



2018 H1 Results Update

September 2018

Certain statements in this document are forward-looking statements. The forward-looking statements include statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “plans”, “projects”, “estimates” and words of similar import. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause actual results, performances and achievements to differ. The forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and environments in which the Company will operate in the future and such assumptions may or may not prove to be correct. No statement in this document is intended to be nor may it be construed as a profit forecast.

Highlights

Highlights – H1 2018 (vs H1 2017)

Financial

- \$5.3m improvement in Adjusted EBITDA
 - H1 2018: +\$2.5m
 - H1 2017: (\$2.8m)
- Net Loss of \$0.68m (H1 2017: \$6.8m)
- Revenue up 66% to \$16.9m (H1 2017: \$10.2m)
- \$30.7m Gross cash (2017: \$20m)
 - Average daily cash balance: \$23.1m (2017: \$19.2m)

KPIs

- Total Payment Volume up 153% to \$1.55bn (H1 2017: \$612m)
- Monthly Active Users up 117% to 10.3m

Other

- Boku Account connections for major customers like Microsoft, Spotify now total 127 (2017: 107)

Financial Results

Adjusted EBITDA Performance

\$000's	H1 2018	H1 2017	Mvt	
Revenue	16,906	10,207	6,699	66%
Cost of sales	(1,279)	(1,050)	(229)	(22%)
Gross profit	15,627	9,157	6,470	71%
Administrative expenses	(15,681)	(14,361)	(1,320)	(9%)
OPERATING LOSS	(54)	(5,204)	5,150	99%
Operating loss analysed as:				
Adjusted EBITDA*	2,546	(2,758)	5,304	192%
Depreciation and amortisation	(1,397)	(1,452)	55	4%
Stock Option expense	(667)	(474)	(193)	(41%)
Foreign exchange gains/(losses)	(293)	135	(428)	(317%)
Exceptional items (included in administrative expenses)	(243)	(655)	412	63%

- Strong revenue growth with higher gross margin demonstrating benefits of scale
 - Gross margin for H1 2018 up to 92.4% (Dec 2017: 91%)
- Gross profit significantly increased (+71%) while administrative expenses only increased by 9%
- Adjusted EBITDA was positive at \$2.5m, 192% better than H1 2017
- FX of \$0.4m negative impact since H1 2017 primarily from translation of £/Euro into \$

*Adjusted Operating Expenditure = Administrative expenses adjusted to exclude depreciation and amortisation, share option expense, foreign exchange gains and losses and exceptional items (which include IPO costs).

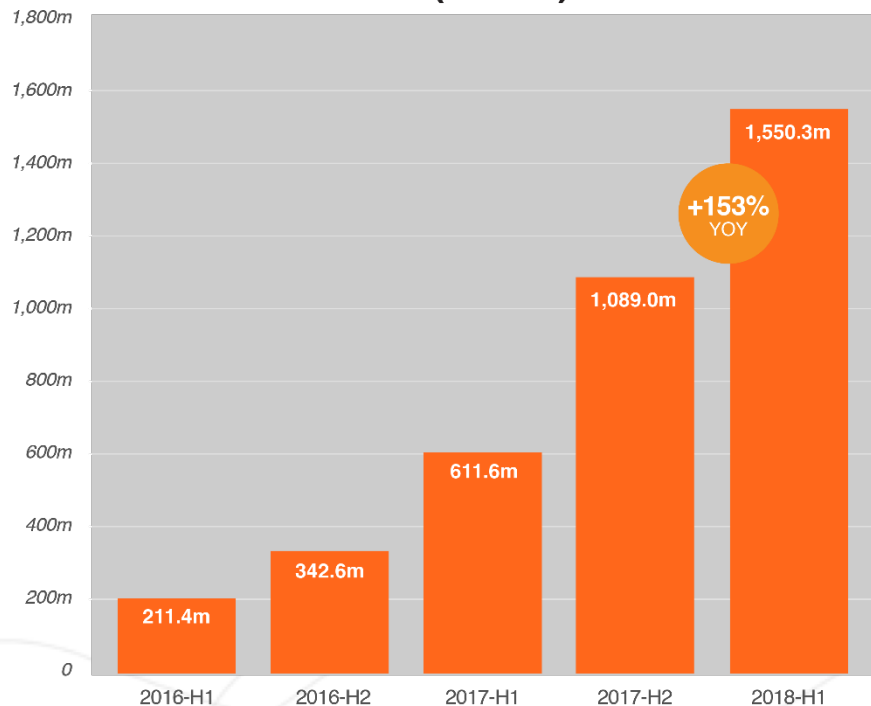
Reduction In Accounting Losses

\$000's	H1 2018	H1 2017	Mvt	
Operating loss	(54)	(5,204)	5,150	99%
Finance income	23	8	15	188%
Finance expense	(527)	(1,220)	693	57%
Loss before tax	(558)	(6,416)	5,858	91%
Tax (expense)/credit	(122)	(146)	24	16%
Net Loss for the period attributable to equity holders of the parent company	(680)	(6,562)	5,882	90%

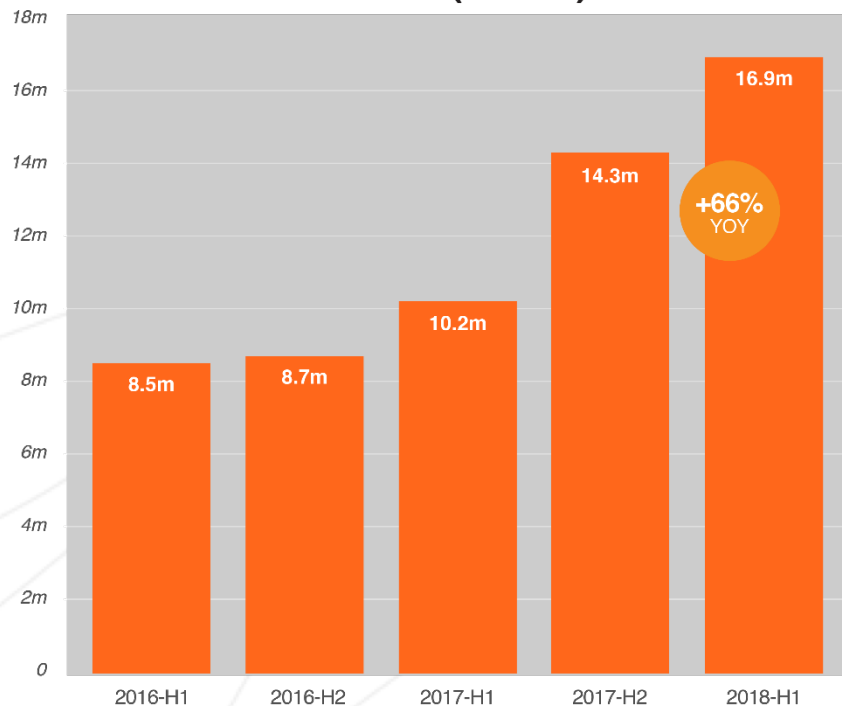
- Operating Losses reduced by 99%
- Expenses relating to early break of the factoring agreement (\$0.3m) and SVB anniversary fee (\$0.1m) shown as Financing Expense
- Adjusted Net Loss of \$0.7m – down from \$6.6m in 2016

TPV Growth Feeding into Revenue

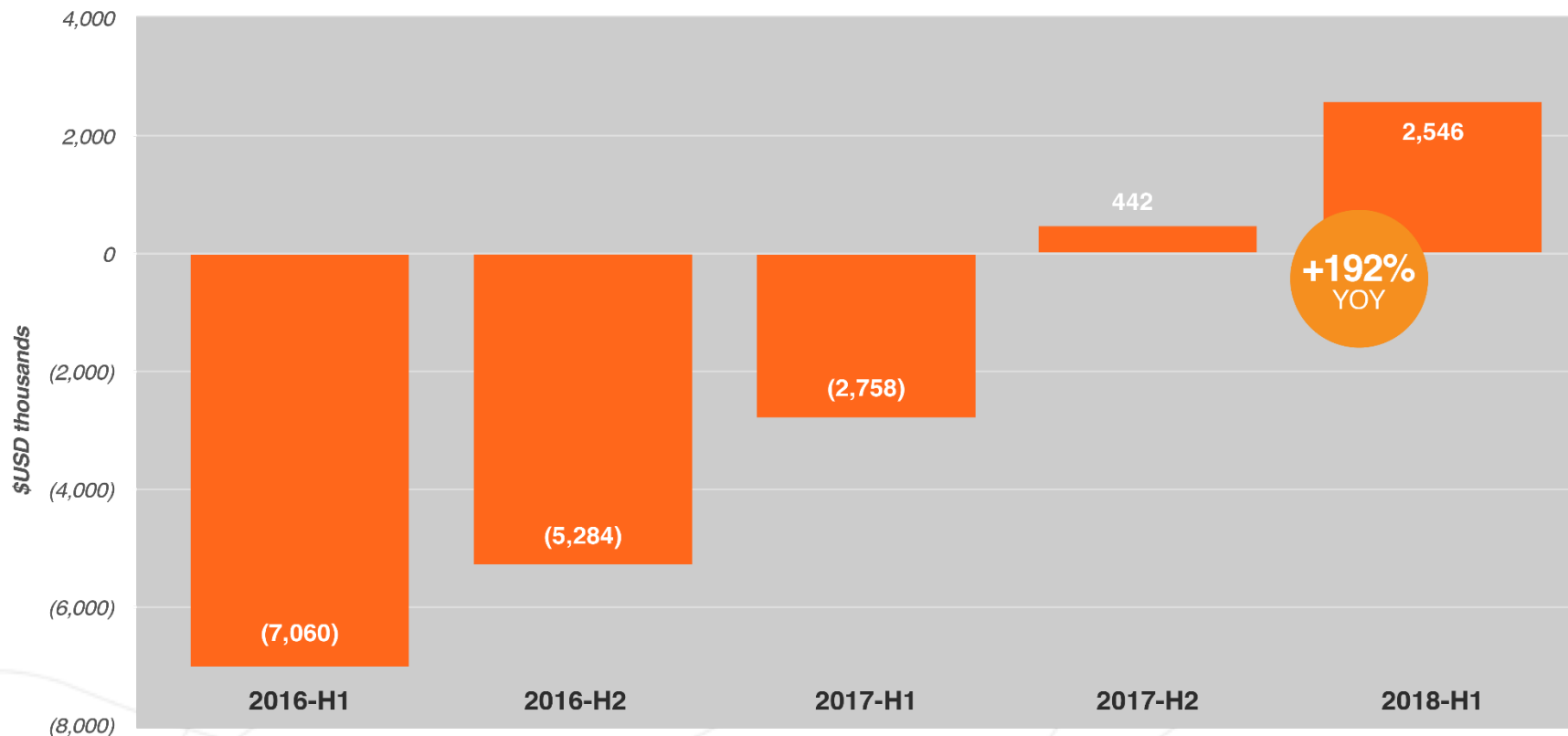
TPV (\$ USD)



Revenue (\$ USD)



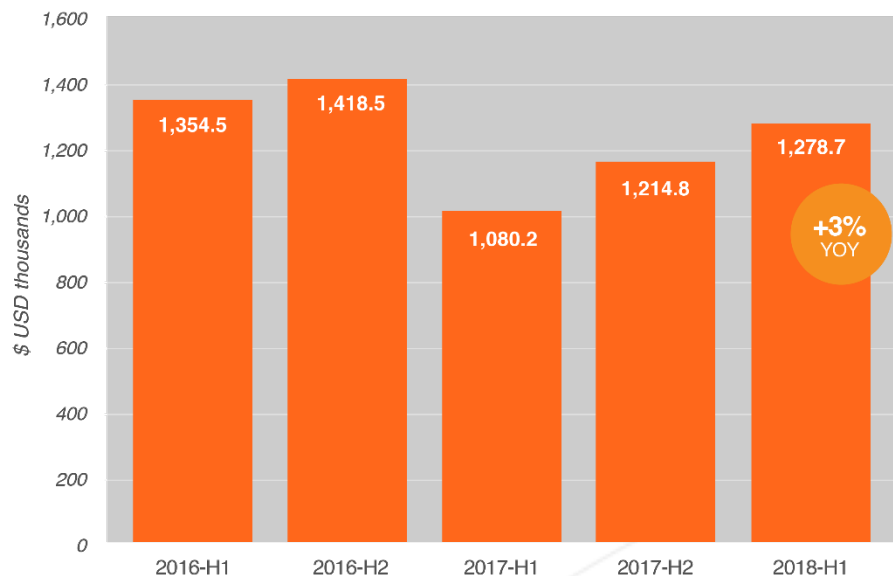
\$2.5m Positive Adj. EBITDA Continues Improving Trend



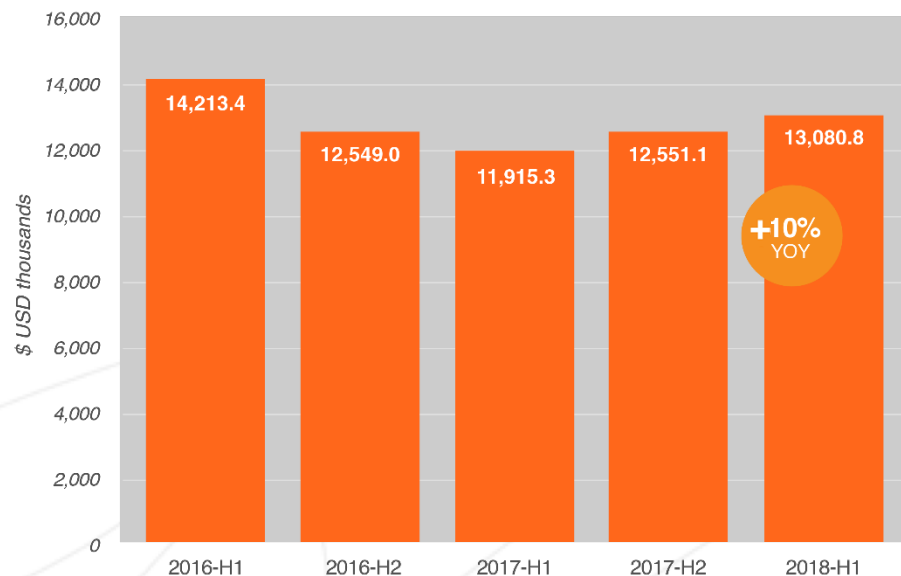
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Expenses Under Control

Cost of Goods Sold Stable



Stable Adjusted Operating Expenditure*



- Gross Margin: 92.4% in H1 18 (91% average across 2017)
- H1 18 CoGS pulled up slightly by strong Settlement model performance
- H1 18 Opex includes \$0.6m investment in Boku Mobile Identity

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Closing Balance Sheet (\$000's)	(Unaudited) H1 2018	(Audited) Dec-17
Non-current assets		
Property, plant and equipment	335	410
Intangible assets	24,046	25,799
Investments	125	–
Deferred income tax assets	689	714
Total non-current assets	25,195	26,923
Current assets		
Trade and other receivables	45,845	59,115
Cash and cash equivalents	29,545	18,741
Restricted cash	1,119	1,439
Total current assets	76,509	79,295
Total assets	101,704	106,218
Current liabilities		
Trade and other payables	71,220	74,981
Derivative financial instrument	1	24
Loans and borrowings	2,181	2,482
Total current liabilities	73,402	77,487
Non-current liabilities		
Trade and other payables	86	86
Loans and borrowings	43	43
Total non-current liabilities	129	129
Total liabilities	73,531	77,616
Net assets/(net liabilities)	28,173	28,602

Balance Sheet

- Closing cash balances \$30.7m (from \$20m) are high due to the timing of payment cycles within the Settlement business.
- Weighted average cash improved to \$23.1m from \$19.2m (June 18 vs Dec 17)
- Receivables are lower due to improved collections
- Short term debt reduced from \$2.5m to \$2.2m (min interest requirement on SVB facility)
- Off balance sheet factoring facility removed

Strategy and Outlook

Boku: Recruiting and Retaining the Right Users

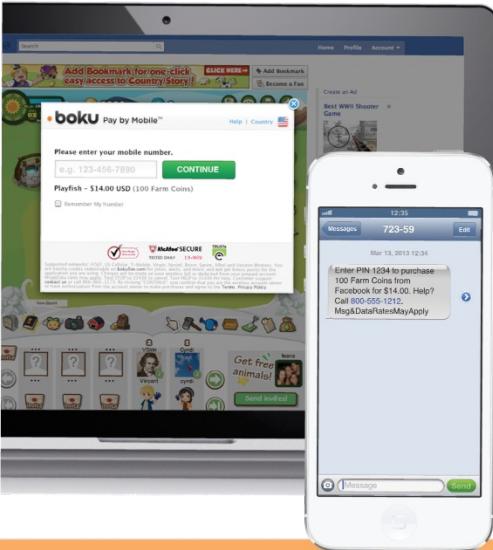


Illustrative list of carriers. No claim made about specific networks

Boku's Products

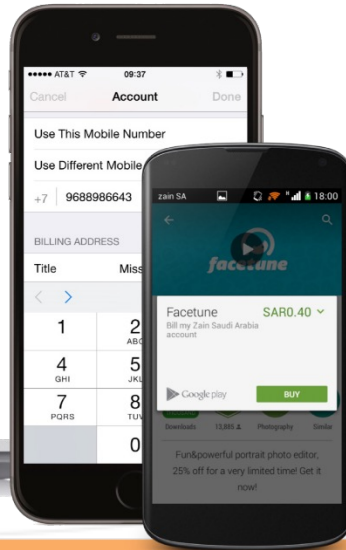
Boku Checkout

Simple one off transactions charged to your phone bill or pre-paid balance



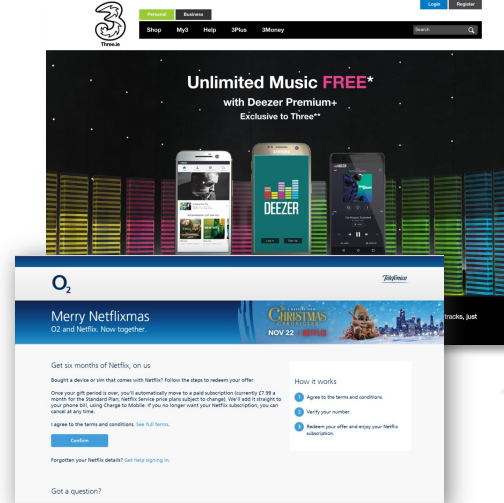
Boku Account

Phone on file. Simple registration captures lifetime value



Boku Acquire

Supports merchants using carriers as a sales distribution channel



Boku Identity




Ensures high quality users. Can be offered to digital and non digital customers

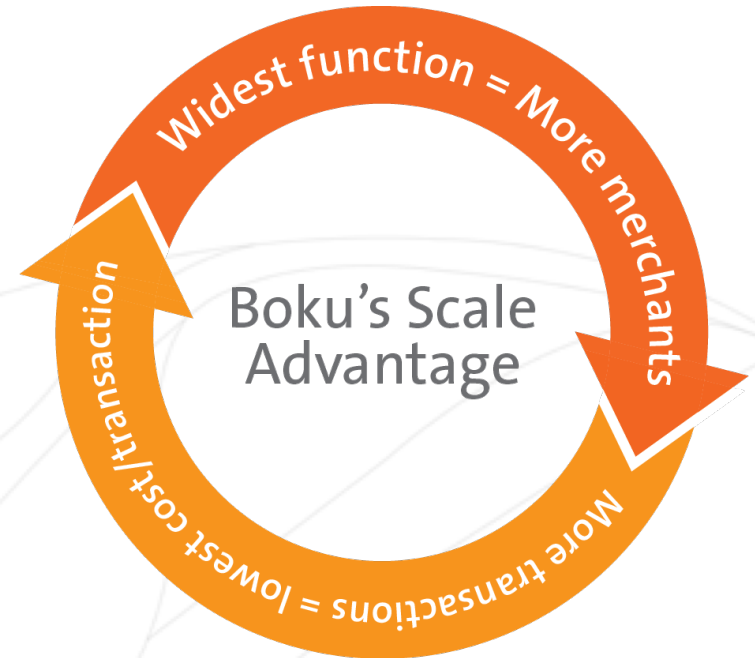


Boku Optimise

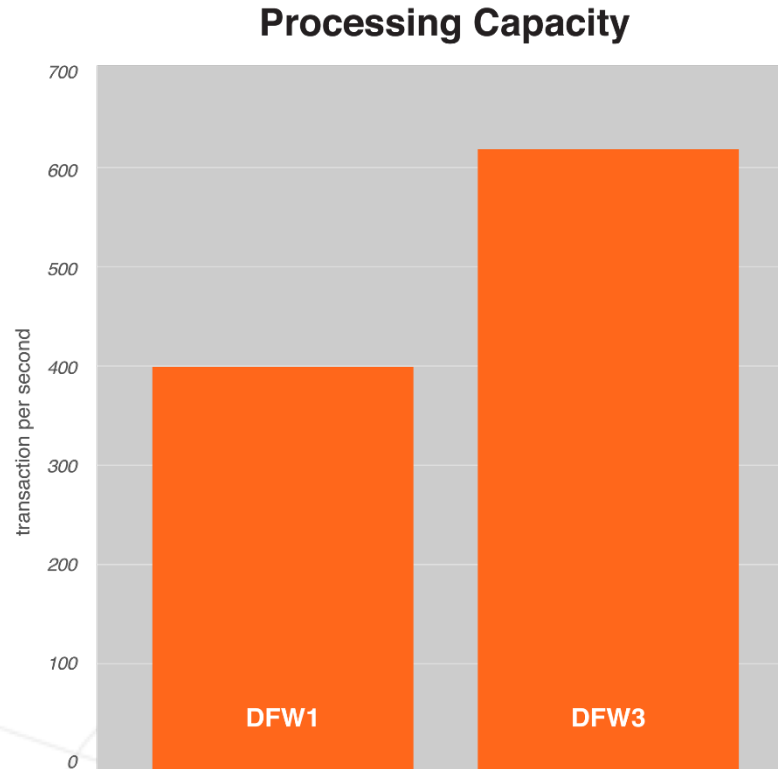
Uses data analytics to maximise spend and customer lifetime

Strategic Relationships

Facebook #1 Social Network		Sole DCB Aggregator
Sony #1 Console		Sole DCB Aggregator
Microsoft #2 Console		Official DCB Aggregator
Spotify #1 Music Streaming		Primary DCB Aggregator
Netflix #1 Video Streaming		Sole DCB Aggregator
Riot Games #1 Grossing PC Game		Sole DCB Aggregator
Blizzard #5, #8 Grossing PC Games		Sole DCB Aggregator



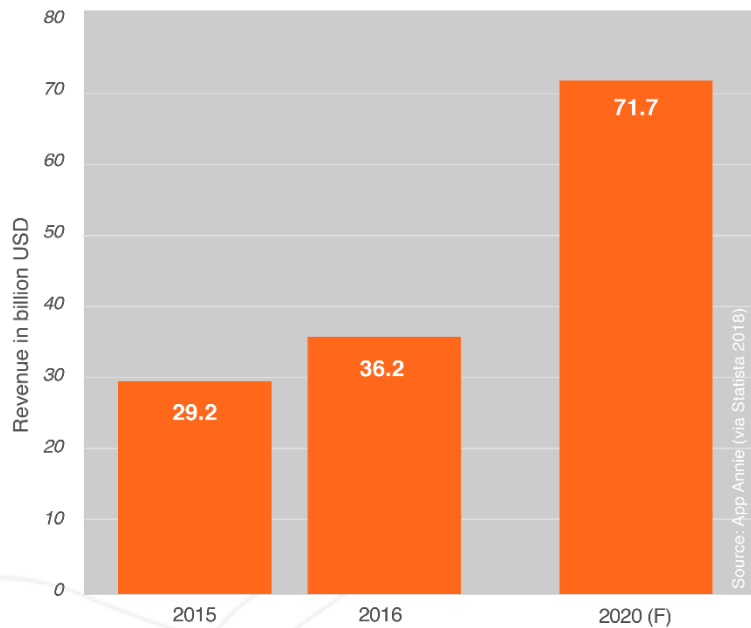
Boku Platform Processing Capacity Increased



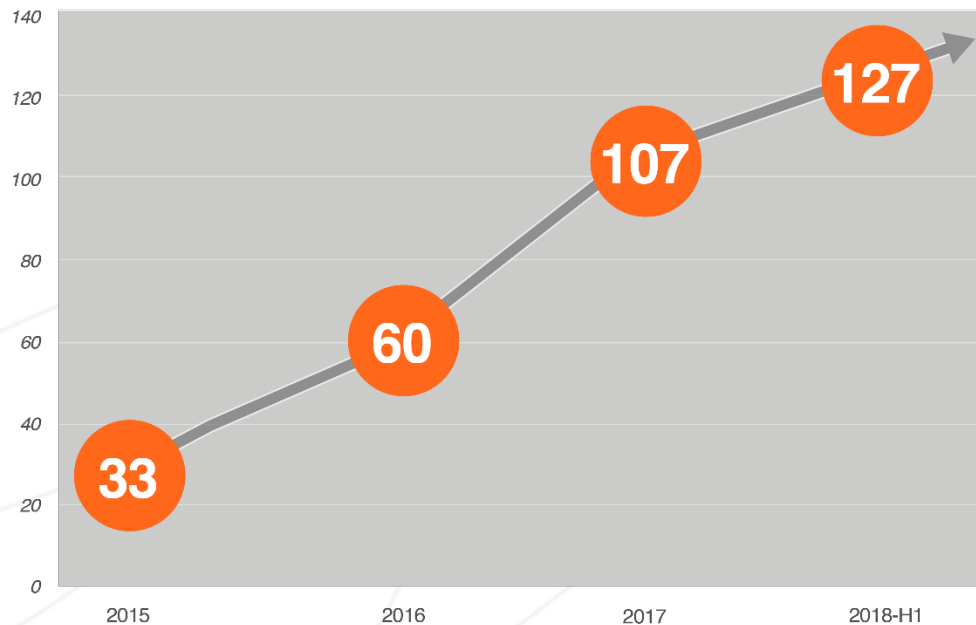
Migration to new data centre and investment in new infrastructure has further increased capacity to >600 transactions / second, without material increase in costs

Growth in Underlying Market and Broader Distribution...

App Store: projected 18% CAGR



Boku Account Connections

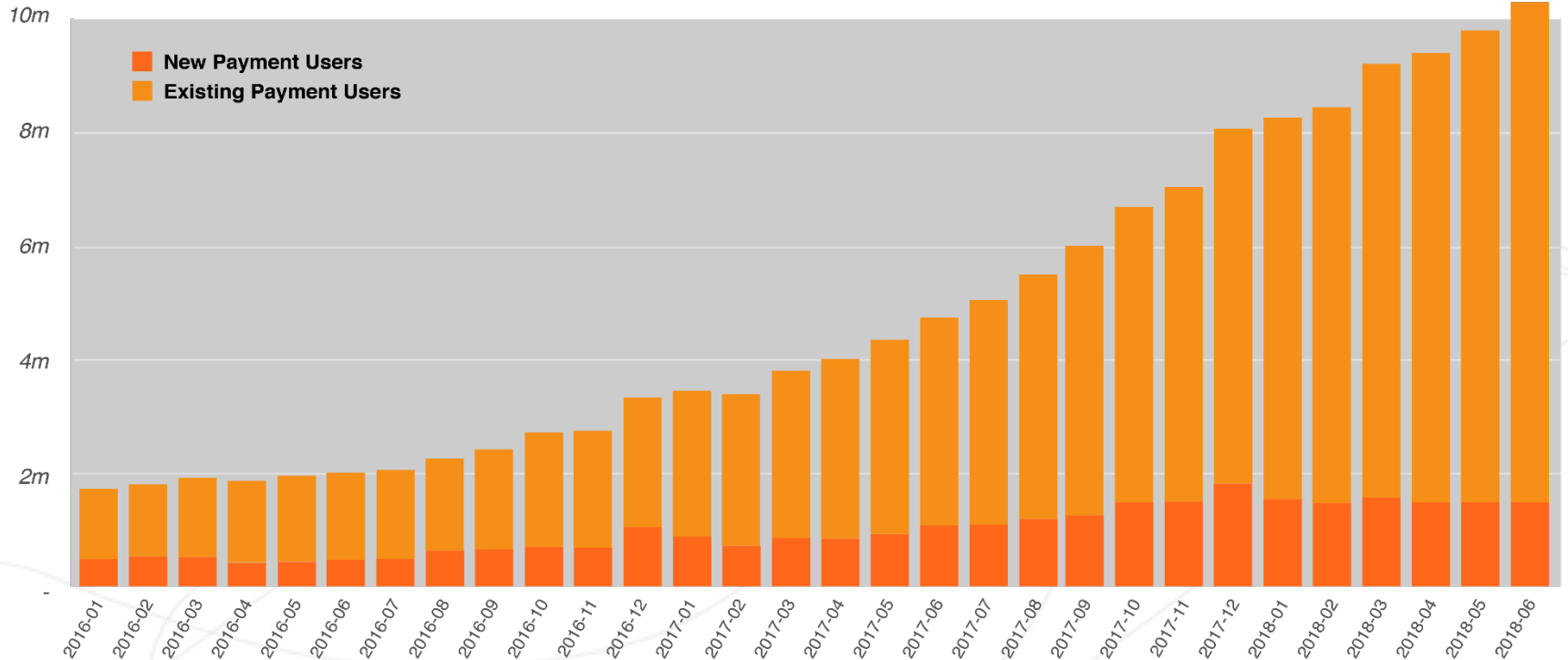


DFW1

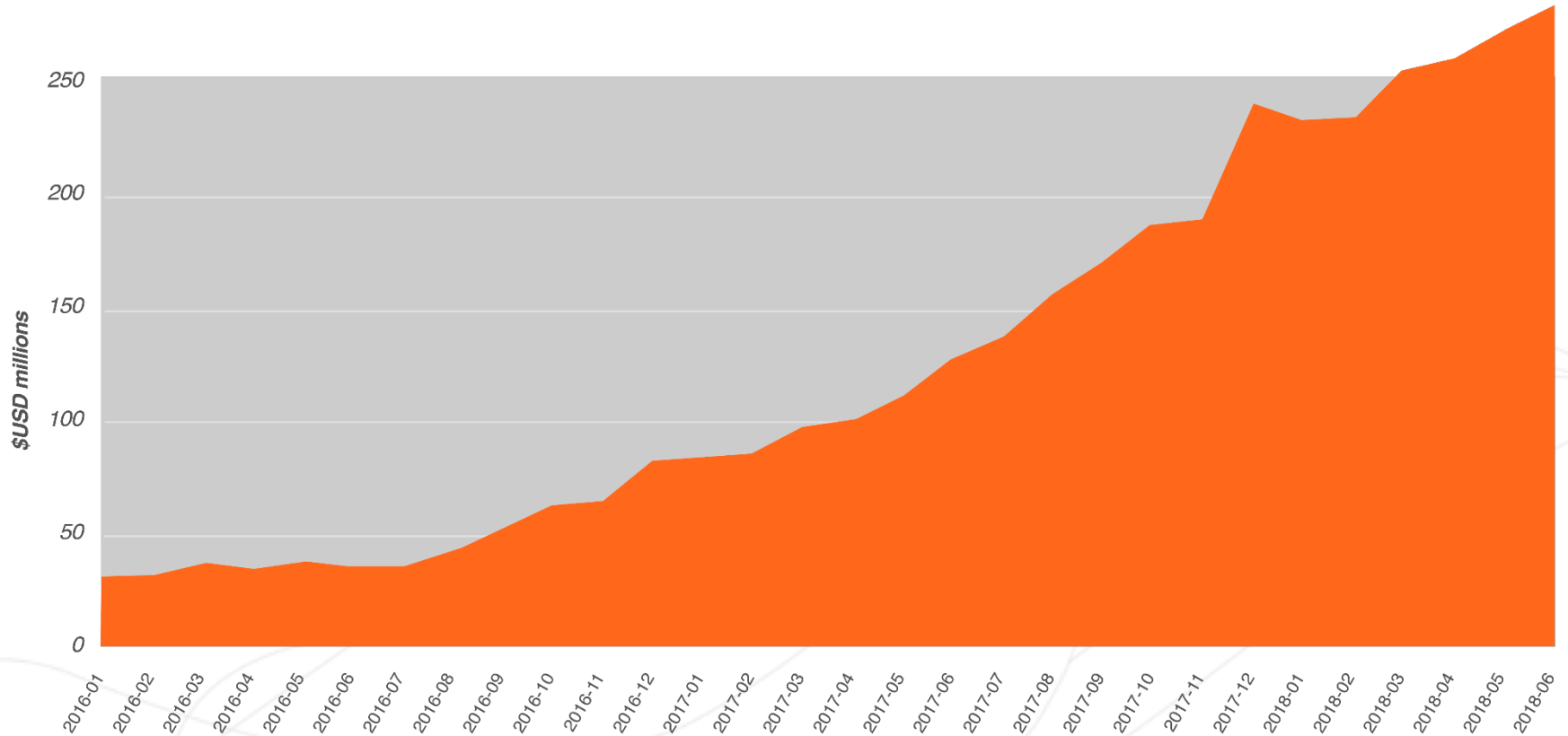
DFW3

... drive predictable growth in users on the Boku platform

Monthly Active Users on Boku Platform



...and increasing levels of TPV



New Payments and Identity Merchants



Hooq
New customer - Boku Identity



Global Video Streaming Service
Further rollout - Boku Account



Huawei
New customer - Boku Checkout



Yahoo
New customer - Boku Identity



Japanese eCommerce Company
New customer - Boku Checkout

Outlook

- Encouraging trading so far this year:

– TPV:	YTD Aug-2018:	\$2.2bn	+140%	(YTD Aug-2017 \$0.9bn)
– MAU:	YTD Aug-2018:	11.3m	+105%	(YTD Aug-2017: 5.5m)

- Full year:

- Continued substantial growth in TPV and revenue in line to meet recently updated market expectations

- Product Development focus on

- Enhance existing billing products
- Bringing Identity products to market



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