2021 Trading Update and Disposal of Boku Identity

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Keith Butcher
Presentation Team

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CEO since 2013
Formerly EVP at VISA and Deputy CEO at Secure Trading

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Formerly CFO of LSE listed payments companies DataCash and Paysafe
Boku Identity – Sale to Twilio
Boku Identity: Disposal to Twilio for $32.3m

Identity division – sale to Twilio

- Twilio, Inc. (“Twilio”) is a leading cloud communications platform
- The Disposal allows Boku to become a pure-play payments business focusing its resources on exploiting the mobile payments opportunity,
- Boku will invest part of the proceeds in its M1ST Payments Network to take advantage of the substantial opportunity.
- Outstanding term loan with Citibank to be repaid in full
  - $10m revolver facility (currently unused) to be retained.
- Balance retained for working capital purposes.
- The Disposal is expected to be immediately earnings enhancing for Boku.
Boku Identity: Disposal to Twilio for $32.3m

Identity division to be sold to Twilio for maximum Transaction Value of $32.3m

- Subject to customary adjustments for cash, debt, working capital and closing third party expenses

Deal terms

- Signed on 18th January 2022
- Closing expected within 60 days

Payment terms

- $32.3m Transaction value
- $26.1m Payable on Closing subject to customary adjustments for cash, debt, working capital and closing third party expenses
- $6.2m to cover future claims for up to 18 months from closing
2021 Trading Update
Highlights
2021 Trading Update - Group

Group Financials 2021
Strong revenue and EBITDA growth

- Revenue: approx. $69.0m – up 22% vs. 2020 ($56.4m)
- EBITDA up 31% to approx. $20.0m (2020: $15.3m)
  - On a constant currency basis, revenues and EBITDA would be $2.3m higher
- Group cash of $62.4m on 31 December 2021 (30 June 2021: $48.6m)
  - $11.88m of the $20m debt used to acquire Fortumo paid down at year end
- Average daily cash balance - $50.5m in December 2021 (June 2021: $38.0m)
2021 Trading Update - Payments

Payments division - progress on DCB, eWallets and Real Time Payments

- Payment revenues up 21% to approx. $61.9m (2020: $51.2m) and approximately 90% of the Group total
- TPV of c.$8.2bn for 2021, up 21% (2020: $6.9bn)
- Payments EBITDA* expected to be at least $22.9m, up 21% (2020: $19.0m)
  - investment into the ‘mobile first’ M1ST network in H2
- On a constant currency basis, revenues and EBITDA would have been c.$2.3m higher (c.$1.6m in H2) and TPV c.$360m higher (c.$250m in H2)
- Launches in 2021 with Google, Netflix, DAZN, Spotify, Epic Games, Facebook, Amazon, Riot Games and Tinder across DCB, eWallets and Real Time Payments
2021 Trading Update - Payments

Payments division - progress on DCB, eWallets and Real Time Payments

- Monthly Active Users up 3.8m to 32.3m in December 2021 (December 2020: 28.6m).
- M1ST payments network expanded to over 7bn end user accounts (42% of which are non-DCB).
- Volumes processed from eWallets and Real Time Payments increased 5x during the year.
- Non-DCB Customers now include leading global companies in digital advertising, streaming music, streaming video, games and games consoles.
- Take rate stable at 0.7%, in line with H2 2020 (including Fortumo volumes).
Boku Identity: 2021

Identity division – Improved performance

- Revenues up 37% to approximately $7.1m (2020: $5.2m)
  - Strong growth outside of US
- EBITDA losses reduced to estimated $2.9m (2020:$3.9m loss)
- Connections added in Germany, Spain, Italy and Indonesia drove increased usage
- Identity division to be sold to Twilio for maximum consideration of $32.3m
Operating Leverage - Payments

Data displayed is for ongoing Payments business only.
Strategy Update
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

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

Mobile-First Payments are essential

Source: Brookings Institute
Sources: World Bank, GSMA, Statista

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Mobile payment acceptance is critical to eCommerce, but acceptance is a big challenge.
## Global Online Payments Market

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

<table>
<thead>
<tr>
<th>Generalist PSPs</th>
<th>Specialist PSPs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Giants</strong>&lt;br&gt; (Highly-established players)</td>
<td><strong>Global Merchant Focus</strong>&lt;br&gt; (delivering mobile-first consumers)</td>
</tr>
<tr>
<td>cybersource A Visa Solution</td>
<td><strong>boku</strong>&lt;br&gt; $5B valuation</td>
</tr>
<tr>
<td>CHASE</td>
<td><strong>d·local</strong>&lt;br&gt; $8bn market cap</td>
</tr>
<tr>
<td>worldpay from FIS</td>
<td><strong>Rapyd</strong>&lt;br&gt; $60M series-B</td>
</tr>
<tr>
<td>$43B acquisition</td>
<td><strong>EBANX</strong>&lt;br&gt; $2B valuation</td>
</tr>
<tr>
<td>$28B market cap</td>
<td><strong>Thunes.</strong>&lt;br&gt; $1B+ valuation</td>
</tr>
<tr>
<td><strong>Technology-Led Challengers</strong>&lt;br&gt; (Developer-centric, API-based onboarding)</td>
<td><strong>Sales Channel Focus</strong>&lt;br&gt; (Primarily PSP customers)</td>
</tr>
<tr>
<td>stripe</td>
<td><strong>ppro</strong>&lt;br&gt; $1B+ valuation</td>
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<tr>
<td>adyen</td>
<td><strong>Rapyd</strong>&lt;br&gt; $5B valuation</td>
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<tr>
<td>$95B valuation</td>
<td><strong>d·local</strong>&lt;br&gt; $8bn market cap</td>
</tr>
<tr>
<td>$40B valuation</td>
<td><strong>Thunes.</strong>&lt;br&gt; $60M series-B</td>
</tr>
<tr>
<td>$63B market cap</td>
<td><strong>ppro</strong>&lt;br&gt; $1B+ valuation</td>
</tr>
</tbody>
</table>
Boku Has Broad Payments Capabilities

Regulated Payments: Countries where Boku is authorised to provide regulated payment services for international merchants and, where necessary, holds, directly or indirectly, the required licences.

Transaction capability (91 markets)

Map weights size of countries by population.
Boku delivers Mobile-first consumers to the world’s largest brands

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

<table>
<thead>
<tr>
<th>Mobile Apps</th>
<th>Streaming Video</th>
<th>Music Streaming</th>
</tr>
</thead>
<tbody>
<tr>
<td>🍎 #1 App Store Sole DCB Provider</td>
<td>📺 #1 Streaming Video Sole DCB Provider</td>
<td>🎵 #1 Music Streaming Sole DCB Provider</td>
</tr>
<tr>
<td>🤖 #2 App Store Official DCB Provider</td>
<td>📺 #2 Streaming Video Official Bundling Provider</td>
<td>🎵 #2 App Store Sole Bundling Provider</td>
</tr>
</tbody>
</table>

**Gaming**

<table>
<thead>
<tr>
<th>Facebook</th>
<th>Tencent</th>
<th>Sony</th>
<th>Microsoft</th>
<th>Epic Games</th>
<th>Riot Games</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Social Network Sole DCB Provider</td>
<td>#2 Social Network DCB Provider</td>
<td>#1 Console Gaming Sole DCB Provider</td>
<td>#2 Console Gaming Primary DCB Provider</td>
<td>#1 PC Game Sole DCB Provider</td>
<td>#8 Global Games Sole DCB Provider</td>
</tr>
</tbody>
</table>

Boku has worked with tier one brands for years, delivering them millions of new users.

Five of these tier one merchants now use Boku for eWallets or Real Time Payments in addition to DCB
Growth in users and volumes on the Boku platform

Average Daily Active Users (millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Users</td>
<td>0.14</td>
<td>0.35</td>
<td>0.73</td>
<td>1.10</td>
<td>1.57</td>
<td>2.04</td>
</tr>
</tbody>
</table>

TPV ($USD billions)

<table>
<thead>
<tr>
<th>Year</th>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TPV</td>
<td>0.6</td>
<td>1.7</td>
<td>3.6</td>
<td>5.0</td>
<td>6.9</td>
<td>8.2</td>
</tr>
</tbody>
</table>

+13% and +18% growth respectively.
Boku’s M1ST Payments Network – Case Studies

Boku delivers new users and more successful transactions

More payment methods = more new users

Growth in eWallets: country case study

“Apple’s efforts to use alternative methods of payment on the App Store, such as via users’ phone bills is enabling a whole new class of customers.”

- Luca Maestri, CFO Apple

51%* of iPhones do not have a payment method on file

*as per disclosures in Epic v. Apple

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Growth in Monthly Users of eWallets

Driven by launches with leading global companies in:
- video streaming,
- digital advertising,
- music streaming,
- games and gaming consoles

Five-fold growth in TPV
9X growth in eWallet MAUs to exceed 1m
Summary and Outlook

Strong Growth in 2021 supports focus on M1ST in 2022

2021 Summary

- Disposal of Boku Identity for $32.3m
  - Immediately accretive
- 22% Revenue Growth to c.$69m
- 31% EBITDA Growth to c.$20m
- Strong growth across all payment metrics, especially eWallets and Real Time Payments

2022 Outlook

- Continued growth in DCB, eWallets and Real Time Payments
- Continued investment in M1ST in 2022
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.