



2019 Full Year Results

26 March 2020

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Presentation Team

Jon Prideaux, CEO



CEO since 2013
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Formerly CFO of LSE listed
payments companies
DataCash and Paysafe



Highlights

Boku 2019 Highlights

Group Financials*

- Group Revenue: \$50.1m up 42% (2018: \$35.3m)
- Adj. EBITDA \$7.4m
- Cash balances at year end: \$35.6m (2018: \$32.2m)
- Daily average cash balance \$22.4m (Jun-2019:\$22.2m)
- \$2.0m debt at year end (debt free now)

Payments division

- Total Payment Volume up 42% to \$5bn (2018: \$3.5bn)
- Monthly Active Users up 32% to 17.8m (2018: 13.5m)
- Revenue: \$43.5m up 23% (87% of Group Revenues)
- EBITDA: \$12.7m (2018: \$6.3m): 100% growth
- Progress on building e-wallet network
 - Supply: 10 wallets/9 countries contracted
 - Demand from existing and new merchants

Identity division

- Acquisition of Danal Inc for \$25.1m (8.6% of Boku)
- Billable transaction growth +45%
- Revenue growth +26% at \$6.7m, mostly in US
- Progress on internationalisation
- Losses reduced at \$5.3m (2018 proforma \$6.4m loss)

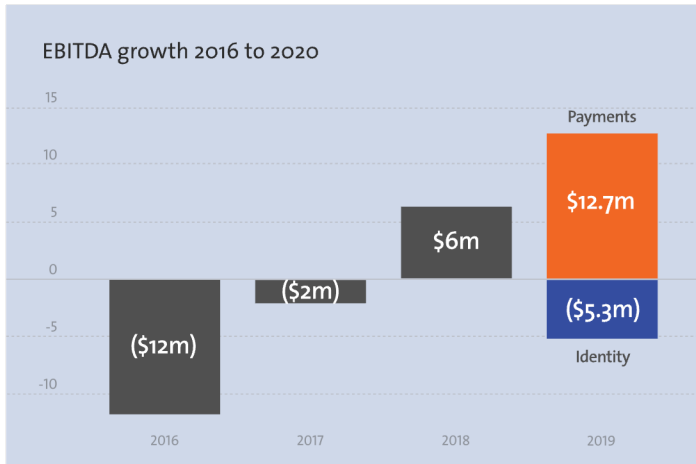
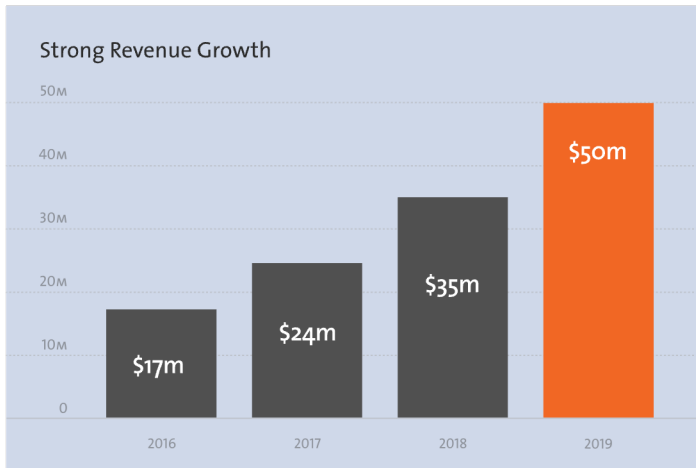
Coronavirus update

- Payments ●●●
 - Volume uplift in countries with lockdowns
 - Other countries/merchants unaffected
- Identity ●●
 - Current volumes show no corona impact
 - Business Development activities, some risk

*Revenue includes \$3.3m of non-recurring Payments Revenue; to better reflect underlying performance, this non-recurring revenue is excluded from Adjusted EBITDA.



Group Financial Performance



2019 Financial Highlights

Group Financials*

- Group Revenue: \$50.1m up 42% (2018: \$35.3m)
 - Payments revenue \$43.5m* (2018: \$35.3m)
 - Identity revenues up 23% to \$6.7m
- Adj. Group EBITDA \$7.4m*
 - Payments EBITDA up 100% to \$12.7m*
 - Identity EBITDA losses reduced to \$5.3m (2018: \$6.3m loss)
- Cash balances at year end: \$35.6m (2018: \$32.2m)
 - Average daily cash balance: \$22.4m (Jun19: \$22.2m)
- Acquisition of Danal Inc for \$25.1m on 1st January 2019

*Revenue includes \$3.3m of non-recurring Payments Revenue; to better reflect underlying performance, this non-recurring revenue is excluded from Adjusted EBITDA.

Income Statement

Boku Income Statement by segment for 12 months to 31 December 2019	2019			2018
	Payments \$'000	Identity \$'000	Total \$'000	Payments \$'000
Fee Revenue*	43,473	6,675	50,148	35,275
Cost of sales	(1,641)	(3,922)	(5,563)	(2,512)
Gross Profit	41,831	2,754	44,585	32,764
Administrative Expenses	(36,051)	(9,418)	(45,469)	(35,179)
Operating Profit/(loss) analysed as:				
Adjusted EBITDA**	12,687	(5,284)	7,403	6,324
Deferred prior year revenue	3,255	-	3,255	-
Depreciation and amortisation	(3,968)	(493)	(4,461)	(2,794)
Stock Option expense	(6,013)	(759)	(6,772)	(4,593)
Foreign exchange gains/(losses)	113	(5)	107	(279)
Exceptional items (included in administrative expenses)	(294)	(123)	(417)	(1,074)
Operating Profit/(loss)	5,780	(6,664)	(884)	(2,415)

*Revenue includes \$3.3m of non-recurring Payments Revenue; to better reflect underlying performance, this non-recurring revenue is excluded from Adjusted EBITDA.

**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).

Income Statement (continued)

Boku Income Statement by segment for 12 months to 31 December 2019	2019			2018
	Payments \$'000	Identity \$'000	Total \$'000	Payments \$'000
Operating Profit/(loss)	5,780	(6,664)	(884)	(2,415)
Finance income	56	0	56	53
Finance expense	(432)	(35)	(467)	(631)
Profit/(Loss) before tax	5,403	(6,700)	(1,296)	(2,993)
Tax (expense)/credit	1,653	(2)	1,651	(1,339)
Net Profit/(loss) for the period attributable to equity holders of the parent company	7,057	(6,702)	355	(4,332)

*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).

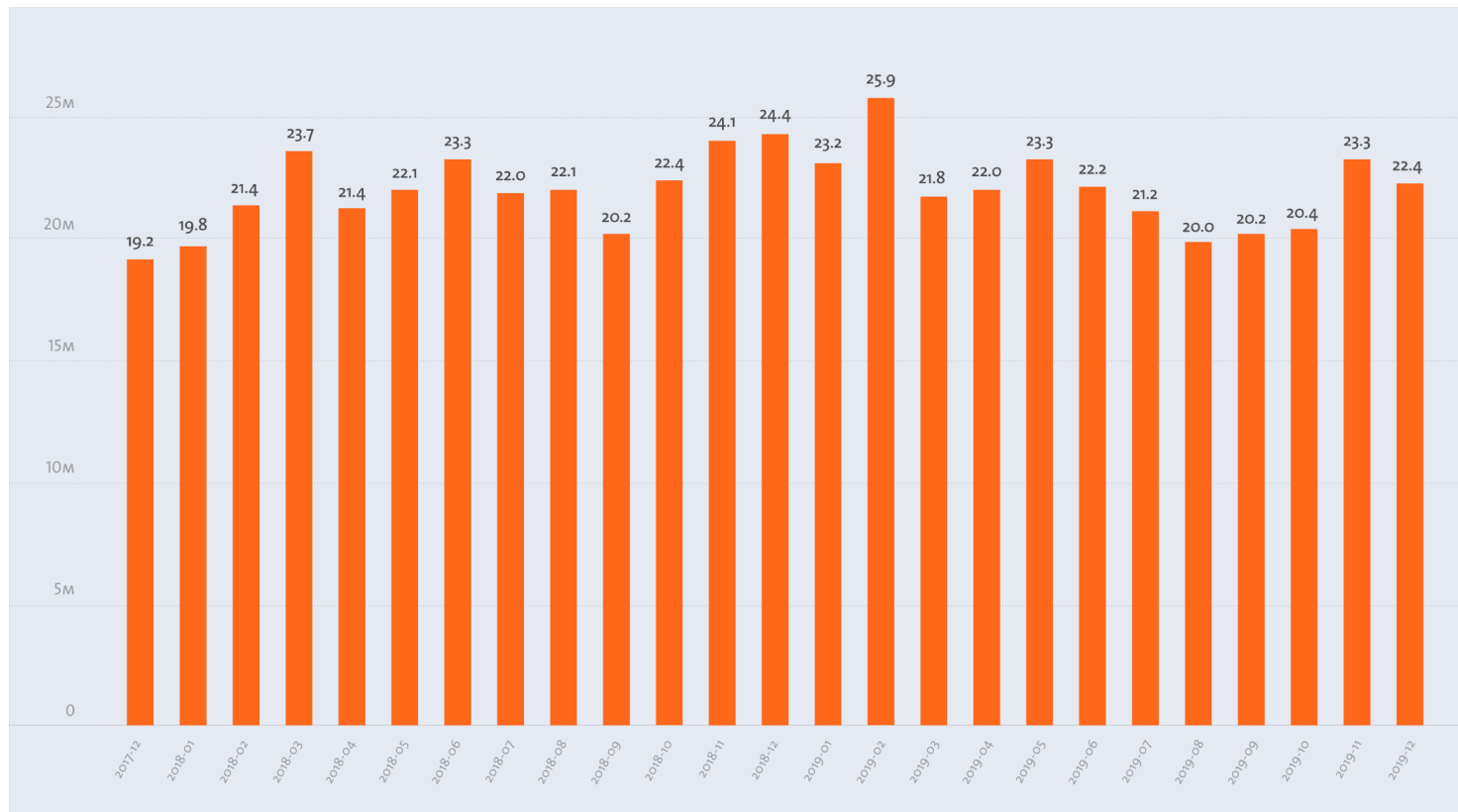
Closing Balance Sheet (\$000's)	2019	2018
Non-current assets		
Property, plant and equipment	3,512	286
Intangible assets	46,819	22,466
Deferred income tax assets	1,826	254
Total non-current assets	52,157	23,006
Current assets		
Trade and other receivables	53,592	51,658
Derivative financial instrument	-	3
Cash and cash equivalents	34,747	31,073
Restricted cash	876	1,251
Total current assets	89,215	83,985
Total assets	141,372	106,991
Current liabilities		
Trade and other payables	77,995	77,374
Bank loans and overdrafts	2,098	2,193
Lease liabilities	1,723	-
Total current liabilities	81,816	79,567
Non-current liabilities		
Other payables	791	107
Deferred tax liabilities	449	671
Lease liabilities	1,358	-
Total non-current liabilities	2,598	778
Total liabilities	84,414	80,345
Net assets	56,958	26,646

Balance Sheet

Balance sheet and cash balances strong

- Cash balances increased at year end: \$35.6m (June 2019: \$27.9m)
- Daily Average cash balances for December 2019 increased to \$22.4m from \$22.2m in June 2019.
- Intangible Assets \$46.8m - mostly Goodwill from acquisitions. Increase due to Danal acquisition on 1st Jan 2019 for \$25.1m
- \$2.1m Borrowings is SVB overdraft - now fully repaid on 9th January 2020.
- Leases capitalised under IFRS16 split short and long term:
 - \$1.72m represents the current lease liabilities
 - \$1.36m represents the long term portion of capitalised leases

Average Monthly Cash Balances

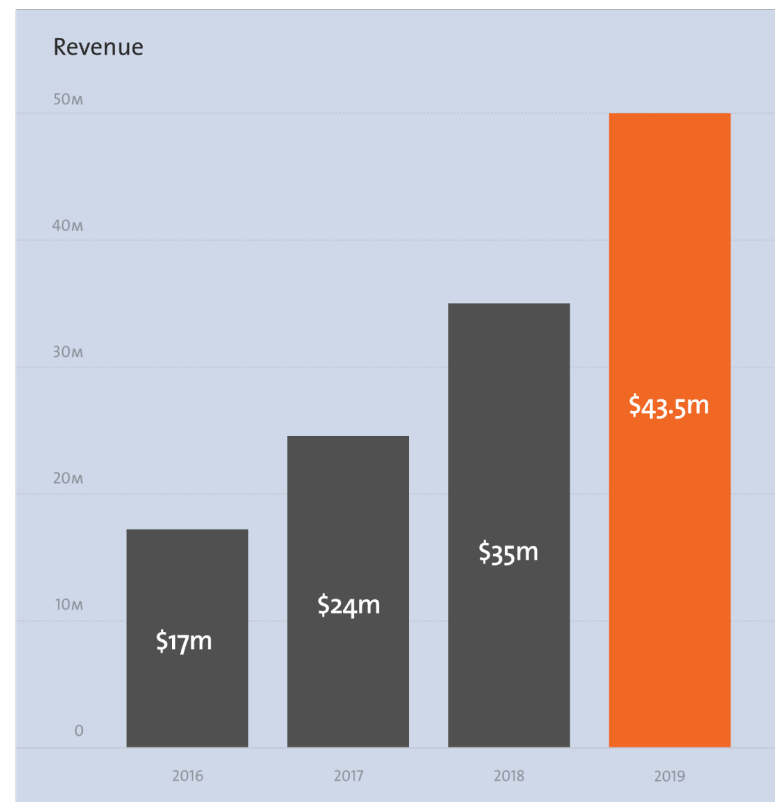
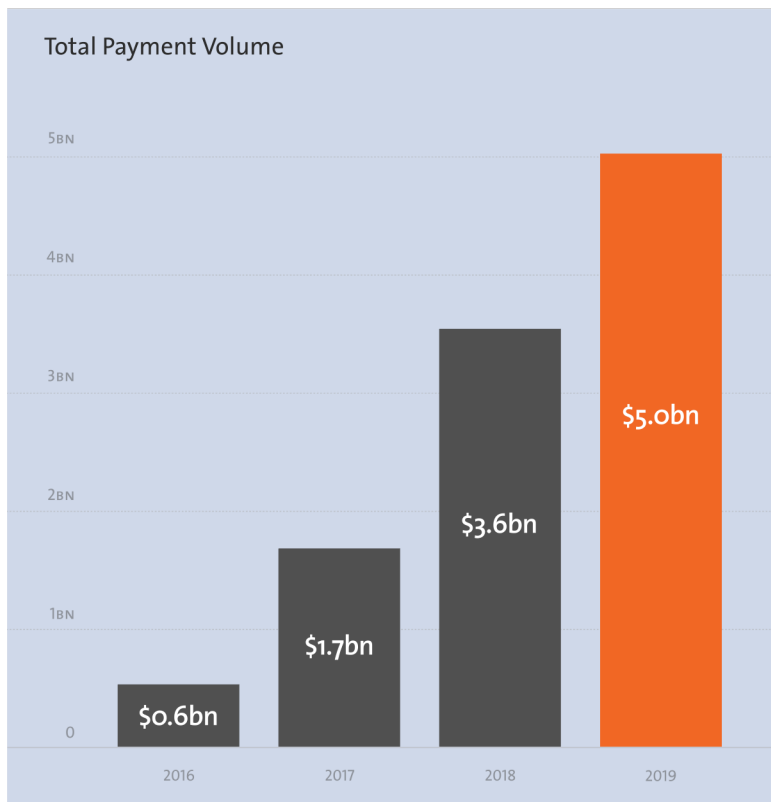


*Average Cash Balances for November 2019 include the daily cash balances for Boku Identity Inc (US and Ireland of \$234K).

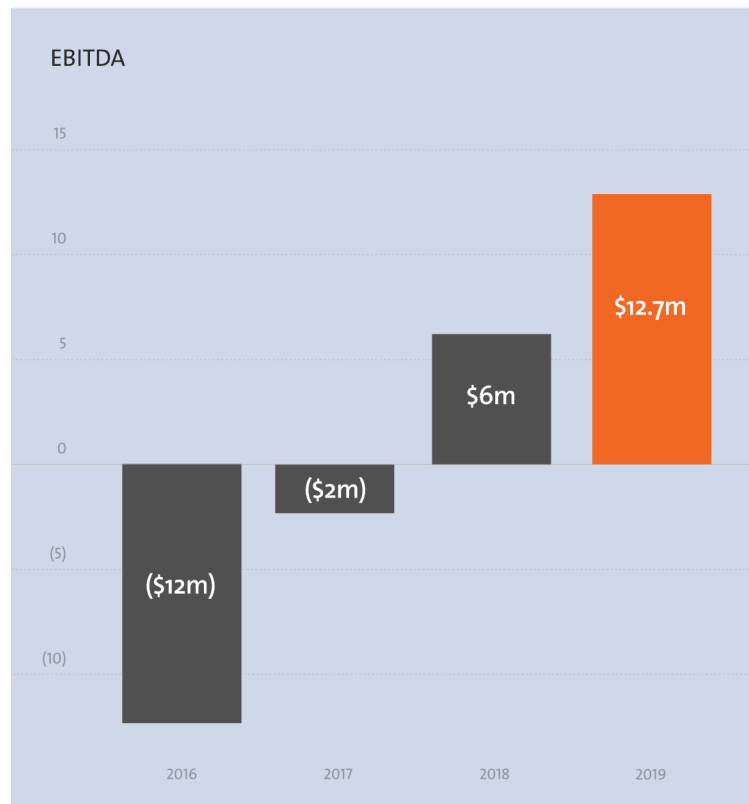
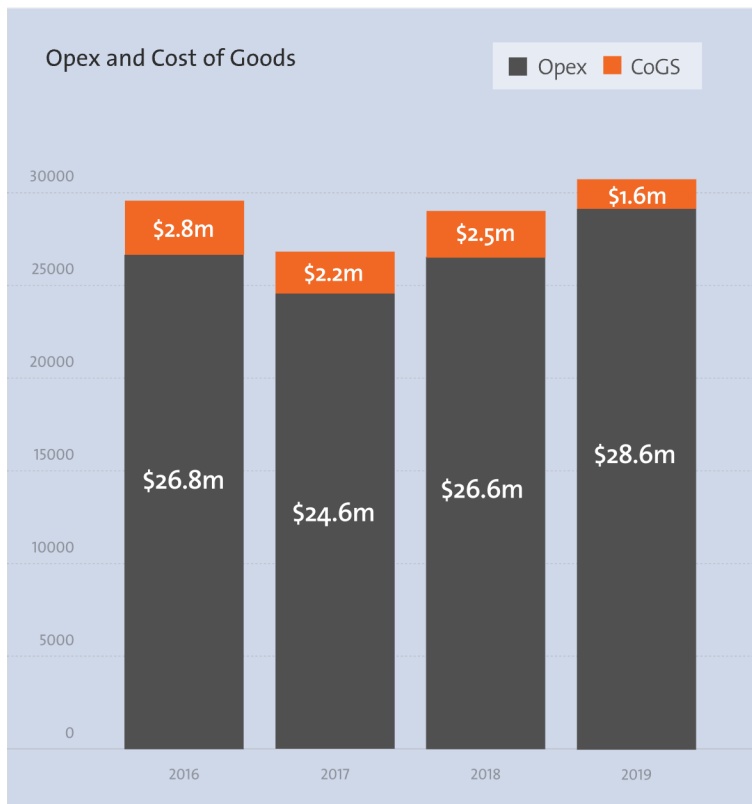


Payments Financial Performance

Payments: TPV Feeds into Revenue Growth...



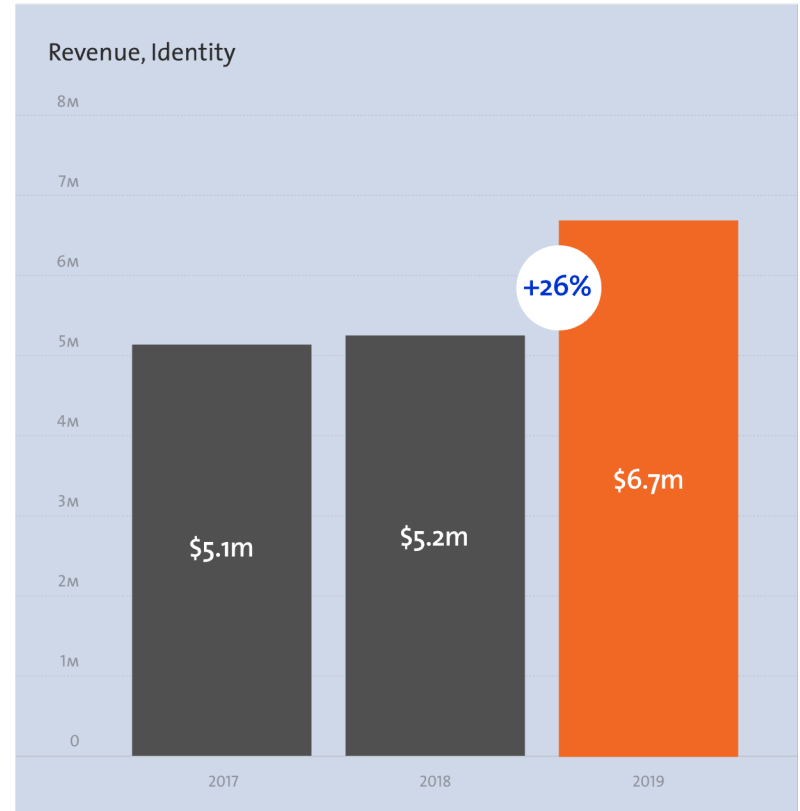
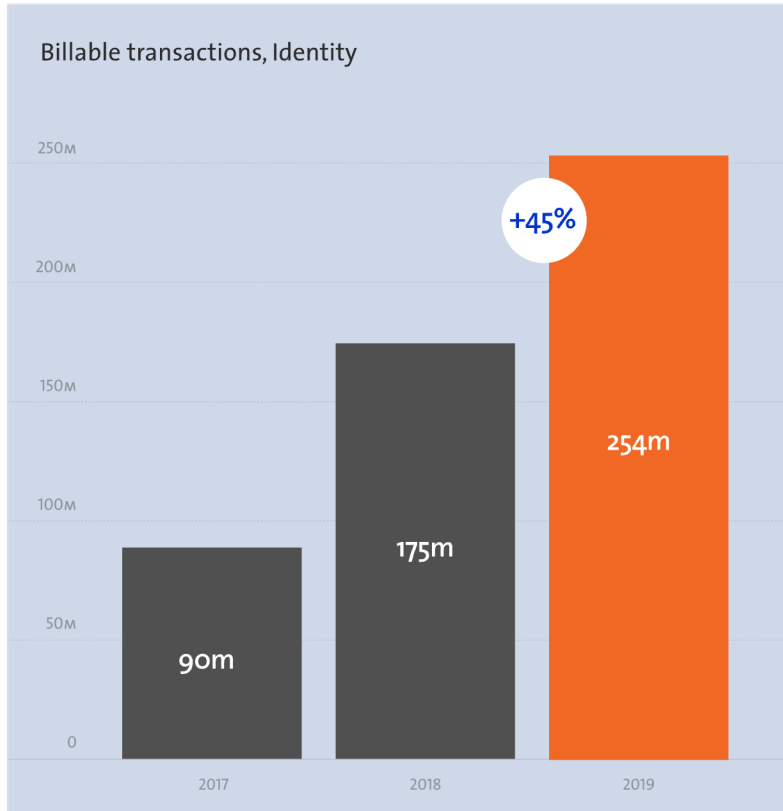
...Stable Expenses Drive Operating Leverage





Identity Financial Performance

Identity: Transaction Growth Starting to Feed Into Revenue





Business Update: Boku Payments

Boku Payments customers: some of the world's largest digital companies

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

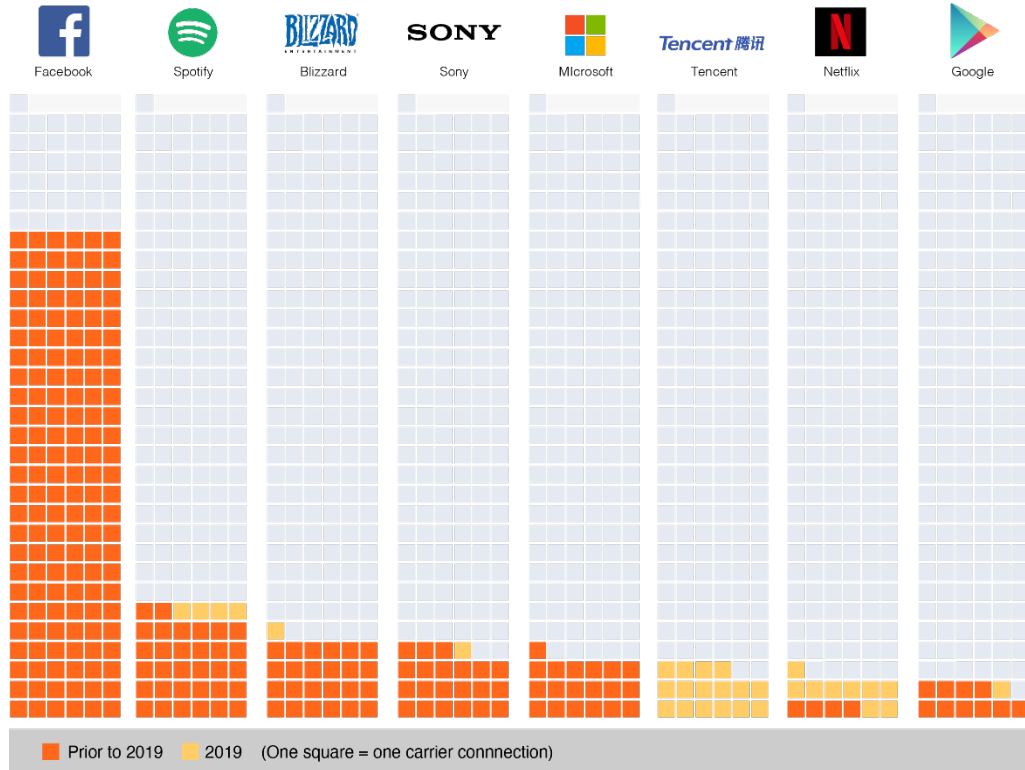
DCB Provider



Netflix
#1 Video Streaming

*Sole DCB
Aggregator*

Growth: add more carrier connections for our Merchants



2019 connections primarily adding new carriers to lower margin merchants

Can be exploited by higher margin merchants in 2020 and beyond

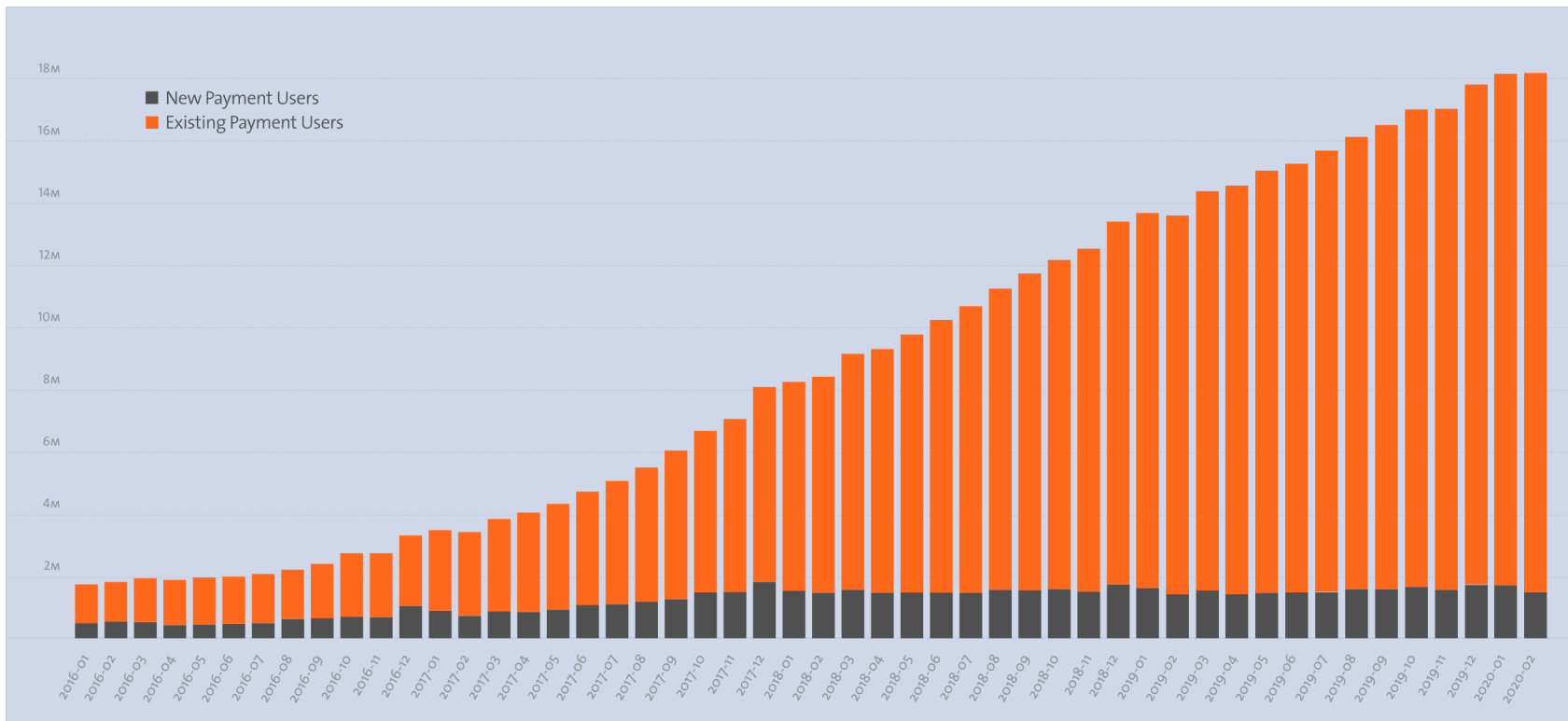
Merchants are sticky – recurring revenues

Some new merchants (eg Tencent, AWA)

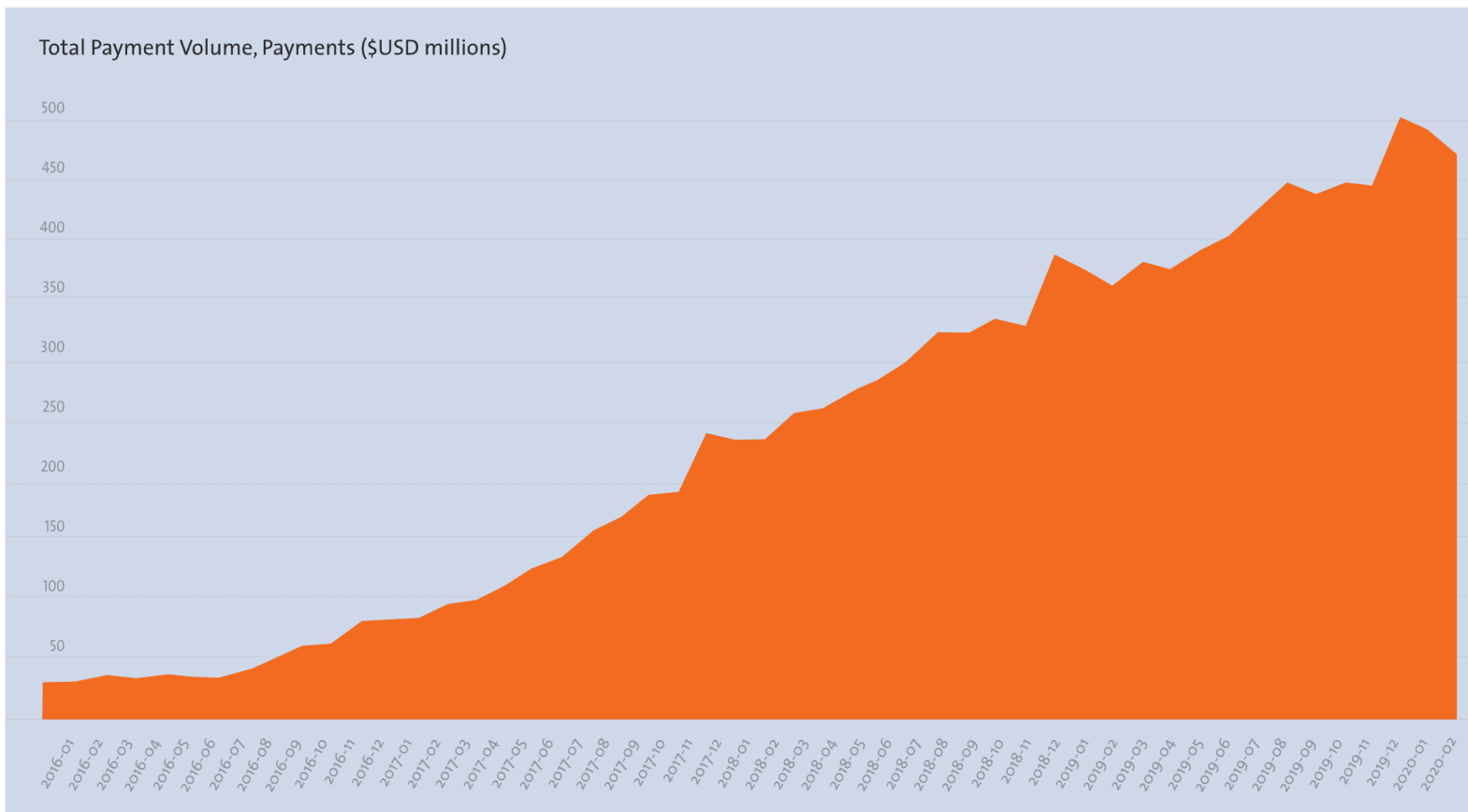
DCB offering is a customer acquisition tool

*Carriers with transactions LTM

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

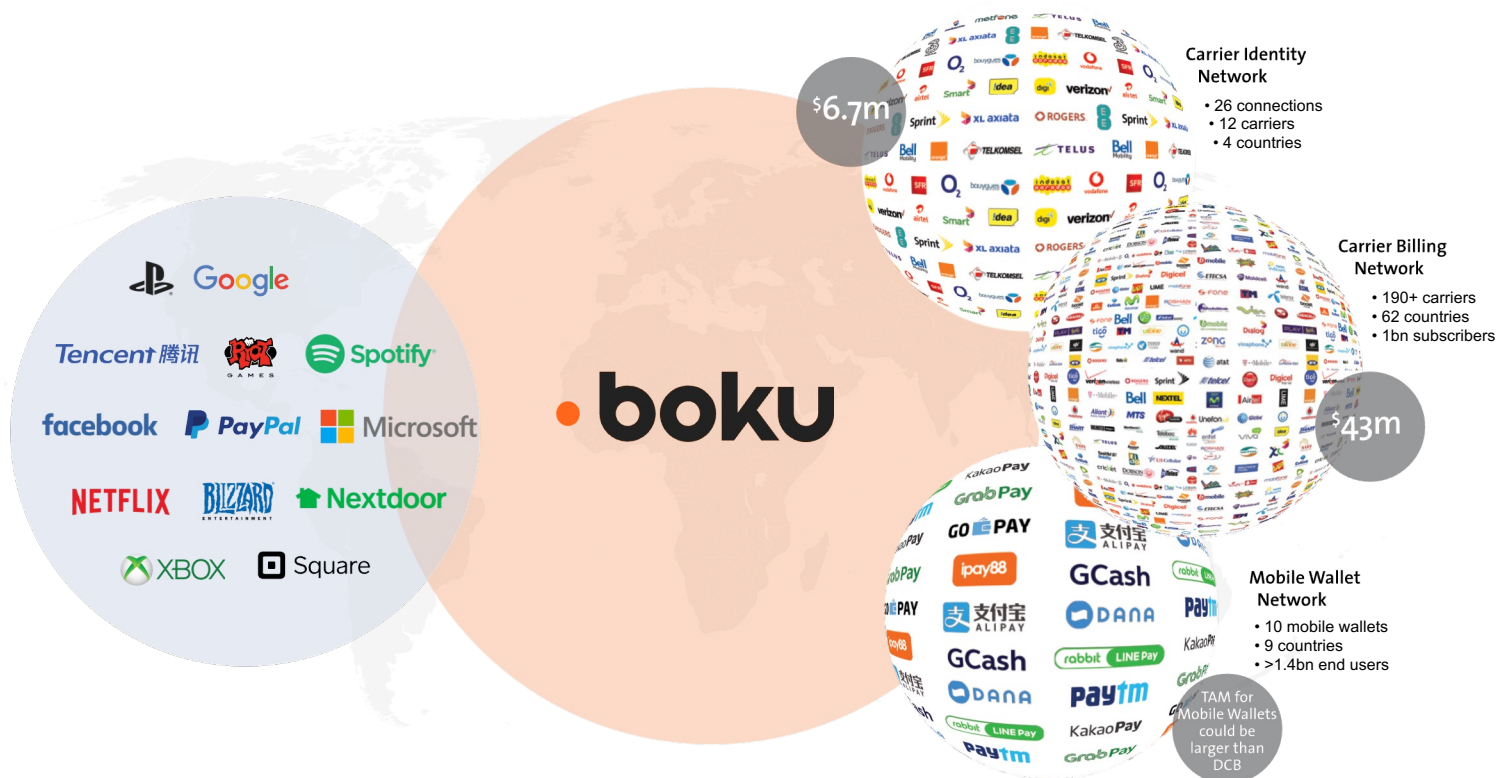


...and increasing levels of TPV



Boku Platform:

Connecting Merchants to Carriers and Alternative Payment Methods



Payments: Mobile Wallets – progress and plan

Why Mobile Wallets and International Merchants need Boku

- Mobile Wallets: Good LOCAL merchant coverage, but want international
- Merchants: Too costly to implement dozens of new connections – reuse Boku connection
- New merchants – non DCB merchants can use Boku wallet connections (eg physical goods)

Business model




- Similar Boku fees to carrier billing
- No spend limits on wallets (unlike DCB)
- Similar gearing effects -- no increase in platform costs

Contracted Mobile Wallets

- Contracted with 10 e-wallets in 9 countries reaching 1.4bn end users (more than DCB)

2020 wallet plan

- Connected to all major wallets by end of 2020 – over 2.5bn users

Live Mobile Wallet	Market(s)	Subscribers
	Singapore, Malaysia, Philippines	139m app downloads
	Indonesia	108m app downloads
	Thailand	32m users



Business Update: Boku Identity

Identity: 2019 Update and 2020 Priorities

2019

- Despite supply challenges, US Business grew 26% to \$6.7m and reduced losses to \$5.4m
- Sales resources rebalanced out of US → Europe and Asia
- Management changes

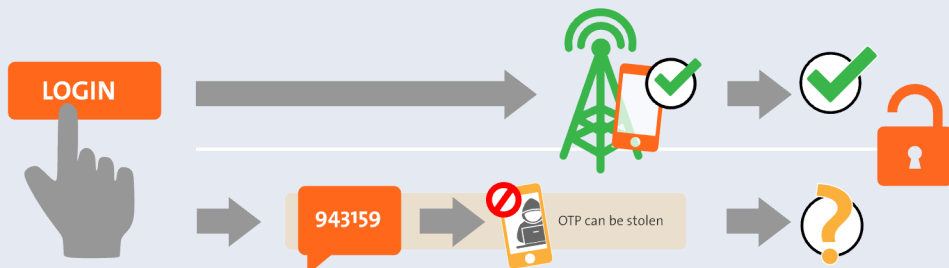


2020

- Maintain US Revenues
- Grow non-US revenues → Build Out Global Carrier Identity Network
- Refined Product Set focused on leveraging Carrier Unique Capabilities
- Develop Business with local merchants for immediate revenue whilst cultivating Global Giants

Identity Products

Authenticate: Verify mobile number possession



Match: Verify mobile number ownership



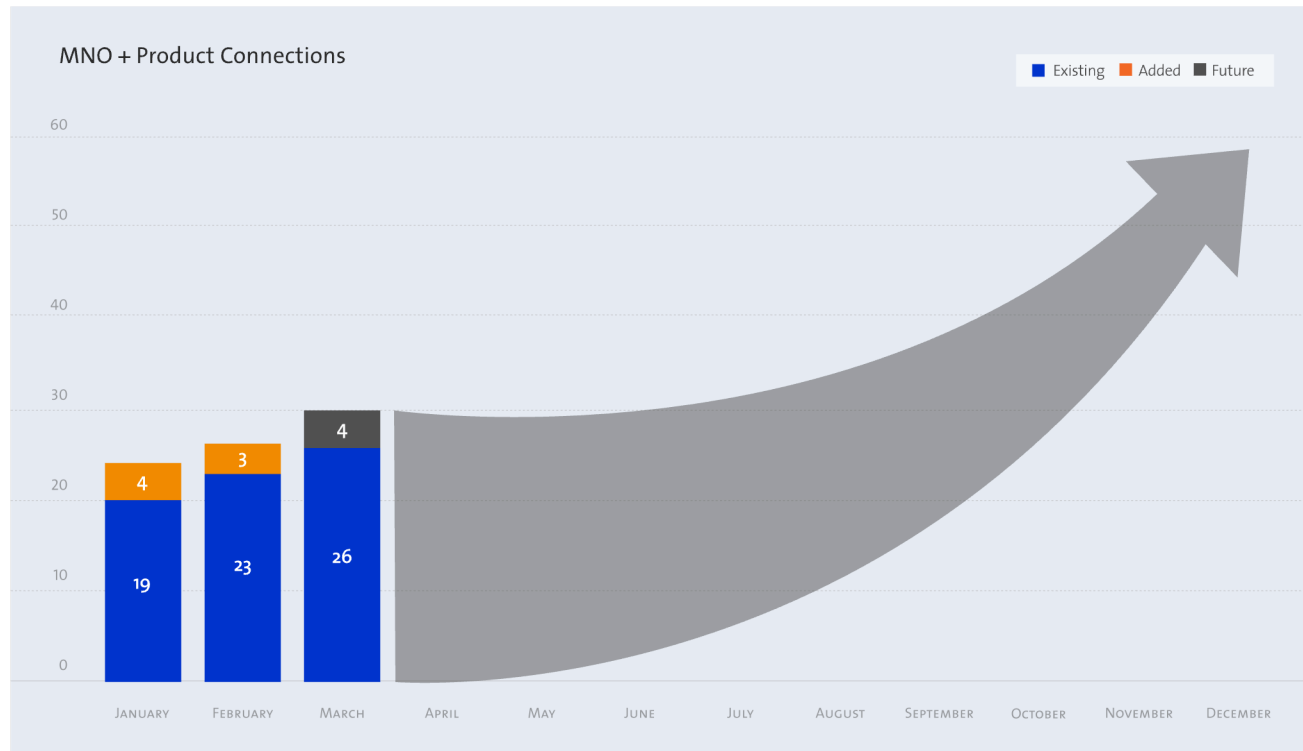
Detect Verify mobile number integrity



Identity Customers and Distributors



Identity Coverage Expanding Rapidly



**One connection =
carrier x product**

New launches in

- India
- Indonesia
- France
- Switzerland

Boku's Competitive Advantage

Scale



Boku scale player
EBITDA positive
Limited competition
Operational gearing

190 Carrier Network



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

Global Merchants



Boku **exclusive** DCB
relationship with world's
largest merchants
Proven ability to rollout
global merchants



Covid-19 Impact

Covid-19 – Boku is Resilient

Supply ●●●

- Digitally delivered
- Unaffected by lockdown
- One or two merchants with minimal budgeted revenue may be affected negatively (eg DAZN)

Company Configuration ●●●

- Most employees already had remote working experience
- Limited impact on ability to deliver

Demand ●●●

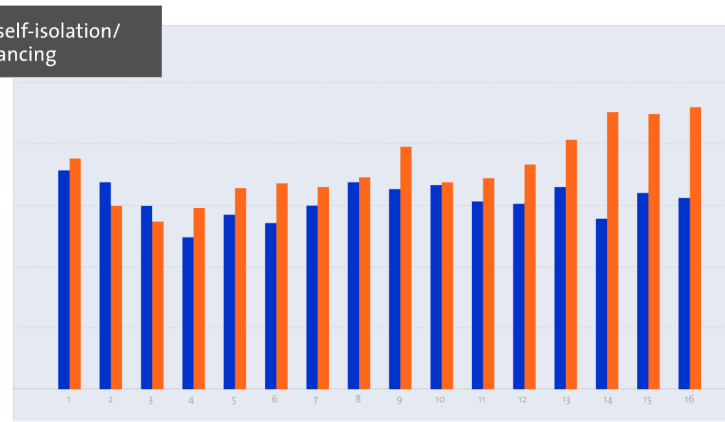
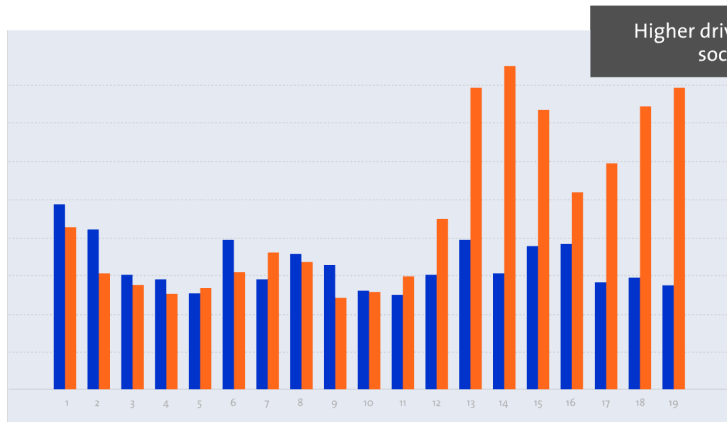
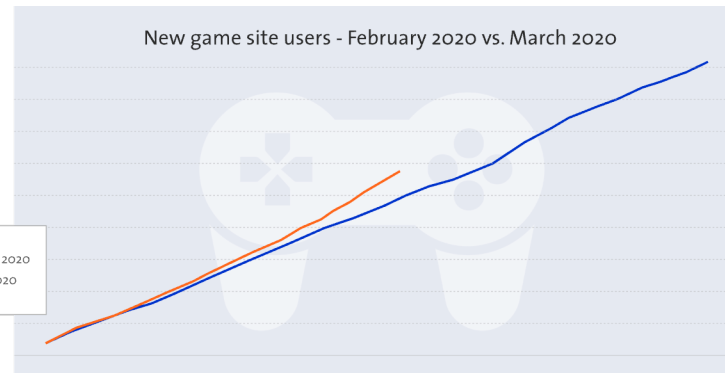
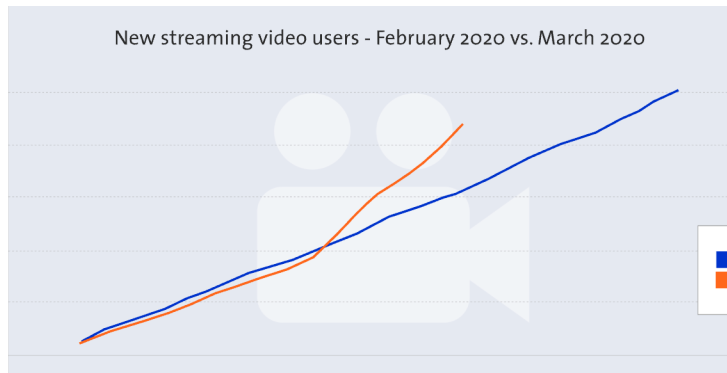
- Home people at home = more demand for home entertainment
- Driver: lockdowns
- Games, Video growing; Music unaffected

Implementation ●●

- Remote workers can support implementations without problems
- Some delays to some launches

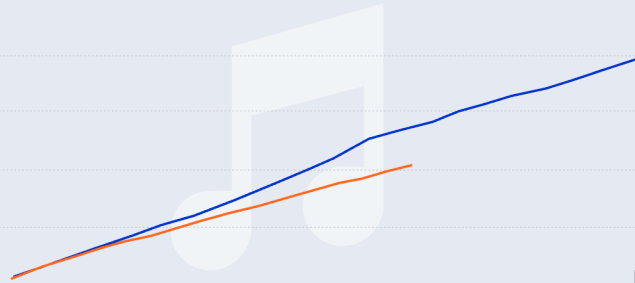
Sector by Sector Impact

Higher driven by self isolation / social distancing



Sector by Sector Impact

New music streaming opt-ins - February 2020 vs. March 2020

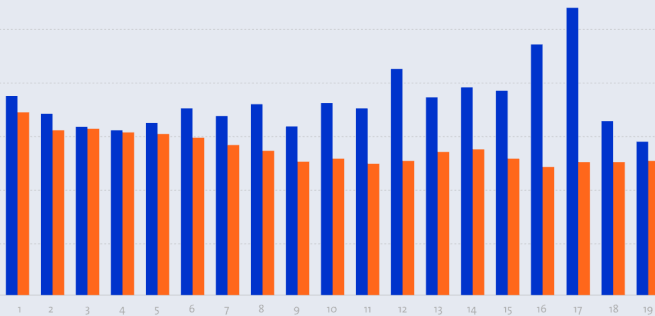


New opt-ins, app stores - February 2020 vs. March 2020

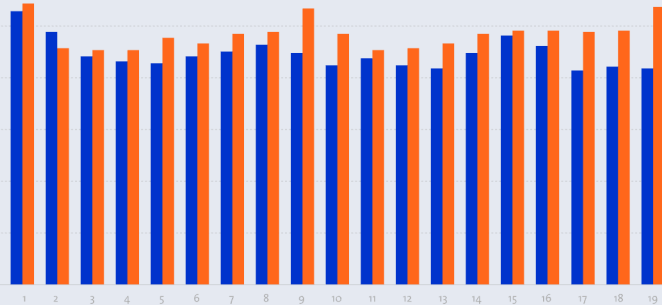


■ February 2020
■ March 2020

Lower in March: new subscriptions
driven by promos, not self-isolation



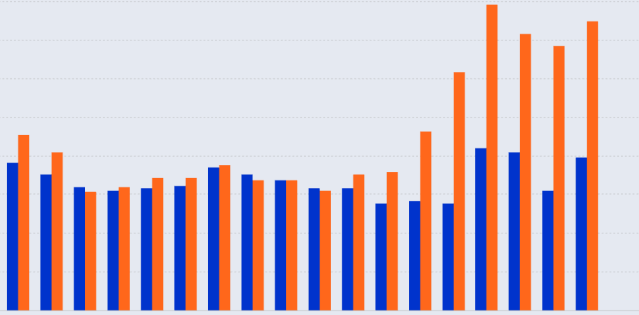
Higher driven by self-isolation/
social distancing



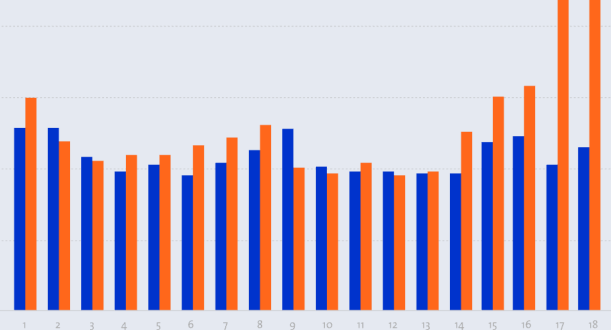
Europe: Covid-19 Impact



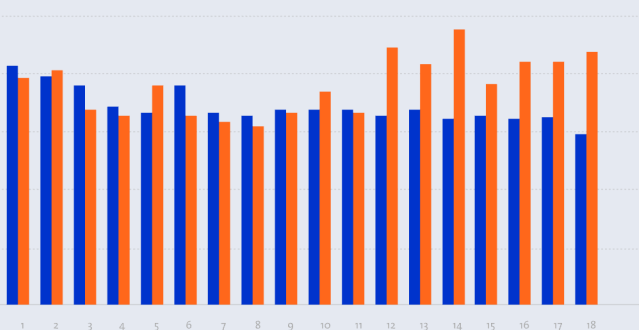
Spain new users - February 2020 vs. March 2020



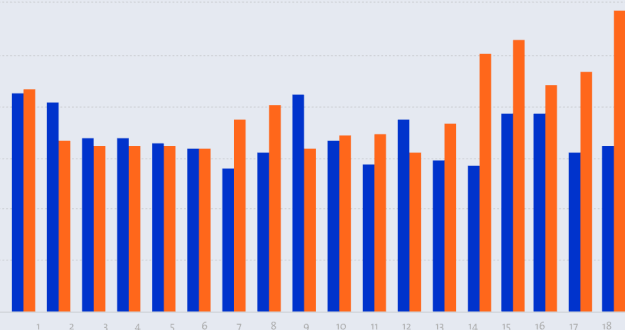
France new users - February 2020 vs. March 2020



Italy new users - February 2020 vs. March 2020



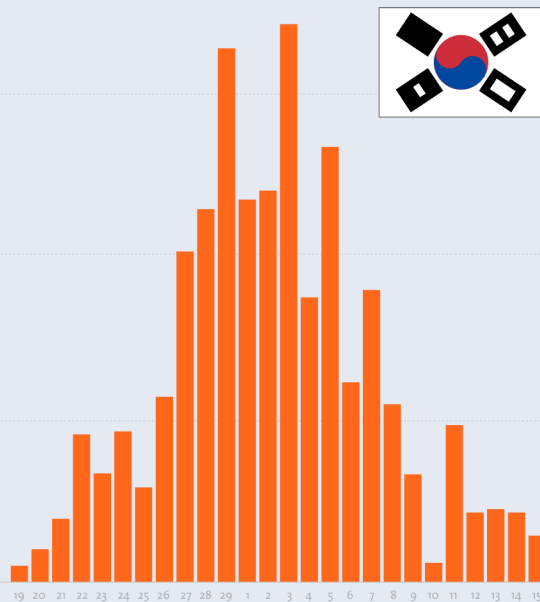
Belgium new users - February 2020 vs. March 2020



■ February 2020
■ March 2020

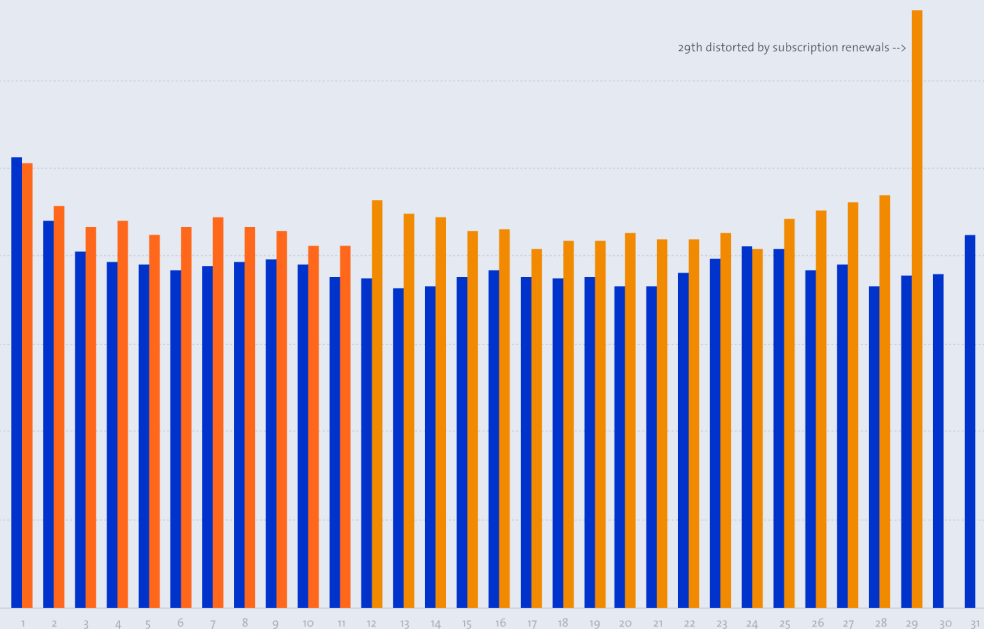
Korea: Covid-19 Impact

Daily new Covid-19 cases - 19 Feb-Mar 15 2020



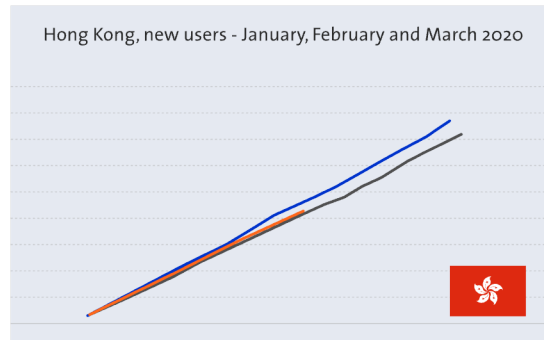
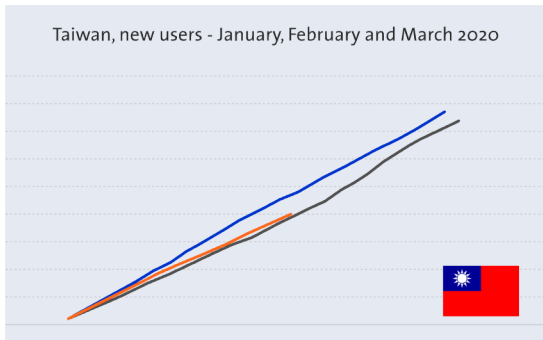
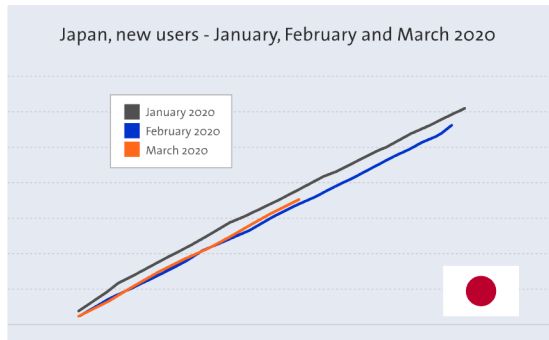
New users - February 2020 vs. March 2020

February 2020 March 2020 March 2020 - Lockdown

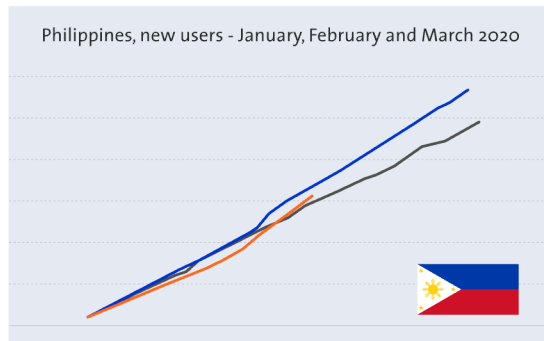
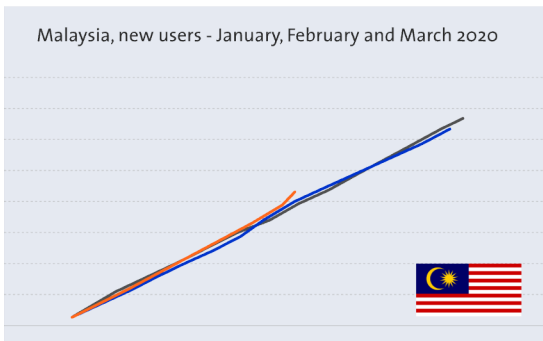
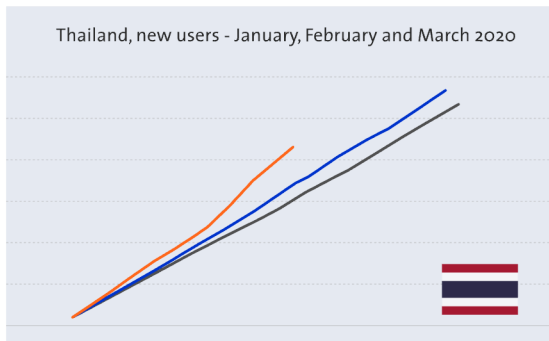


Other Asian Markets: Covid-19 Impact

Little apparent effect in advanced East Asia

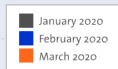


Some evidence of uplift in other South East Asian Markets



Middle East: Covid-19 Impact

Saudi Arabia cumulative daily users - Jan., Feb. and Mar. 2020



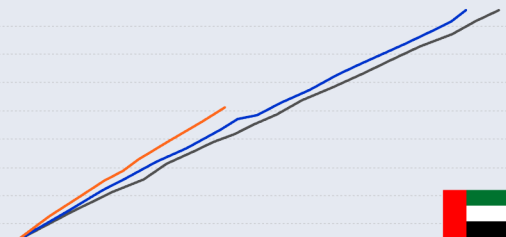
Qatar cumulative daily users - Jan., Feb. and Mar. 2020



Oman cumulative daily users - Jan., Feb. and Mar. 2020



UAE cumulative daily users - Jan., Feb. and Mar. 2020



Identity: No Discernable Covid-19 Impact

Cumulative Billable Transactions



Covid-19 – Boku is resilient

Financial ●●●

- Reforecast: reconfirm existing guidance
- Cash monitoring processes instituted

Sales / Business Development ●●

- Some trade shows have been cancelled: affects prospecting
- Most activity switched to digital channels
- 2020 revenue impact limited

Payments ●●●

- Positive impact on most merchants
- Minor delays to some implementations

Identity ●●

- Current volumes unaffected by virus
- Sales in the pipeline progressing
- Filling the pipeline more difficult



Conclusion and Outlook

2019 Summary and 2020 Outlook

2019 results

- Significant payments growth and progress on Identity

2020 Outlook

- Payments
 - Continued strong Revenue growth, enhanced by corona impacts
 - E-wallets – significant potential market opportunity
- Identity
 - Substantial market opportunity
 - Growth in International coverage and revenues
 - Narrowing losses

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 mobile
platform. Aim for (modest) world domination.



Mobile Transactions Made Simple