large withdrawals and a funding crunch.

About 28,000 Australians have been caught up in the collapse of FTX with some customers claiming to be \$US1m (\$1.5m) out of pocket.



FTX founder Sam Bankman-Fried. Picture: YouTube

But that company, according to its new chief executive John Jay Ray, who handled the bankruptcy of energy giant Enron in 2001, was being run by “very small group of inexperienced, unsophisticated and potentially compromised individuals”.

“Never in my career have I seen such a complete failure of corporate controls and such a complete absence of trustworthy financial information as occurred here,” he said.

[Swyftx](#) counts among its investors billionaire businessman Alex Waislitz and funds managers Ophir Asset Management and Wilson Asset Management.

Mr Harper and his fellow co-founder, Angus Goldman, met at a science camp as teenagers and were last year hiring a new worker each day as they roll out ambitions to dominate the market. The company moved last year into new headquarters in Brisbane where staff enjoy free kombucha on tap, snacks, a games area and soundproof meditation room.

An investor update in late November outlined plans to raise additional capital, with Swyftx flagging “a small bridging round while funding markets are subdued and cost of capital is high”.

“This capital would be used to build with confidence during the downturn. We have engaged advisors in this regard,” the update reads.



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Swyftx reported a \$36.7m profit after tax for the 12 months to June 30. Picture: Ian Waldie/Bloomberg

The Swyftx accounts show a significant rise in revenue – from \$101.2m in the 2021 financial year to \$153m. The vast majority of that, \$131.5m, was income from the cryptocurrency exchange business, although Swyftx operates a separate crypto lending program.

As of June 30, the company held \$24.3m in cryptocurrency assets and had \$154.5m in cryptocurrency receivables from third parties. Customers had deposited \$173.7m with the platform in total, the documents filed with ASIC show.

“As at balance date, 20 per cent of the customer assets were held in fixed term arrangements with third parties,” they read.

“As at (November 30), only 1.4 per cent of customer assets were held in fixed arrangements with third parties, with 98.6 per cent on call.”

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