

Interim Results

for the half year ended 30 June 2021

7th September 2021

Jon Prideaux

Keith Butcher



Presentation Team

Jon Prideaux, CEO



CEO since 2014
Formerly EVP at VISA and
Deputy CEO at Secure Trading

Keith Butcher, CFO



Formerly CFO of LSE listed
payments companies
DataCash and Paysafe

Boku 2021 Interim Results

Highlights

Group

- Revenue and EBITDA ahead of original market expectations

Payments

- Launches in H1 2021 with major merchants for DCB, bundling and Wallets
 - Google, Netflix, Spotify, Amazon, Riot Games, Epic Games, DAZN, and Tinder
 - 68 merchant/wallet combinations in 9 countries
- Mobile First (“M1ST”) network launched
 - Reach to 5.7bn user accounts across DCB, Wallets and Real Time Payments
 - Enhanced regulated payment capability

Identity

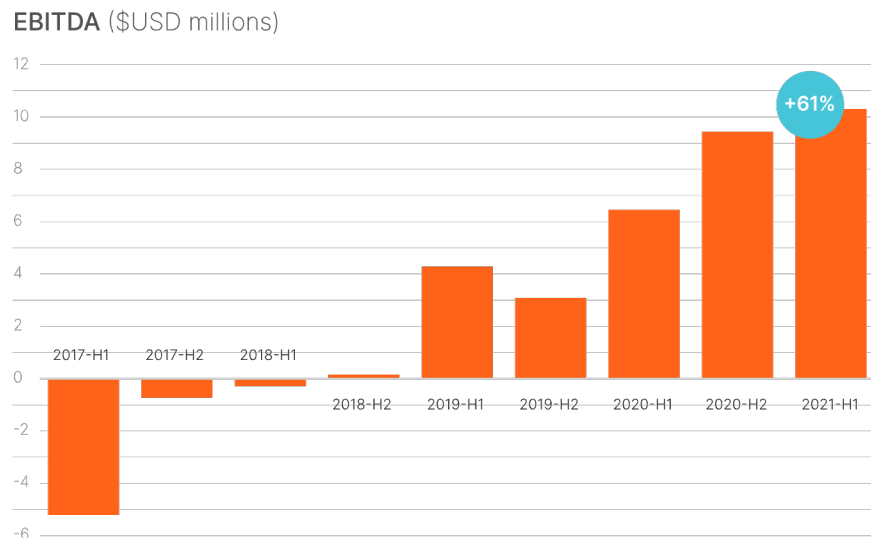
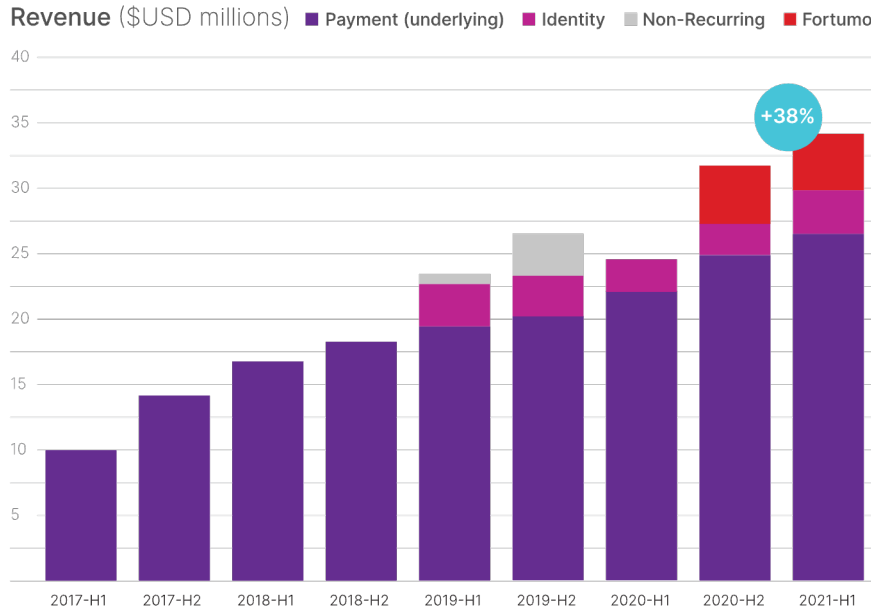
- Growth in US and International business

Financial Performance

Interim results 2021 - Group

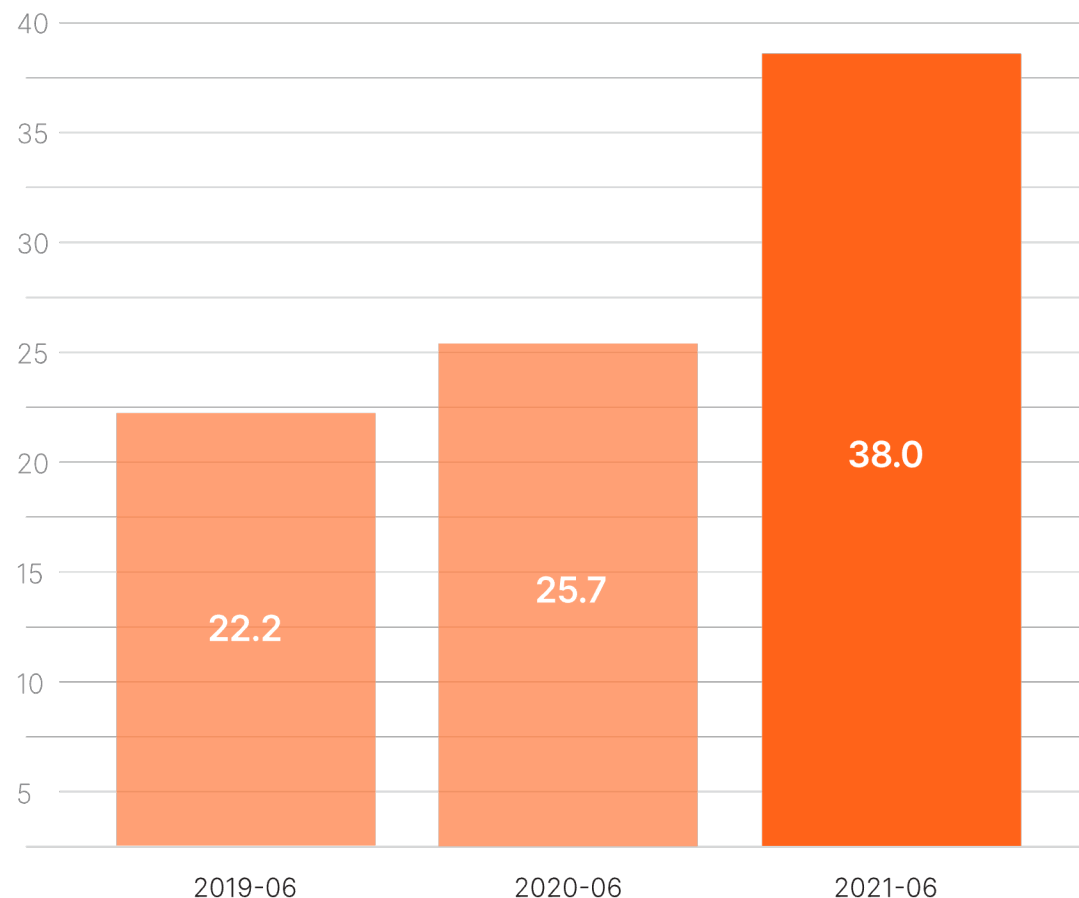
Group Financials

- **Revenue: up 38% to \$34.2m** (H1 2020: \$24.7m)
 - organic revenue growth 21%
 - organic cost growth 12%
 - *Fortumo results included from 1st July 2020*
- **EBITDA up 61% to \$10.3m** (H1 2020: \$6.4m)
- **Operating Profit increased to \$2.3 million** for H1 2021 (H1 2020: \$0.2 million)
- **Net Profit before tax increased to \$1.9 million** (H1 2020: \$0.09 million)



Interim results 2021 - Group

Group Average Daily Cash Balances (m\$ USD)

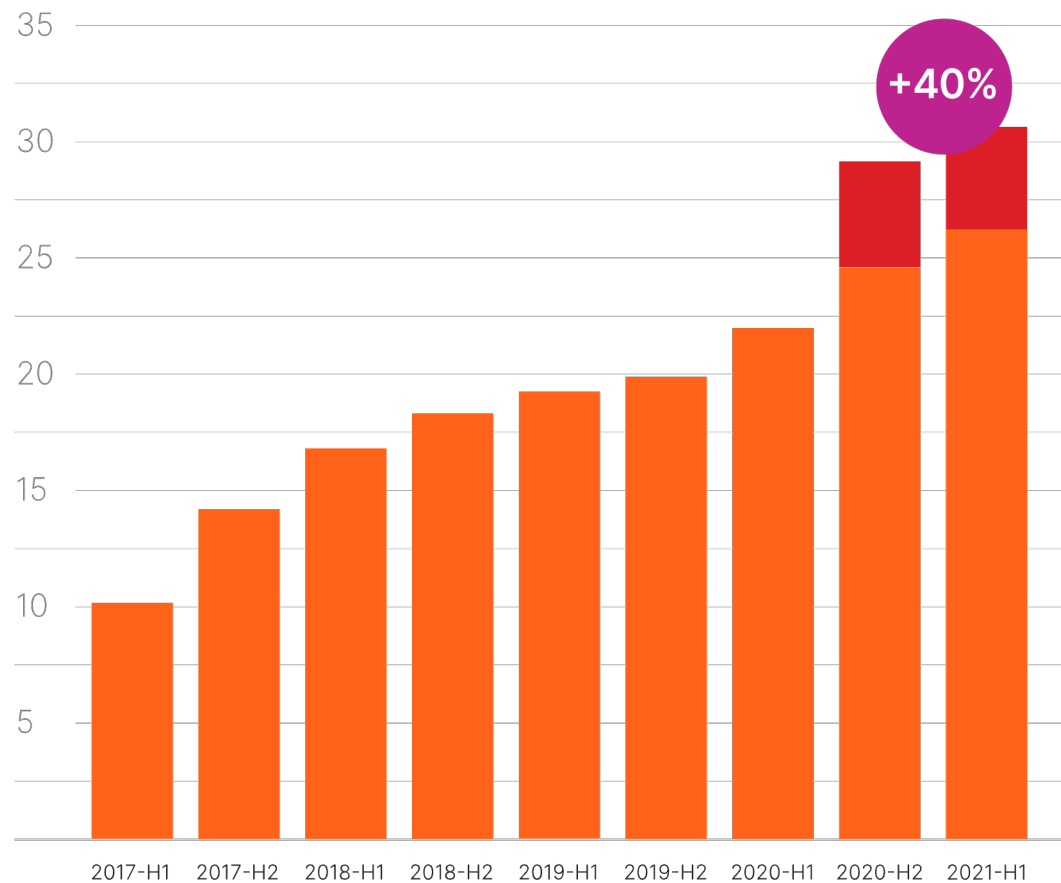


- **Average daily cash balance - \$38.0m in June 2021 (June 2020: \$25.7m)**
- **Group cash of \$48.6m at 30 June 2021 (30 June 2020: \$36.2m*)**
 - \$11.25m of the \$20m debt used to acquire Fortumo paid down
 - \$3.0m of the revolver and \$0.9m of the term loan paid down since the year end.
- **Net cash generated from operations of \$8.4m (2020 H1: \$6.0m) before working capital movements**

* Excluding \$44.5m held to pay for the acquisition of Fortumo

Payments – strong growth

Revenue (\$USD millions) ■ Boku ■ Fortumo



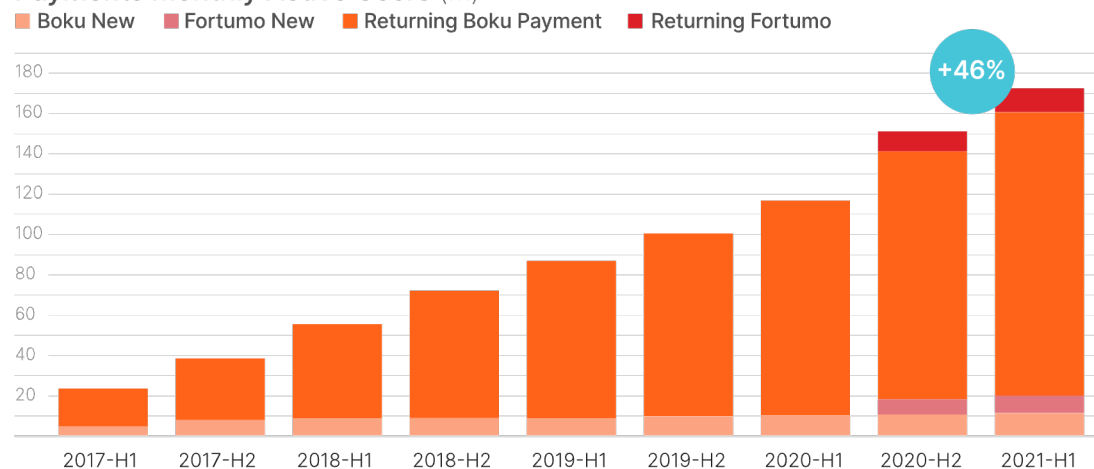
Payments division

- **Revenues increased by 40% to \$30.7m (H1 2020: \$22.0m)**
 - **Organic revenue* growth of 20% to \$26.3m (H1 2020: \$22.0m) excluding Fortumo revenues acquired 1 July 2020**
- **Payments Adj. EBITDA up 33% to \$11.2m (H1 2020 \$8.4m*)**
- **H1 2021 take rate 0.77% - stable vs. H2 2020 (including Fortumo volumes).**
 - Take rate up on H1 2020 (0.70%)

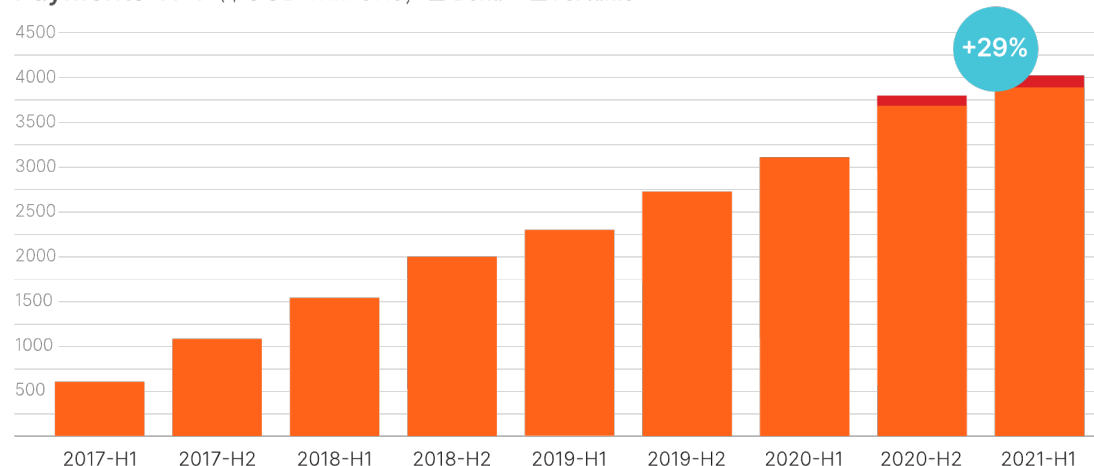
* 2019 Group and Payments revenue excludes impact of \$3.2m non-recurring item

Payments – strong growth

Payments Monthly Active Users (m)



Payments TPV (\$USD millions) Boku Fortumo



Payments division – H1 highlights

- **29.7m Monthly Active Users ("MAU") – up 46% v H1 2020**
 - Organic growth 28% (excluding Fortumo)
- **Total Payment Volume (TPV) up 29% to \$4.0bn**
(H1 2020: \$3.1bn)
- **Regulated payment capabilities expanded to 49 countries**
 - Boku now authorized to process regulated payments in Europe and Asia.

* 2019 Group and Payments revenue excludes impact of \$3.2m non-recurring item



Fortumo earnout

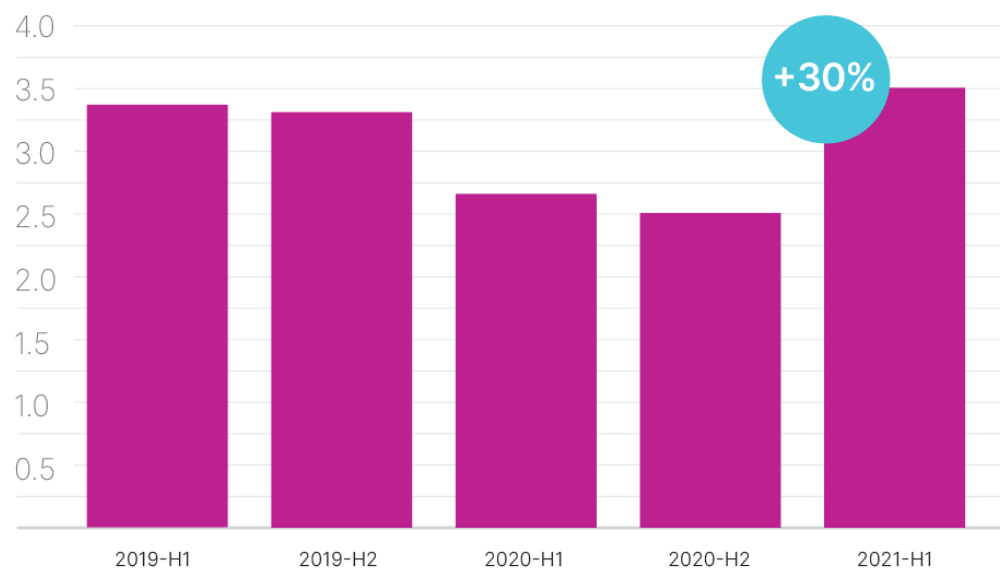
Acquired 1 July 2020

- ☐ Highly accretive deal based on EBITDA multiples paid
- ☐ Initially run as standalone operation
- ☐ Going Forward
 - ☐ Single Payments segment
 - ☐ Business operations now combining

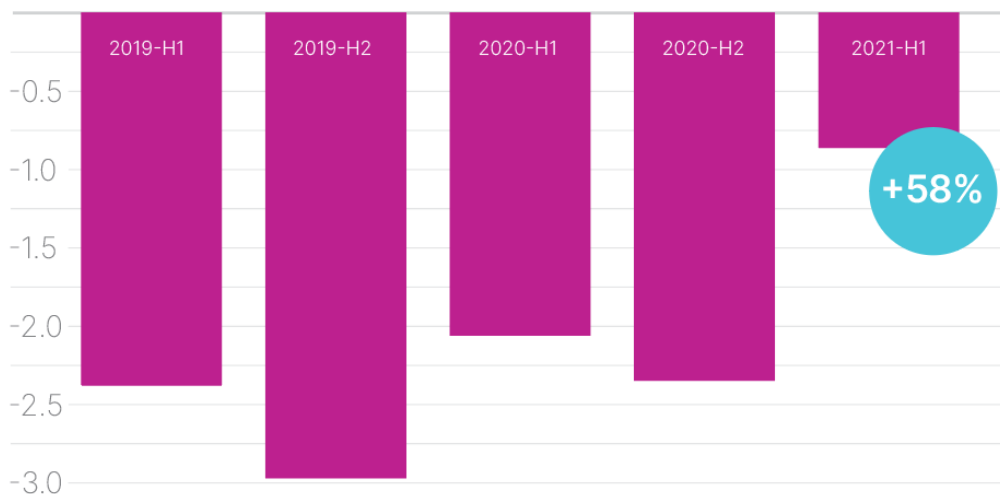
Total Consideration

- ☐ 12-month earnout period, based on challenging EBITDA targets, ended 30 June 2021.
- ☐ Payout of \$5.4m escrow by 5 October 2021
 - ☐ Dispersal of \$2.16m to Fortumo shareholders
 - ☐ Balance of \$3.24m to be returned to Boku
- ☐ Enterprise value \$37.76m (net of \$4m acquired cash)

Revenue (\$USD millions)



EBITDA (\$USD millions)

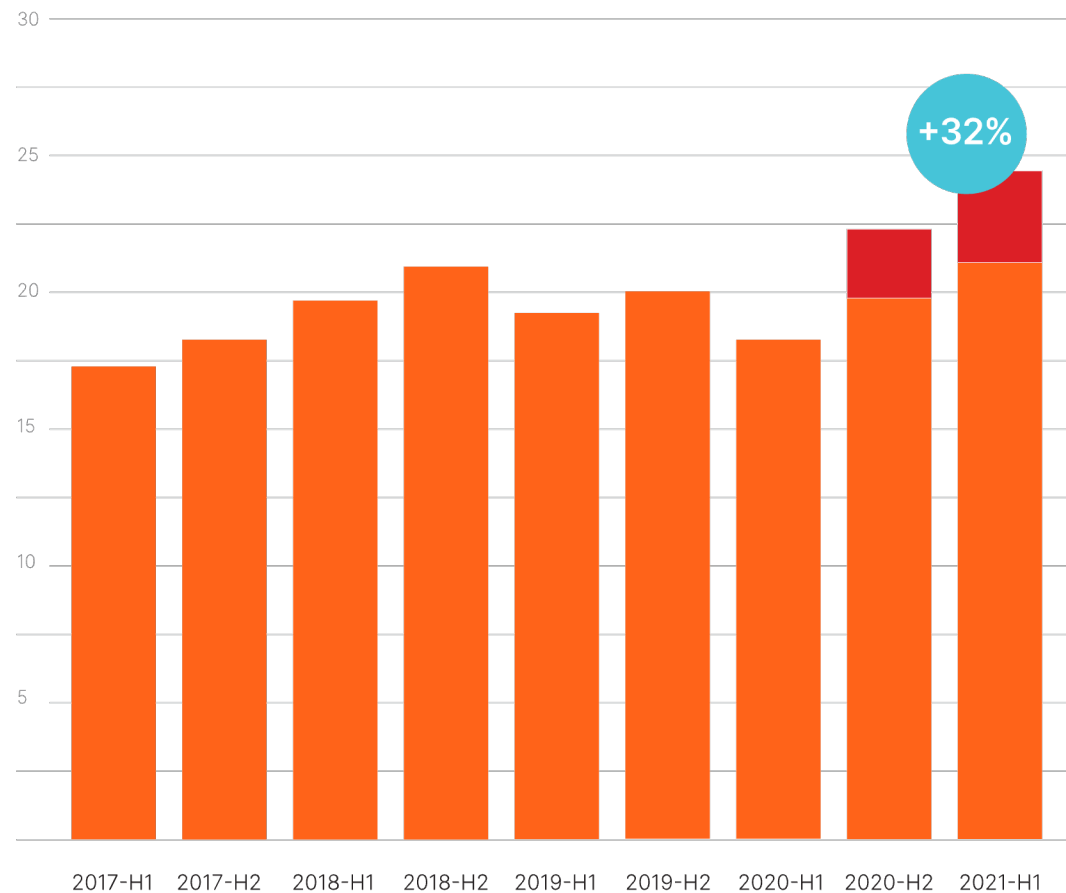


Identity: Improving performance in H1

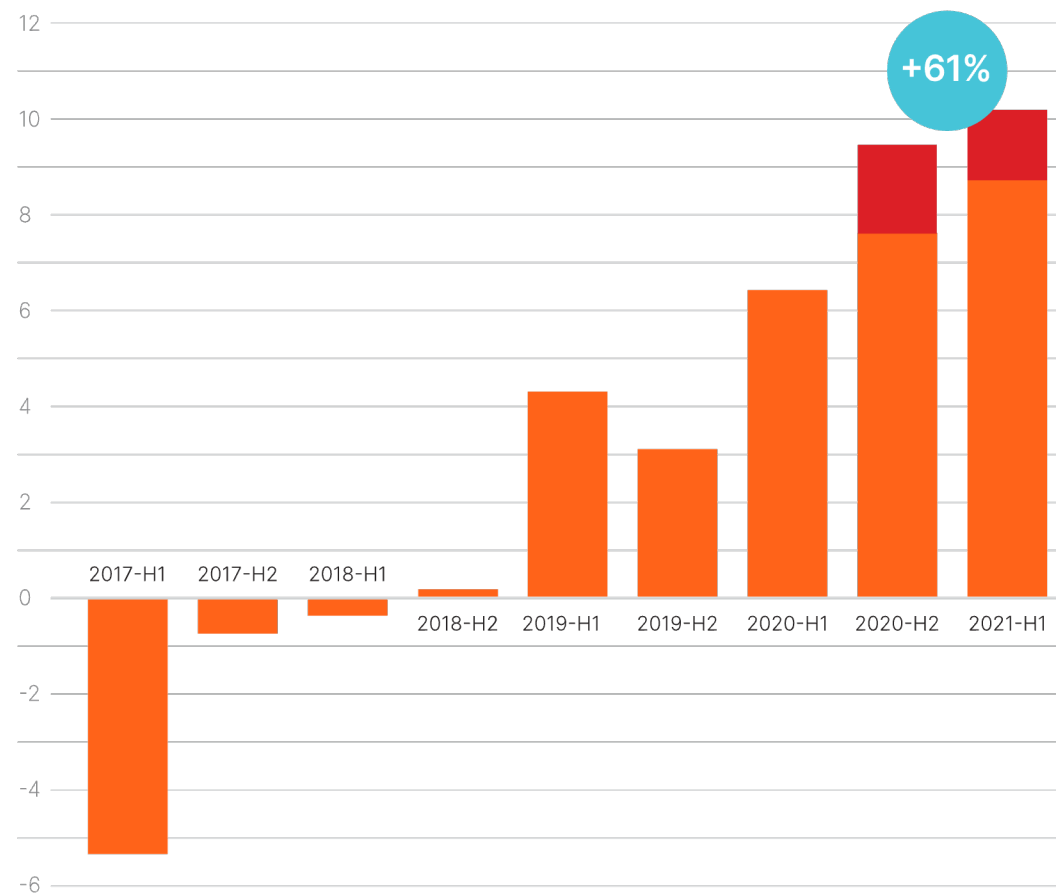
- **Revenues up 30% to \$3.5 million**
(H1 2020: \$2.7 million)
- **Adj. EBITDA losses reduced to \$0.9m**
from H1 2020 (\$2.3m loss)
 - H2 costs expected to increase as further investment is made.
- **Identity connections added** in Spain, Italy and Indonesia, together with a strengthening of the global partnership with Vodafone Group
- **Strong customer growth** - from key existing customers complemented by a ramp up in transaction volumes from new mobile wallet customers in Indonesia

Group Operating Leverage

Cost (\$USD millions) ■ Boku ■ Fortumo



EBITDA (\$USD millions) ■ Boku ■ Fortumo



Note: Underlying Cost growth 12%, underlying EBITDA growth 34%

Strategy Update

The stage is set for unprecedented growth in eCommerce

But relying on the traditional cards playbook will not reach these new consumers

Global Middle Class has doubled and is expanding

160M

new entrants to the global middle class every year

- Growth from **1.8B** in 2008 to **3.5B** in 2017
- Asia accounts for **88%** of the new middle class

Source: Brookings Institute

They have smartphones & don't have credit cards

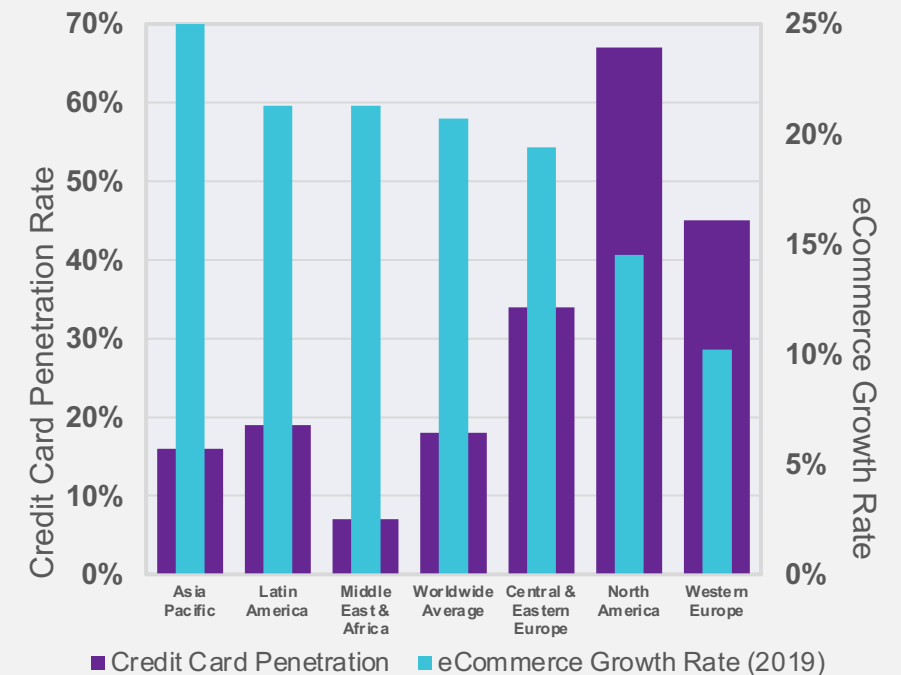
10%

Average Credit Card ownership in emerging markets

- **74%** of 2021 smartphones sales in emerging markets
- **80%** - Projected smartphone penetration by 2025

Sources: World Bank, GSMA, Statista

Mobile-First Payments are essential



Sources: World Bank, eMarketer

Mobile payment acceptance is critical to eCommerce,
but acceptance is a big challenge



The M1ST Network simplifies mobile payment acceptance

An integrated approach, inspired by the card schemes, removes significant friction



Reach mobile-first consumers with the payments they use

- 5.7 billion mobile payment accounts accessible
- 330+ payment methods in 90 countries
- Mobile Wallets, Direct Carrier Billing & Real-Time Payments
- Continuously adding the most popular & fastest growing mobile payment methods

A single, global scheme that simplifies acceptance

- Single API integration with rapid onboarding
- Standardization across all payment methods
- Mobile Payment on file for 0-tap and 1-tap purchases

Removing the logistical hurdles with back-office support

- Accepting regulated payments in nearly 50 countries
- Unified global settlement and foreign exchange
- Local tax calculation, collection and payment available

Boku delivers Mobile-first consumers to the world's largest brands

Trusted today by six of the seven most valuable companies in the world

Mobile Apps



#2 App Store
Official DCB Provider

Streaming Video



#1 Streaming Video
Sole DCB Provider



#2 Streaming Video
Official Bundling Provider

Music Streaming



#1 Music Streaming
Sole DCB Provider

Gaming



#1 Social Network
Sole DCB Provider



#2 Social Network
DCB Provider



#1 Console Gaming
Sole DCB Provider



#2 Console Gaming
Primary DCB Provider



#1 PC Game
Sole DCB Provider



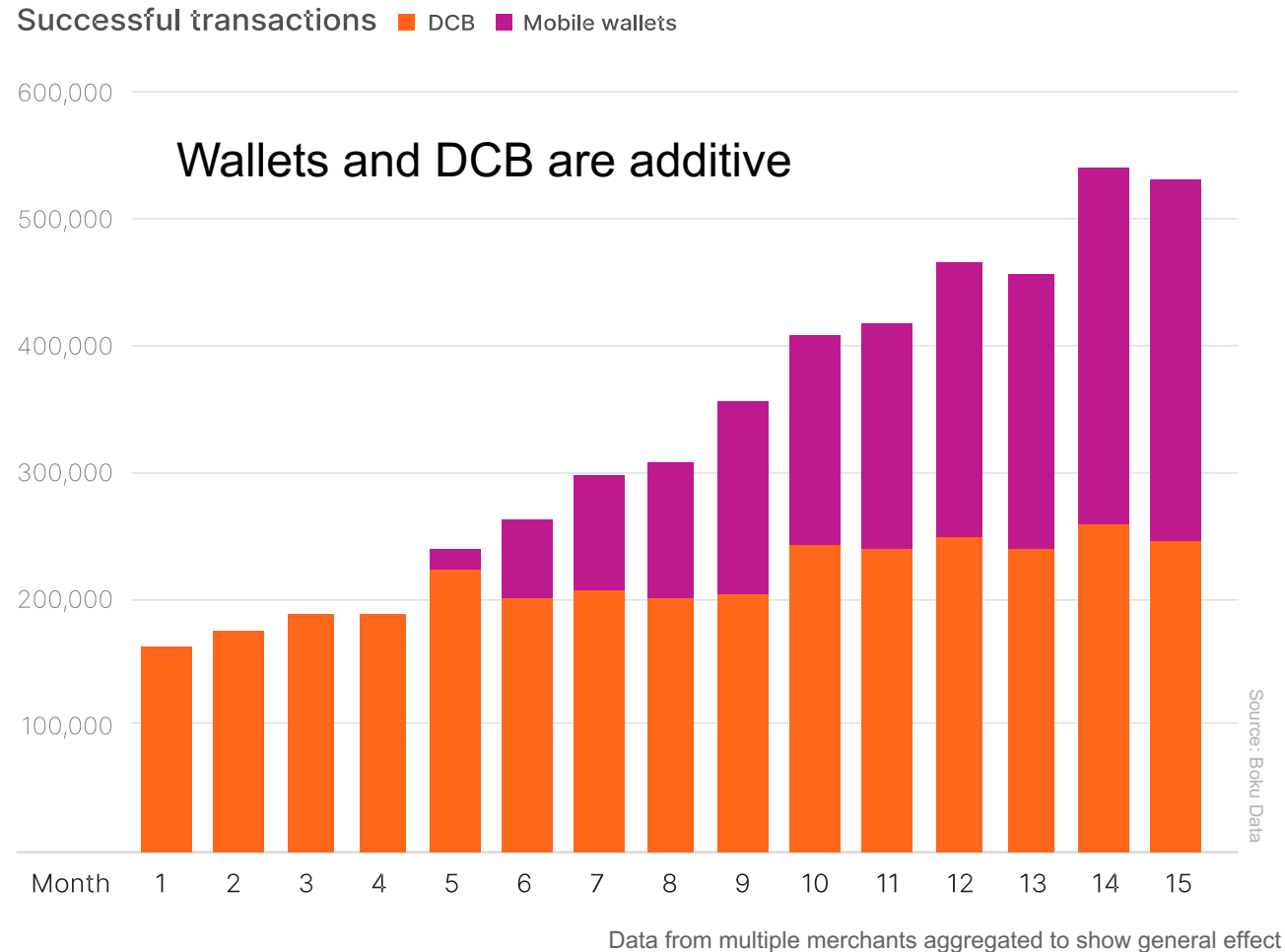
#8 Global Games
Sole DCB Provider

Boku has worked with tier one brands for years, delivering them millions of new users.
Initially with Direct Carrier Billing, now, increasingly, with other payment methods.

Four of these tier one merchants now use Boku for wallets in addition to DCB

Boku's M1ST Payments Network – Case Studies

Boku delivers new users and more successful transactions



M1ST

M O B I L E F I R S T

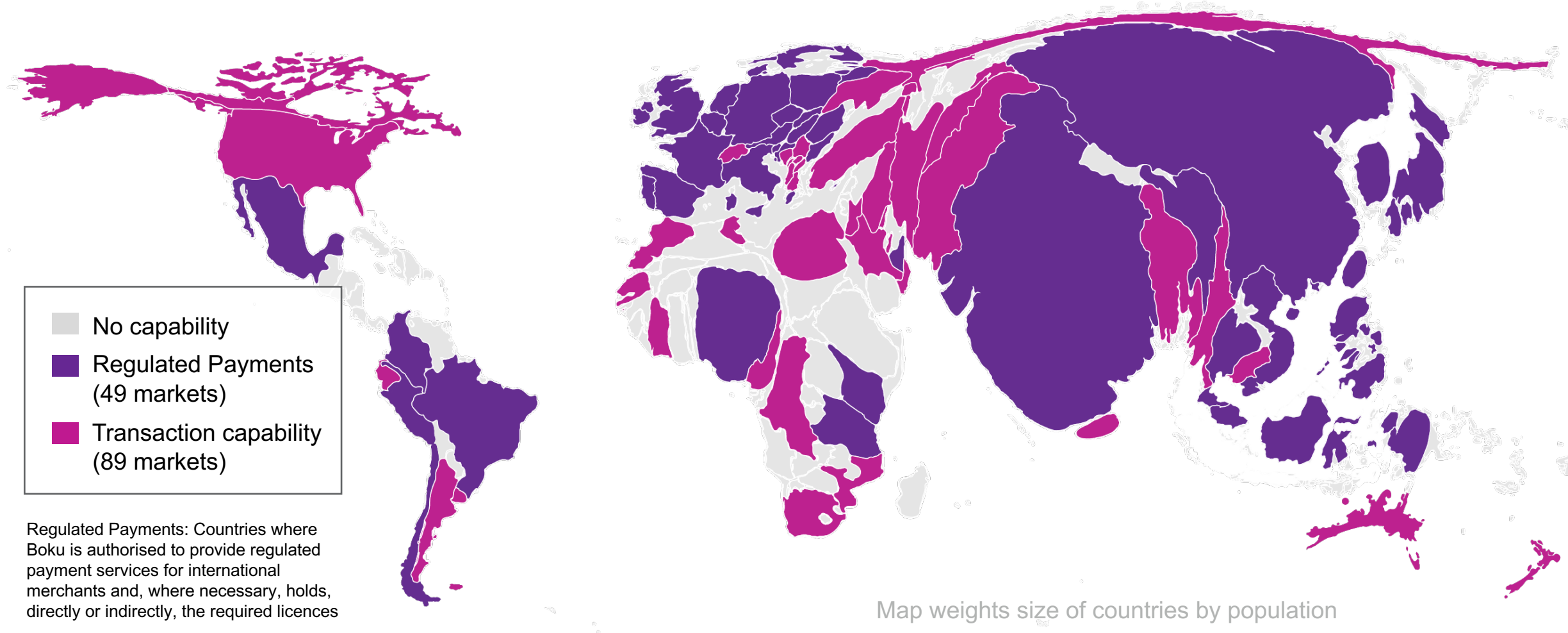


Payment Methods are eager to join Boku's M1ST Network

Boku provides access to global brands, know-how & scale

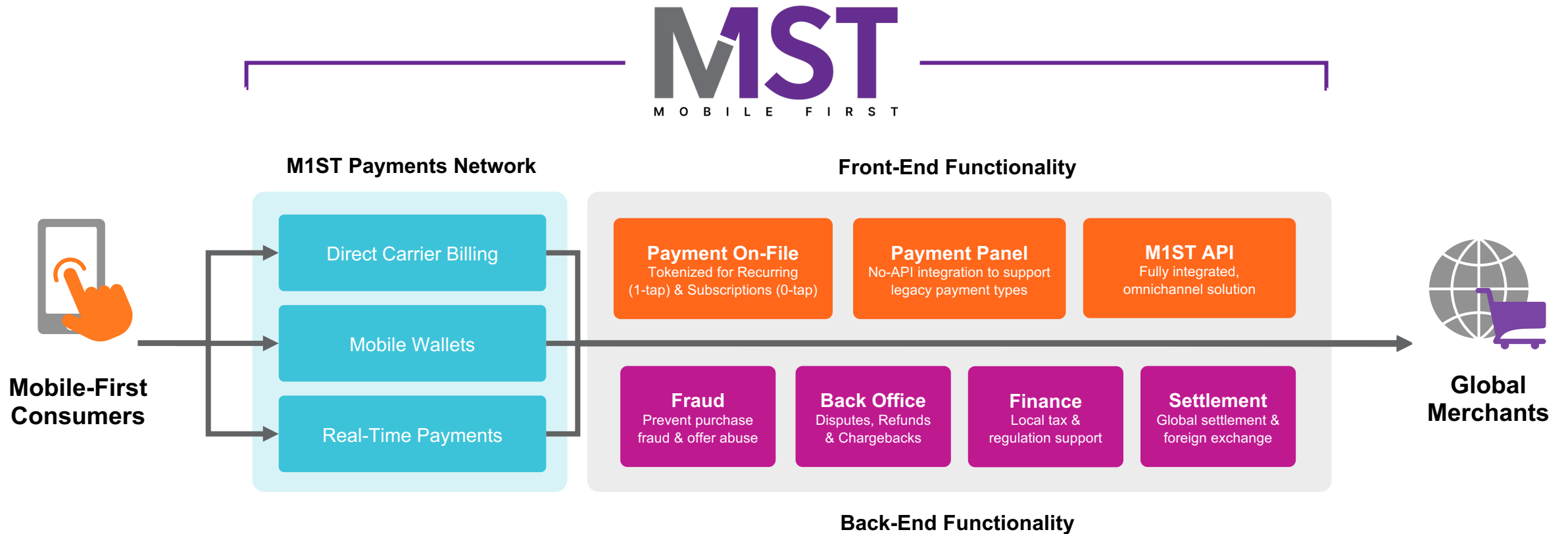
- Payment providers want access to brands like Amazon, Facebook, Google, etc.
- Reaching global merchants is critical for payment method growth
- Boku works with payment method providers to ensure they meet the specifications of our merchants and network

Boku Has Broad Payments Capabilities



Boku's Mobile-First Payments Platform

PaaS provides merchants with required functionality along with plug & play payment types



Boku's Mobile Identity Suite

Using mobile operator data to seamlessly secure online services

Verify – Customer Onboarding



Great! The next step is to verify your address.

To ensure a secure and trusted environment for your neighborhood website, all members must verify their address.

Verify your address using one of the methods below

[Not your address? Click here to update your address.](#)



Phone (instant and free)

We will call your home or mobile phone to verify your account.

Phone number

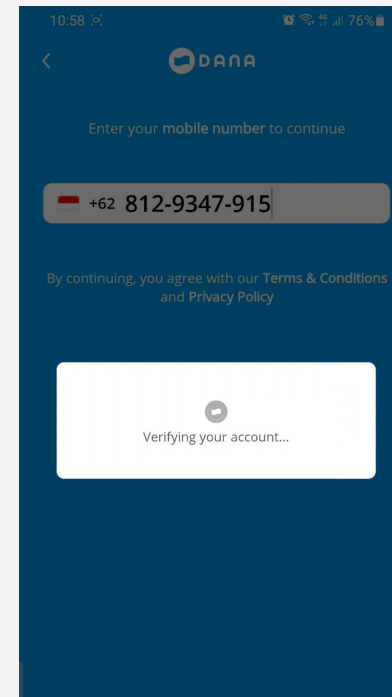
We will not share your number without your permission.

[Your mobile phone plan's billing address must match the address you used to join Nextdoor](#)

Verify »

- Instant verification maximizes sign-up conversion
- Verifies user address at lowest cost to Nextdoor
- Maintains the security of the social network

Authenticate – Secure Account Access



- Instant authentication maximizes sign-on conversion rate
- PIN-less authentication reduces customer support costs
- PIN-less authentication is more secure; reducing fraud
- Boku delivers better authentication experience at comparable cost to SMS OTP

Global Online Payments Market

Boku provides merchants with the most global and mobile-first payment options

Generalist PSPs

Global Giants
(Highly-established players)

cybersource
A Visa Solution

CHASE

worldpay
from FIS

Worldline

\$43B acquisition

\$28B market cap

Technology-Led Challengers
(Developer-centric, API-based onboarding)

stripe

\$95B valuation

 **checkout.com**

\$15B valuation

adyen

\$78B market cap

Specialist PSPs

 **boku**

Global Merchant Focus
(delivering mobile-first consumers)

d · local

\$15B market cap

Geographic Focus
(Primarily Latin America)

 **EBANX**

\$2B valuation

Rapyd

\$5B valuation

Market Segment Focus
(Primarily B2B transactions)

Thunes.

\$60M series-B

ppro

\$1B+ valuation

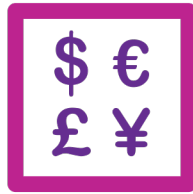
Sales Channel Focus
(Primarily PSP customers)

Boku has key assets in place

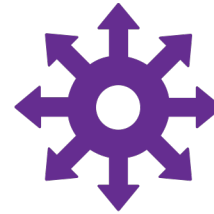
to deliver the market potential of M1ST



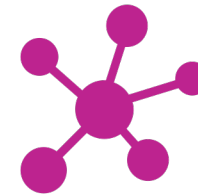
Established relationships with 500 customers globally



Unique multi-jurisdictional regulatory infrastructure



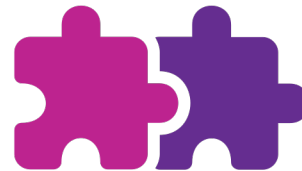
Robust scalable technology with years of uninterrupted expansion



Payment methods with 330 connections in 89 countries



3 years of track record as a public company



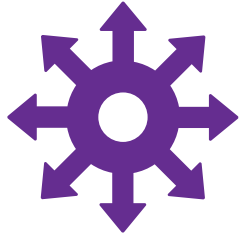
Easy API integration and addition



Payment fraud management

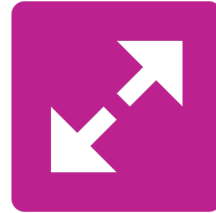
Proven Growth Strategy

Wide & Deep



Build the M1ST payments network to contain the payment types that deliver mobile-first consumers

Land & Expand



Recruit customers with unique capabilities, expand footprint through M1ST Network

Plug and Play



Investment to simplify onboarding, expansion, operations, clearing and settlement

Summary

- Strong performance in Payments across DCB, Bundling and Wallets
- Staking out a position as a specialised PSP in bigger Local Payment Method processing market
- Return to growth in Identity business, driven by international success

Outlook

- Remain on track to deliver record performance

Summary and Outlook

Boku helps the world's largest
companies to **acquire, monetize**
and **retain** mobile-first consumers

Our Values

CUSTOMERS FIRST

We're committed to the long-term growth of our customers, even if it costs us more in the short run.

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.

• **boku**