



2018 Results Update

March 2019





Highlights

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Financial

- Revenue up 45% to \$35.3m (2017: \$24.4m)
- Adj. EBITDA \$6.3m vs. 2017 adj. EBITDA loss \$2.3m
- Net Loss of \$4.3m down 85% (2017: \$28.1m)
 - mostly non cash share based compensation expenses inflated by share price at time of grant
- \$32.3m Gross cash at year end (2017: \$20.2m)
- Monthly average cash balances \$24.4m (2017: \$19.2m)

Operational

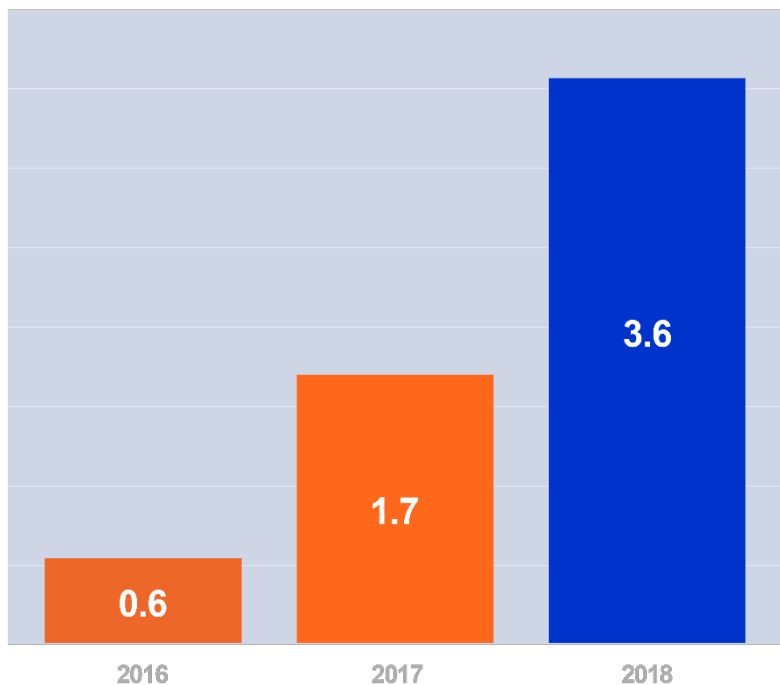
- Total Payment Volume doubled to over \$3.6bn (2016: \$1.7bn)
- 13.5m Monthly Active Users (2017: 8.0m)
- 70 new Boku Account connections for major customers like Microsoft, Spotify (2017: 47)
- Acquisition of Danal Inc. completed



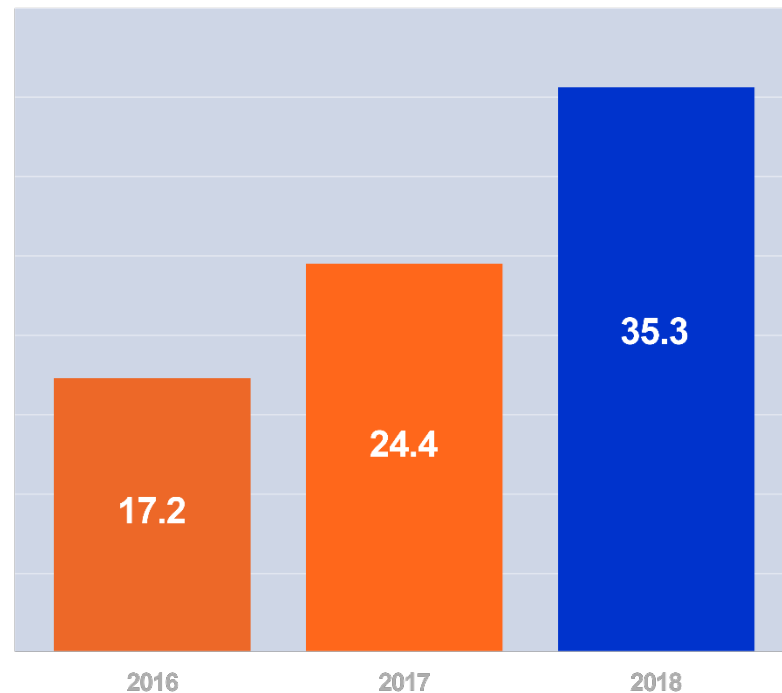
Financial Results

TPV Growth Feeding into Revenue

TPV (\$bn)

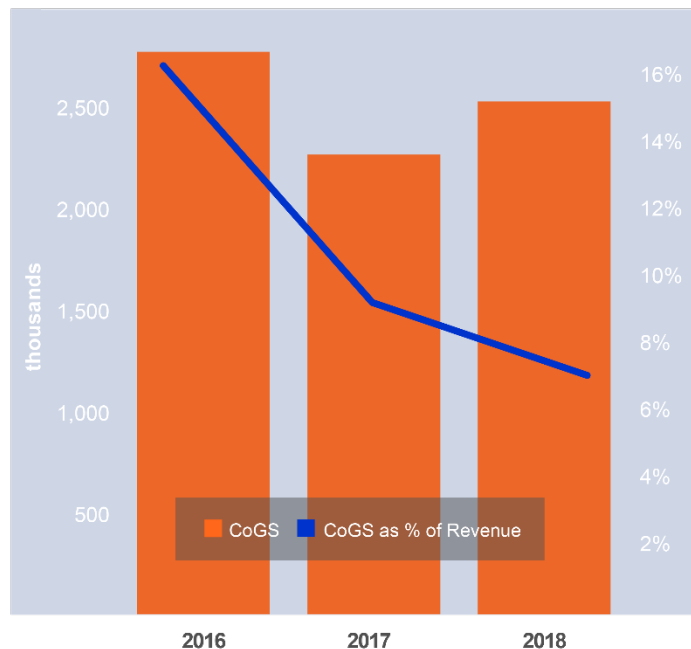


Revenue (\$m)

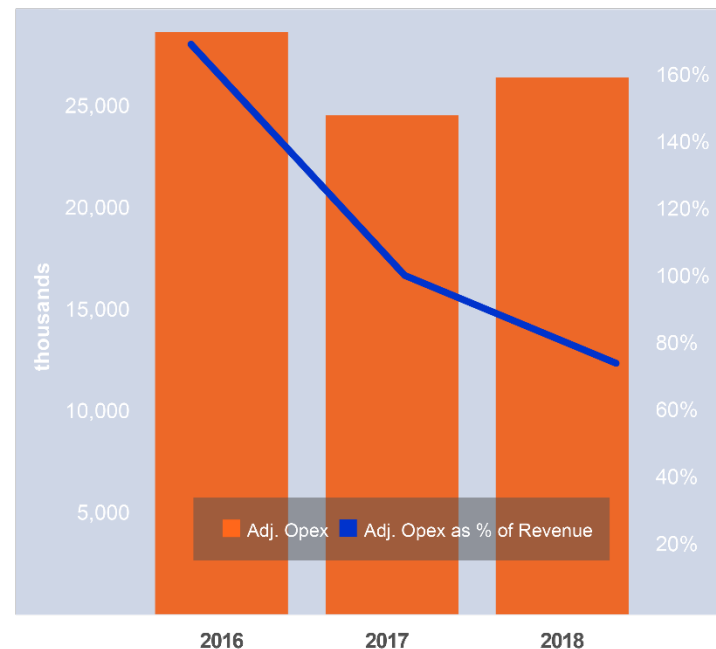


Expenses Under Control

Cost of Goods Sold



Adjusted Operating Expenditure*

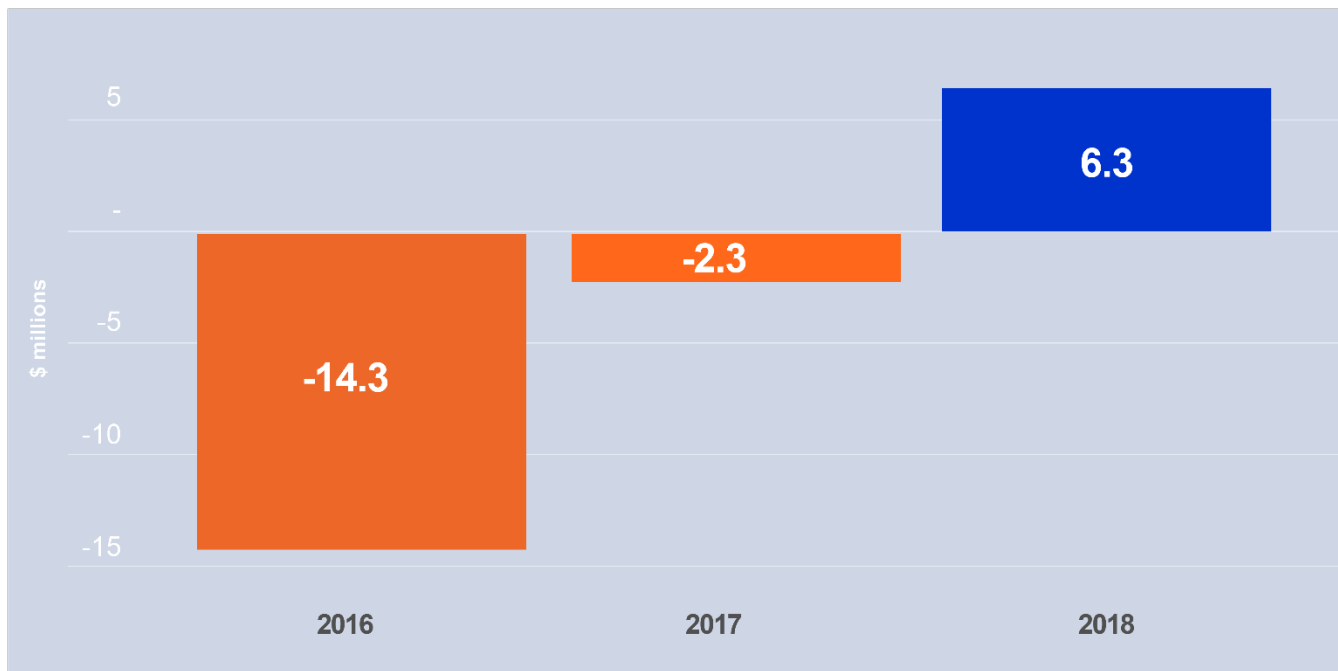


Gross Margin: improved from 91% to 93%

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

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Adjusted EBITDA a positive \$6.3m



Gearing in action

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Financial Performance

\$000's	2017R	2018	Mvt	
Revenue	24,412	35,275	10,863	44%
Cost of sales	(2,265)	(2,512)	(247)	(11%)
Gross profit	22,147	32,764	10,616	48%
Administrative expenses	(31,148)	(35,180)	(4,032)	(13%)
OPERATING LOSS	(9,000)	(2,416)	6,584	73%
Operating loss analysed as:				
Adjusted EBITDA**	(2,319)	6,324	8,643	373%
Depreciation and amortisation	(2,985)	(2,794)	191	6%
Stock Option expense	(1,481)	(4,593)	(3,112)	(210%)
Foreign exchange gains/(losses)	428	(279)	(707)	(165%)
Exceptional items (included in administrative expenses)	(2,644)	(1,075)	1,569	59%

- Continued strong Revenue growth
- CoGS reducing as % Revenue demonstrating benefits of scale
- Gross margins up to 93%, Gross Profit significantly increased
- Adjusted Operating Expenses increased by 8% due to seed investment in Identity
- Adjusted Operating Expenditure for Payments flat vs 2017
- Total Admin Expenses higher due to Stock Option Expenses
- Positive Adjusted EBITDA, 373% better than 2017

*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).
R = Restated 2017 number. 2017 Share Based payments increased by \$571k to account for change in accounting policy for tax on share based payments under IFRS2

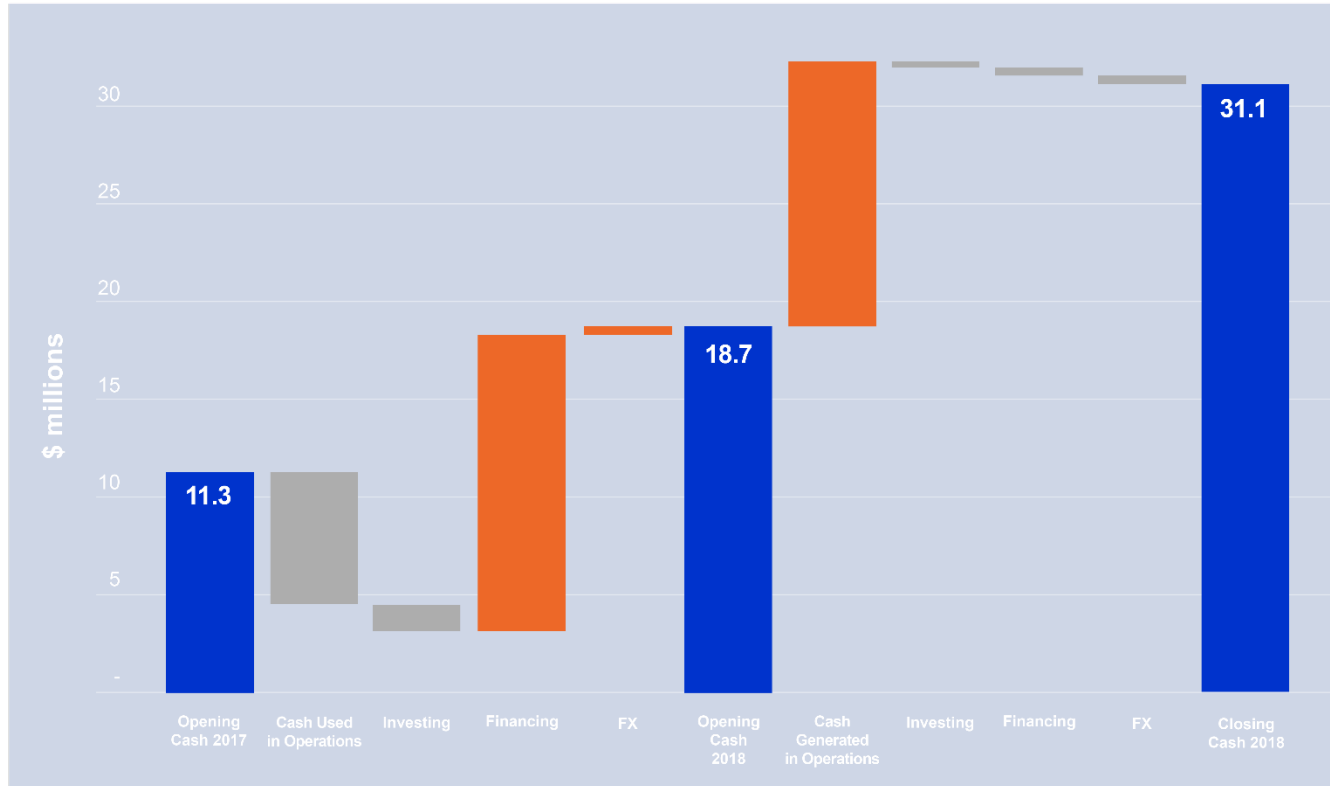
Reduction In Net Loss

\$000's	2017 R	2018	Mvt	
Operating loss	(9,000)	(2,416)	6,584	73%
Finance income	18	53	35	194%
Finance expense	(19,558)	(631)	18,927	97%
Loss before tax	(28,540)	(2,994)	25,546	90%
Tax (expense)/credit	(129)	(1,339)	(1,210)	(938%)
Net Loss for the period attributable to equity holders of the parent company	(28,669)	(4,333)	24,336	85%

- Operating Loss reduced by 73%
- Pre-tax Loss improved by 90% (albeit 2017 included costs relating to the IPO)
- Deferred tax asset write down (non-cash) increased reported tax costs during 2018
- Reported Net Loss of \$4.3m – down from \$28.7m in 2017
 - Impacted by non-cash items:
 - Stock-incentives issued in 2018 at market high point \$2.1m (previous plan expensed \$1.2m)
 - Change in accounting policy under IFRS2 (employer tax on stock incentives) \$0.8m
 - Write down of deferred tax asset \$1.1m

R = Restated 2017 number. 2017 Share Option Expenses increased by \$571k to account for change in accounting policy for tax on share based payments under IFRS2

Cashflow



- The company is now generating cash
- Closing balances are strong at \$31.1m (excl. \$1.3m of restricted cash)
- Financing in 2017 reflects funds raised at IPO

Closing Balance Sheet (\$000's)	2017 R	2018
Non-current assets		
Property, plant and equipment	410	286
Intangible assets	25,799	22,466
Deferred income tax assets	714	254
Total non-current assets	26,923	23,006
Current assets		
Trade and other receivables	59,115	51,658
Derivative financial instrument	–	3
Cash and cash equivalents	18,741	31,073
Restricted cash	1,439	1,251
Total current assets	79,295	83,985
Total assets	106,218	106,991
Current liabilities		
Trade and other payables	75,514	77,374
Derivative financial instrument	24	-
Loans and borrowings	2,482	2,193
Total current liabilities	78,020	79,567
Non-current liabilities		
Other payables	124	107
Deferred tax liabilities	-	671
Loans and borrowings	43	-
Total non-current liabilities	167	778
Total liabilities	78,187	80,345
Net assets/(net liabilities)	28,031	26,646

Balance Sheet

- Balance Sheet remained strong
- Cash balances increased to \$32.3m (from \$20.2m)
 - Reflects better collection of carrier receivables
- Average cash balances grew to \$24.4m from \$19.2m in Dec 2017
- Off balance sheet factoring facility removed completely in Q1 18
- Total debt remained low (at minimum interest level on working capital facility)
- Continued amortisation of Intangible Assets in line with accounting policy

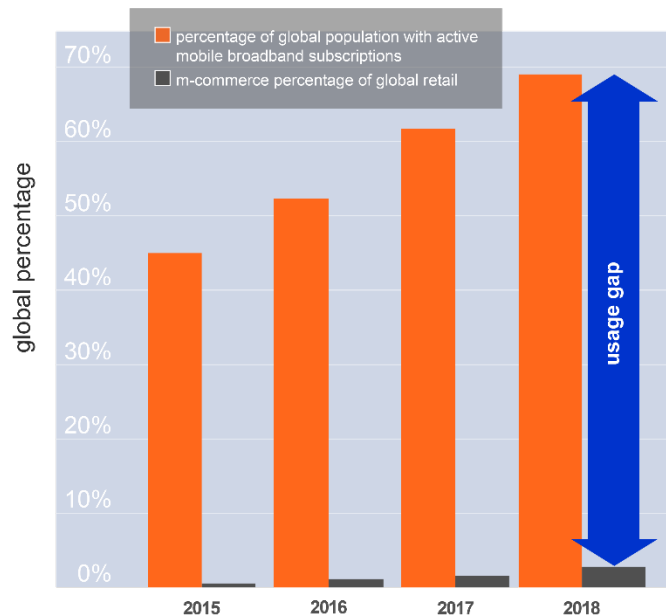
R = Restated 2017 number. 2017 Shareholder equity decreased by \$571k to account for change in accounting policy for tax on share based payments under IFRS2



Growth Strategy

Mobile: A New Computing Paradigm

Mobile distribution nearing completion, usage just beginning



**Not just a PC
with a smaller screen**

Personalised, always on, always with you	Real time location aware	Connected through wifi, carrier network, Bluetooth
Touch, tilt, microphone, fingerprint reader. No keyboard.	Always online	Cloud based App store for on demand access to software
IMSI in the SIM card securely linked to the number	IMEI in the device linked to a KYC'd account	Front and back cameras can verify faces and documents

Mobile Disrupting Multiple Industries



at every stage of the customer lifecycle

1 Discover > 2 Register > 3 Validate > 4 Transact > 5 Deliver > 6 Retain

Telcos can simplify mobile transaction but can't deliver this value to merchants alone



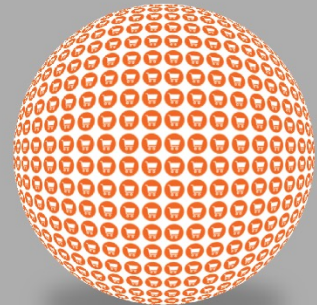
secure
ubiquitous
frictionless

Phone Number
Name and Address
Billing Relationship
Eligibility
Account Provisioning
Messaging
Account Profile
Device Characteristics

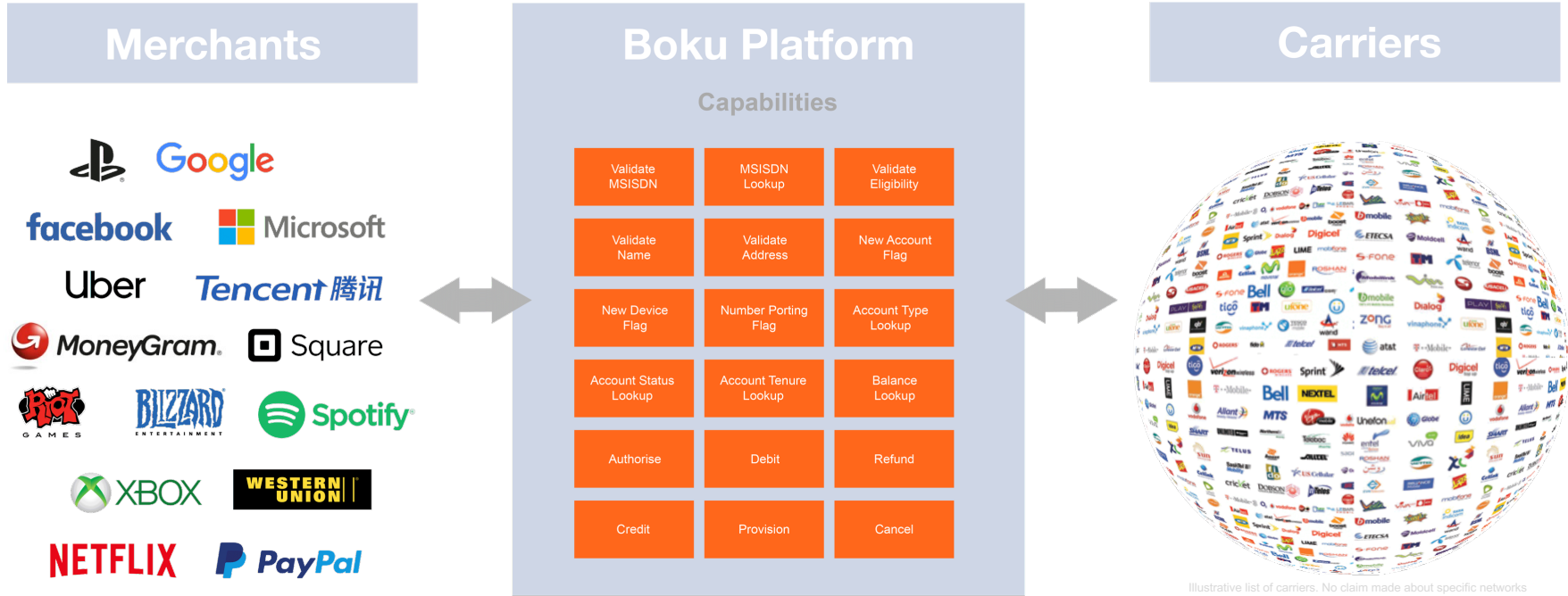


150 carriers with
over 1m subscribers

Non-standard
back office systems



Boku Platform: Mobile Transactions Made Simple



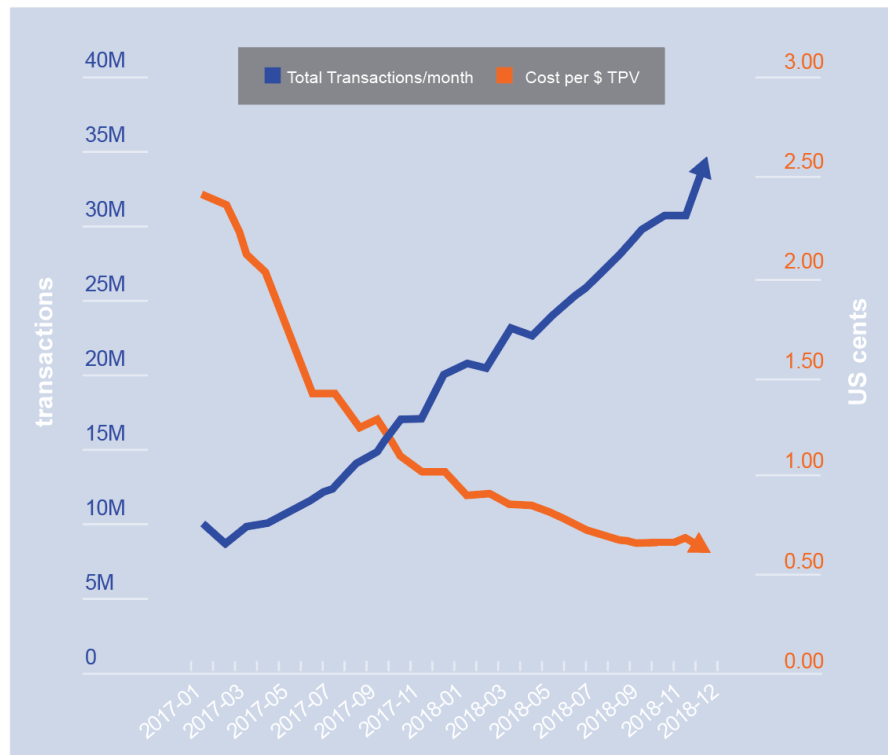
Illustrative list of carriers. No claim made about specific networks

Note:
MSISDN: Mobile Station International Subscriber Directory Number or the mobile number

Boku Platform: Can Support Multiple Industries



Boku Platform: Robust and Scalable



Reliable

2018: zero unplanned outages

High Capacity

Peak of 220 transactions per second

Fast

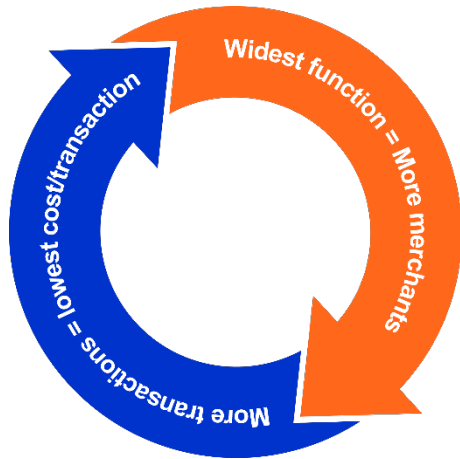
Average latency less than 3 seconds

Room to grow

Can process triple existing load

Growing Sources of Competitive Advantage

Scale



Scale acquired on one application transferable to another

Carrier Network



Building Carrier network has taken >\$100m and 10 years

Global Merchants



Proven ability to contract with and rollout global merchants



Payments and Customer Acquisition for Digital Content

Boku's Payment and Acquisition Products

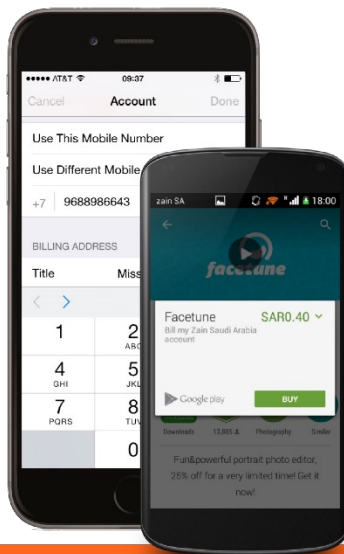
Boku Checkout

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



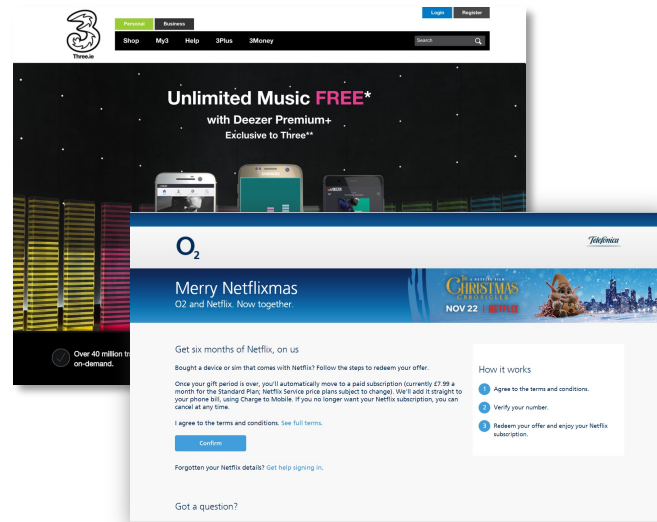
Boku Account

Phone on file. Simple registration captures lifetime value



Boku Acquire

Supports merchants using carriers as a sales distribution channel



Boku Optimise

Uses data analytics to maximise spend and customer lifetime



Boku Payment: Strategic Relationships

Merchants



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*



Blizzard

#5, #8 Grossing PC Games

*Sole DCB
Aggregator*



Tencent

#1 Global Games Co.

*Official DCB
Aggregator*



Rakuten

#2 JP E-Commerce Co.

*Official DCB
Aggregator*



Riot Games

#1 Grossing PC Game

*Sole DCB
Aggregator*



Google

#2 App Store

DCB Provider



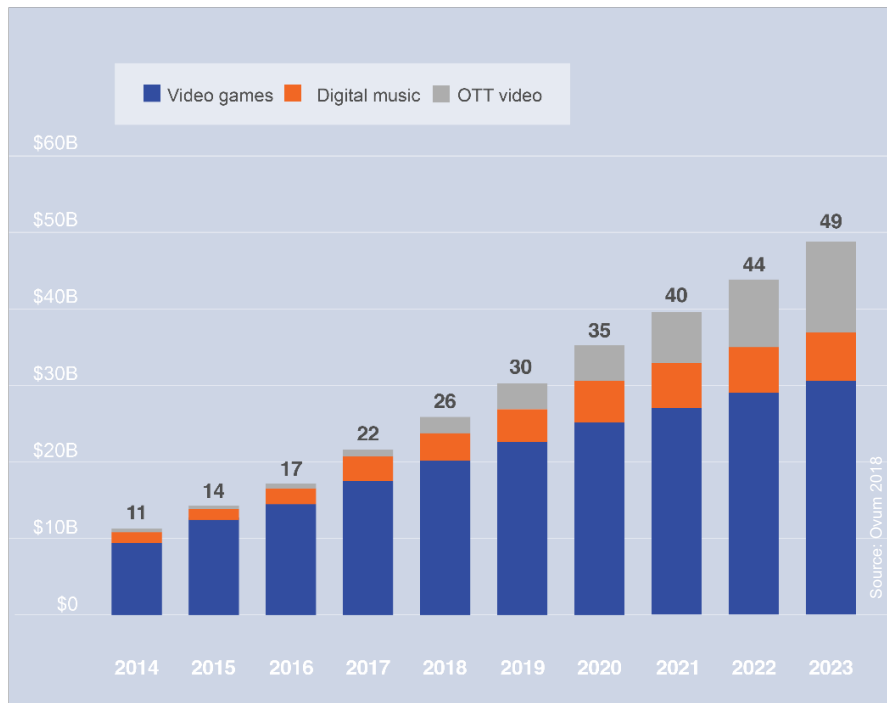
Netflix

#1 Video Streaming

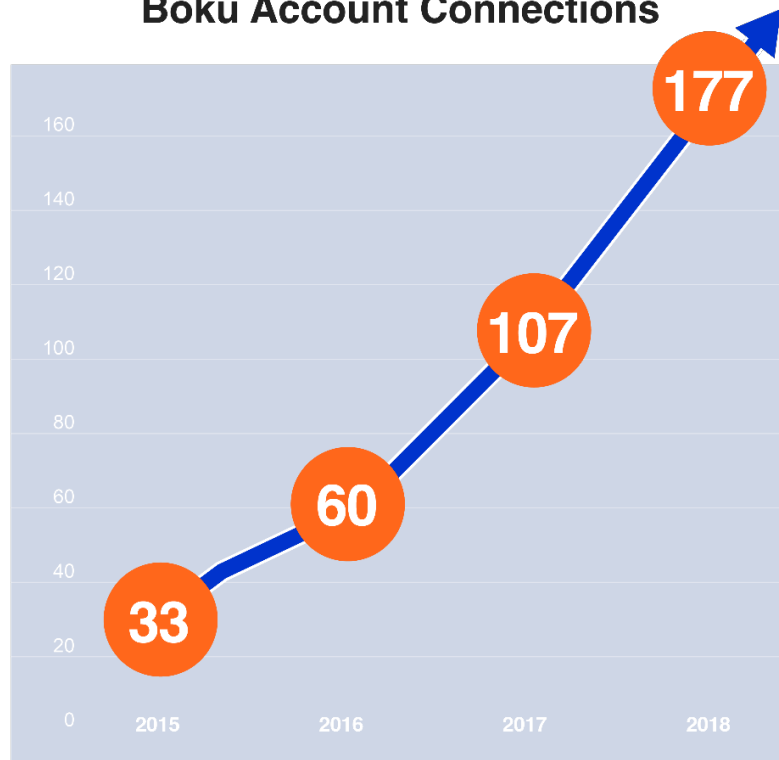
*Sole DCB
Aggregator*

Growth in Underlying Market and Broader Distribution...

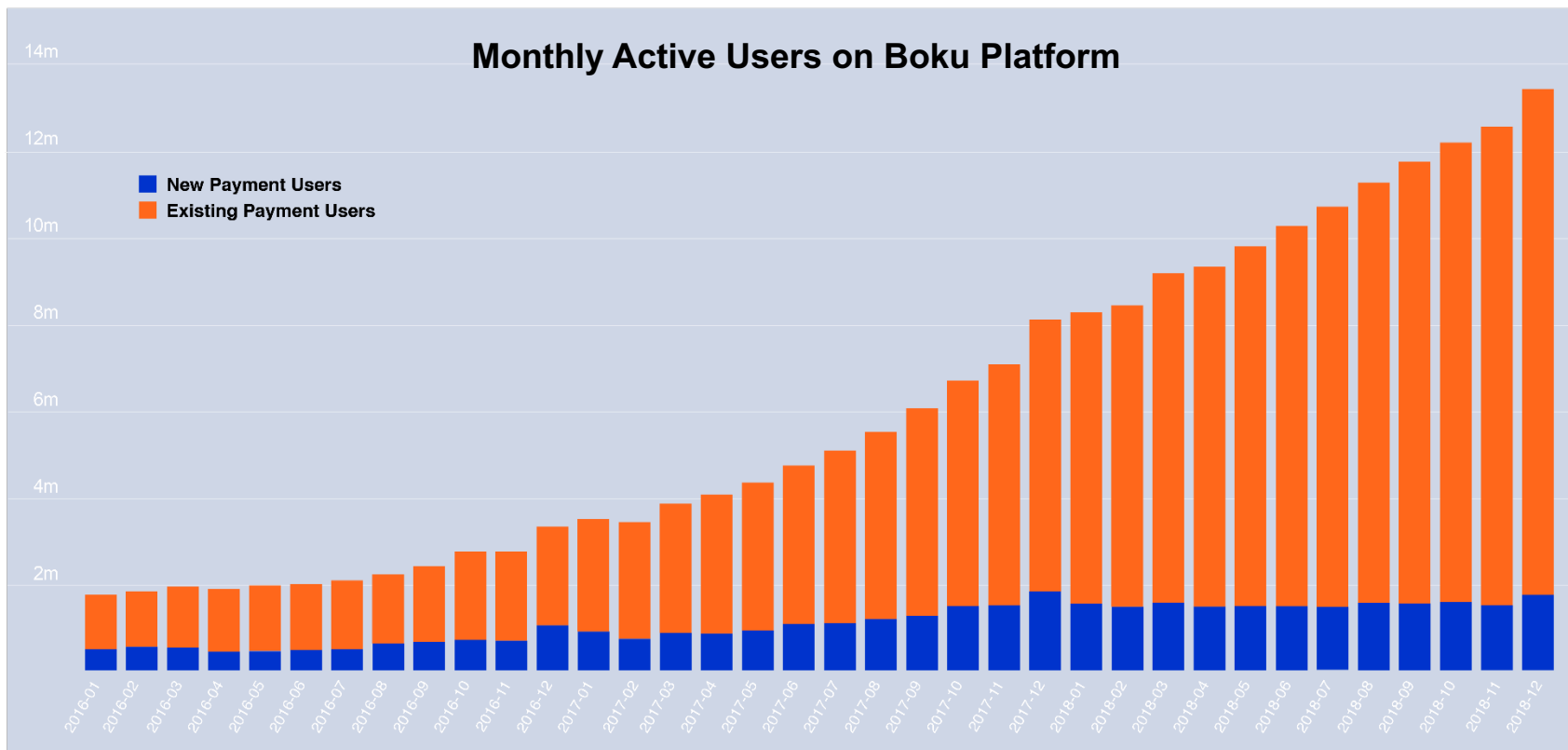
Global Carrier Billing - Content



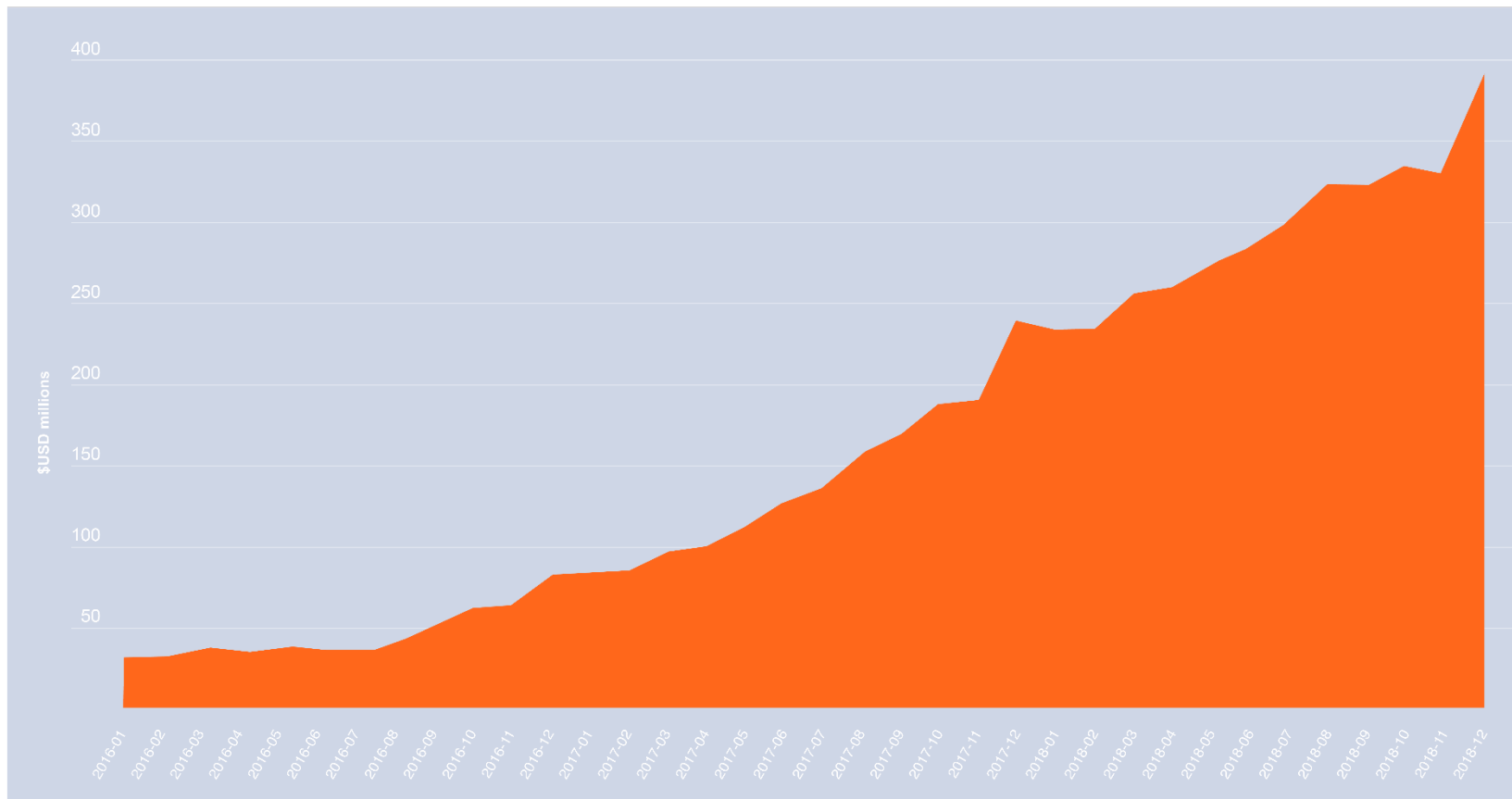
Boku Account Connections



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



...and increasing levels of TPV





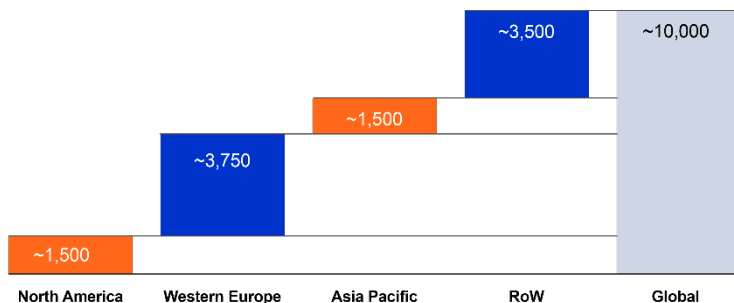
Customer Verification for Mobile Transactions

Identity Market Overview

“We estimate that the current market... is close to \$10 billion and predict that it will grow to a \$16-20 billion market by 2022.”

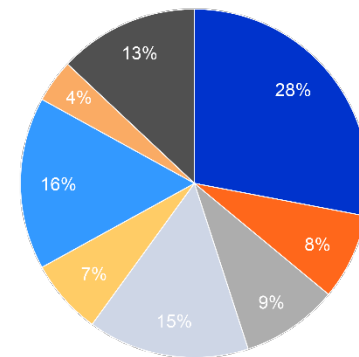
- McKinsey, June 2018

Estimated Total 2017 Addressable Market (\$ Millions)



Estimated Global 2017 TAM¹ by Vertical (% of 2017 TAM)

- Financial Services
- Telco
- Retail
- Government
- Media & Entertainment
- Sharing Economy & Travel
- Crypto
- Other²

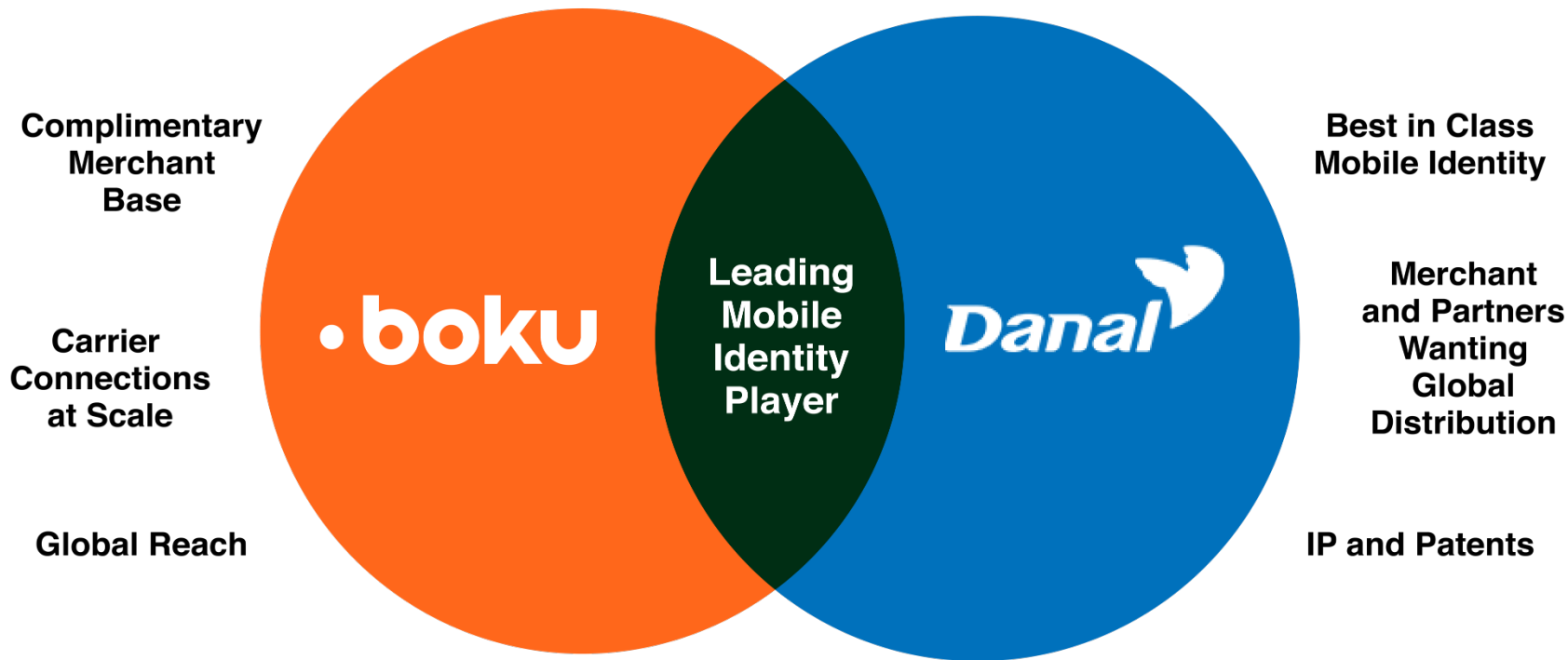


1. Breakdown only based on Account Opening and Account Management use cases (excl. transaction verification) 2. includes Health & Education
Source: McKinsey <https://fuelbymckinsey.com/article/the-next-20-billion-digital-market-id-verification-as-a-service>

Evolving Market

PC initiated Mobile / Static data Dynamic / Compliance Commercial / Account opening Continuous

Boku + Danal = **Boku Identity**



Boku Identity Strategic Relationships

Merchants



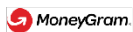
Western Union

Money Transfer



BNP Paribas

Banking



MoneyGram

Money Transfer



Bank of America

Banking



Square

Payments Innovator

Uber

Uber

Ride Sharing



PayPal

Payments Platform



Nextdoor

Social Network



IRS

Government



Login.gov

Government

Distributors



Experian



TransUnion



G+D



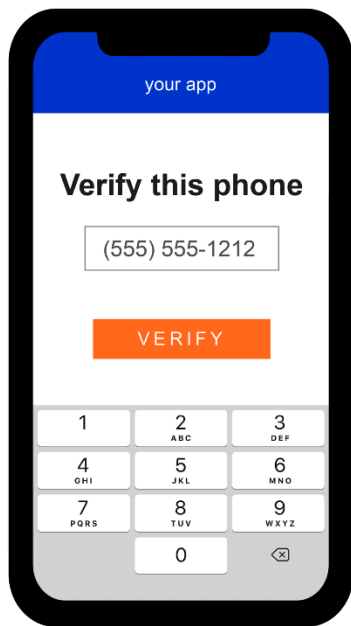
Fiserv



Neustar

Boku Identity: Two Business Models

Transaction: Charge per transaction



- Verify phone number
- Match Customer name/address
- Provide Subscriber profile data

Monitor: Charge per user



- Device ownership
- Active / inactive
- Number swap

Identity Growth Drivers

Carrier data is valuable and in huge demand

Revenue growth is constrained by sales resource and carrier supply

Massive increase in sales and account management

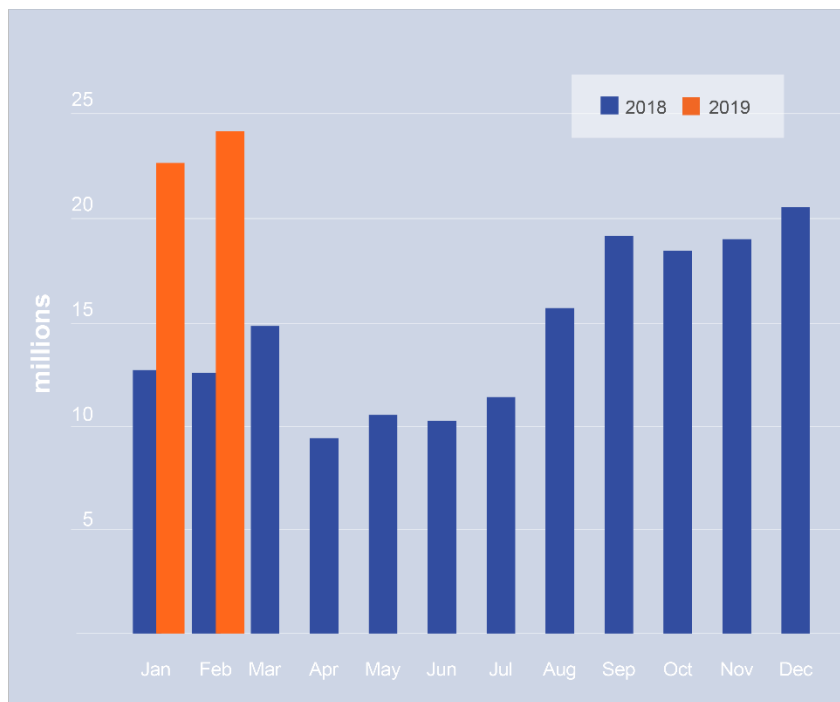
- Establishment of Account Management function to expand existing relationships
- Tripling of direct sales resource to on-board new key customers
- Build indirect sales channel

Build global carrier network

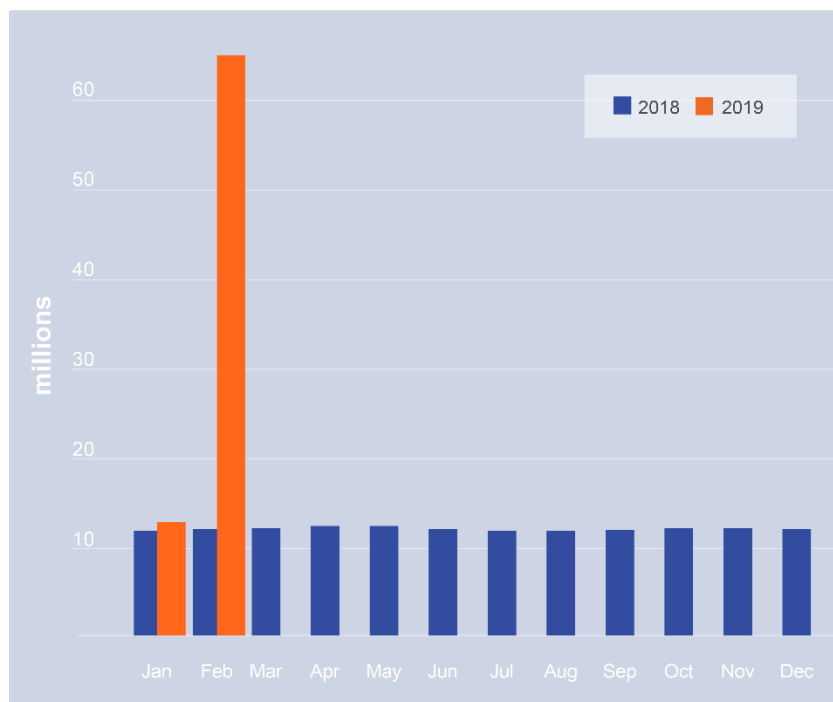
- Repurpose Payment connections for Identity
- Build new coverage
- Protect existing supply – privacy concerns in some markets

Identity Non Financial KPIs

Billable Transactions



Monitored Numbers





Outlook

Boku will grow Revenues and reduce Concentration Risk in 2019

In 2019, Boku will operate as a multi-product business with a broader set of customers:

- Group Revenue to be at least \$52m
 - 15-20% of revenue to come from Identity
- Strong Gross Margins
 - Payments to remain at 93%
 - Identity to improve to 40% and on upwards trend
- Operating Expenditure to increase to c.\$37m
- Adjusted EBITDA growth at Group level of 45-50%
 - Assisted by a positive impact from IFRS 16 of c. \$1.9m
- Continued positive cash generation

Outlook

Encouraging 2M Trading:

Payments

- TPV: 2M-2019: \$741m +58% (2M-2018 \$470m)
- MAU: 2M-2019: 13.6m +61% (2M-2018: 8.4m)
- DAU: >1M DAU for the first time ever in February!

Identity

- Monitored Numbers 2M-2019: 65.4m +439% (2M-2018: 12.1m)
- Billable Transactions 2M-2019: 46.8m +85% (2M-2018: 25.3m)

Full year:

- TPV, Revenues, EBITDA all forecast to be at record levels

Our Values

BE FLEXIBLE

Things might not happen as planned.
Stay calm, alter course and move on.

ASSUME POSITIVE INTENT

Trust and respect each other.
Encourage others to do the same.

COLLABORATE

Welcome others' opinions and ideas.
We're all on the same team.

BE AMBITIOUS

We are building a great big global payment
network. Aim for (modest) world domination.



Mobile Transactions Made Simple