2024 Annual Report

Boku, Inc. Annual Report and Accounts for the year ended 31 December 2024

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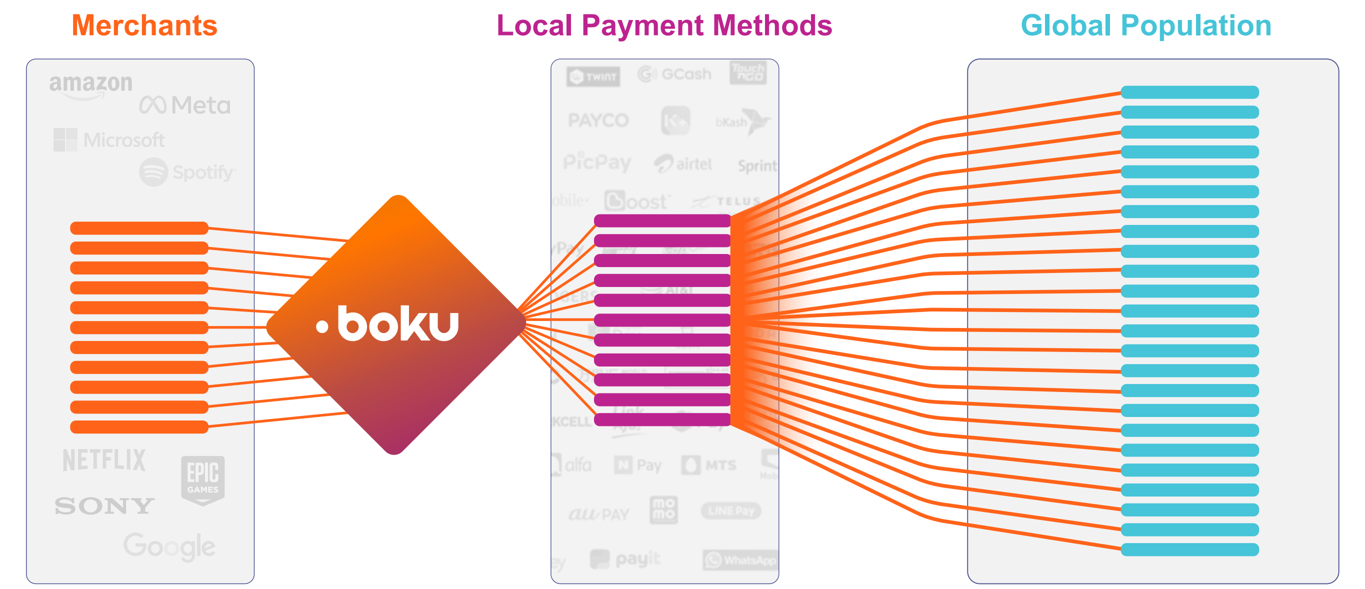
Boku at a glance



Boku's platform is trusted by many of the biggest merchants in the world.

Boku partners with a global range of mobile network operators, digital wallets and account to account schemes.

These partnerships enable Boku to offer extensive payment solutions that reach over 7 billion customer accounts in more than 70 countries, worldwide.

By 2028, about 60% of ecommerce transactions by value are projected to be made by local payment methods which include direct carrier billing, digital wallets, and account to account schemes*.

At Boku, we have been anticipating for many years the growth in local payment methods, and we have been steadily building our network across the globe.

Our network for over 250 local payment methods helps our merchants to grow their businesses into new markets including cross-border.

*Boku & Juniper Research, 2024. 2024 Global Ecommerce Report. Available at https://www.boku.com/boku-knows/2024-boku-global-ecommerce-report

Giving people the freedom to buy what they want, the way they want.

Monthly Active Users

87.1m

+29% vs FY23

Total Payments Volume

$12.4bn

+18% vs FY23 (+23% CER)

Take Rate

80bps

+1% vs FY23

Revenue

$99.3m

+20% vs FY23 (+24% CER)

Adjusted EBITDA

$31.4m

+22% vs FY23

Operating Profit

$6.2m

-37% vs FY23

Own Cash

$80.2m

+10% vs FY23
(+21% ex. share buyback & warrants)

Chair's Statement

As our Annual Report demonstrates, Boku has continued its strong momentum, delivering impressive growth in revenue, adjusted EBITDA and cash, with operating profit seeing a modest decline in the year. Boku has also enhanced its global footprint and broadened its capabilities in Local Payment Methods (LPMs) to support the world's leading digital merchants. These are achievements of which the Boku team can be very proud.

During the year, we significantly strengthened and expanded the management team and made considerable investment in the future development of LPMs which is where we expect to see much of our future growth. As stated elsewhere in this report, our overall goal is to become the world's best localised payments partner for global commerce. An ambitious but, we believe, achievable goal.

Leadership, Governance and Shareholder Engagement

As anticipated in my report last year, 2024 was a year of significant transition. Having now had over a year in post as CEO, I am thrilled to confirm that Stuart Neal's return to Boku (having previously been CFO at the time of the IPO and then CEO of the Identity division which we sold in 2022) has been a great success. He has deep sector and institutional knowledge, strategic acumen, and leadership experience - all of which are needed as we continue down our ambitious growth path.

We have also strengthened our leadership team by welcoming Rob Whittick (Chief Financial Officer), Vic Rodgers (Chief People Officer), and Paul Jarrett (Chief Treasury and Banking Officer). Their expertise, acquired at much larger companies, will be instrumental as Boku scales to become the world's best localised payments partner for global commerce.

Our Board has eight directors, two are executives and six are non-executives (four of whom the Board considers to be independent). I believe the Board has the right mix of industry expertise, regulatory knowledge, and strategic insight to support Boku's ambitious expansion plans.

I have been privileged to be one of Boku's non-executive directors since before our IPO and to have played my small part in Boku's development over nearly nine years. In the UK, that is generally seen as the time limit beyond which a non-executive's, independence is questioned. With this in mind, I have notified the Board of my intention to retire from the Board once we have found a suitable replacement. The Board has set a demanding specification for this role and finding the right person with the appropriate skillset and experience for the next phase of growth at Boku is seen as more important than the timing. We have commenced an externally facilitated search process and will update the market at the appropriate time on progress.

Compliance in all we do remains central to our operations, and we continue to strive for the highest standards of regulatory adherence and risk management. We also welcome the recent revisions to the QCA Corporate Governance Code. Ahead of its due date we have adopted the recommended practice of submitting all directors for annual election by shareholders at the AGM.

Chair's Statement

We are also acutely aware of the challenges facing the London public markets - and AIM in particular. Limited share liquidity is an issue facing most companies quoted in London, and to help ease the impact on our own liquidity and where we consider shares to be undervalued we have established a share buyback plan which our cash generation allows us to do. I am also very pleased to see that the last Budget did not completely remove the Inheritance Tax planning benefits of investing in the AIM market, even though the benefit was reduced.

We have worked hard on shareholder engagement. Our shareholders mainly come from the UK, Europe and the USA and Stuart Neal and Rob Whittick have regularly met with institutional shareholders and prospective shareholders. I am always available to speak to any shareholder or analyst. We are pleased that our shareholders have given us strong support and encouragement as our growth plan continued to develop.

Investing for Scale and Future Growth

To support our ambitious expansion, in addition to our strengthened leadership team, we have invested heavily in technology, automation, finance and compliance. Ongoing enhancements to our platform include improving levels of straight-through processing, global treasury capabilities, and real-time cross-border money movement, all of which are critical for handling higher transaction volumes efficiently.

As part of our ambitious growth plan and following shareholder consultation the Board asked for, and received, shareholder approval of an additional long-term incentive scheme for the executive management team. This Stretch Restricted Share Unit (SRSU) Plan is designed to reward exceptional shareholder value growth between March 2024 and the date on which the results announcement for the 2027 financial year is released (expected to be March 2028) with a holding period until vesting, in two instalments after which they convert into common shares. They will only start to vest if the share price reaches 541.2p (GBP) or more and they are capped at a share price of 902p (GBP). We appreciate our shareholders' valuable input in shaping the final plan, ensuring it aligns with our long-term goals while incentivising exceptional performance from which all stakeholders will benefit.

Commitment to Culture

Boku's success is driven by its people and culture. We have a diverse workforce spread around the world and I am proud of the dedication and innovation they continue to display. Despite significant operational expansion and leadership transitions, our team has embraced change with passion and agility. It is worth noting that our largest customers include many of the largest US technology companies who are some of the most demanding customers we could have, so the team's commitment to exemplary customer service is crucial to our success. That, in turn, offers the team high levels of work satisfaction which, I believe, is one reason why they show such dedication and enthusiasm.

Looking Ahead – An Exciting Future

Boku has had a great year, with strong financials, a growing market presence and a powerful strategic vision.

As we move through 2025, our focus and investment will be aligned with our five growth pillars:

- Grow core and develop new revenue streams
- Drive product innovation
- Increase operational efficiency
- Strengthen compliance and risk management
- Be a great place to work

The Board remains highly confident in Boku's future and its ability to capitalise on the ongoing transformation in global payments.

Finally, I would like to express my gratitude to our employees, executive team, board members, and shareholders for their continued support and commitment. Boku is on an exciting journey, and I am proud to be part of it.

Richard Hargreaves
Non-Executive Chair
18 March 2025

Strategic Report

When “Alternative” payment methods hit the mainstream: The rise of the Local Payment Methods continues

Boku continues to be at the forefront of global payments, with a network incorporating unique connections to over 250 distinct and emerging payment methods across more than 70 countries. During 2024 we added notable new connections in India, Nigeria, Colombia, Italy, Poland, and our first online retail (e-commerce) connection in Japan. We have created this incredible network to help solve a simple problem for our large global merchants: how do they continue to grow and monetise globally. The Global E-commerce Report[1], commissioned by Boku in collaboration with Juniper Research in 2024, identified some key long term macro trends in global payments. The most notable is that, by 2028, 59% of global e-commerce will happen using payment methods that are not traditional credit or debit cards (including card-linked wallets). This is a powerful trend and a profound shift in global buying behaviours that is not always recognised in big western markets such as the US and UK.

Across the world, the march of the new “local” payment methods continues. This is not purely an emerging markets phenomenon, it is a global trend. New payment methods and domestic schemes are becoming increasingly popular all over the world: WeChatPay China (1,935 million users), UPI India (350 million users), NIBSS Nigeria (219 million users), PIX Brazil (165 million users), PayPay Japan (67 million users), Bizum Spain (26 million users), Nequi Colombia (18 million users), BLIK Poland (17 million users), Satispay Italy (5 million users) to name just a small sample.

Put simply, companies wishing to expand into new international markets have to offer greater payment choice than solely traditional card payment methods if they wish to access more than 40% of consumers in those markets. In many cases, these new Local Payment Methods (LPMs) are focused primarily on enabling digital commerce within their domestic markets. Cross-border commerce is often something of an afterthought. That’s where Boku comes in. We enable merchants to grow internationally by helping them to seamlessly access the fragmented world of LPMs, either cross-border or within their own market. One connection to Boku can open up access to billions of paying consumers.

1 Boku & Juniper Research, 2024. 2024 Global Ecommerce Report. Available a https://www.boku.com/boku-knows/2024-boku-global-ecommerce-report

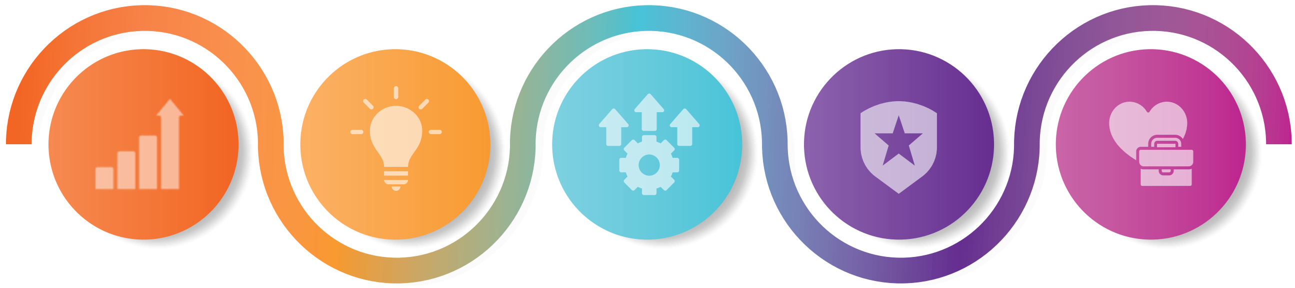
Why are LPMs taking off?

LPMs are rapidly gaining traction due to their benefits for consumers, merchants, and governments alike:

- Consumers: LPMs offer a seamless, mobile-first payment experience by integrating directly into app ecosystems and eliminating reliance on plastic cards giving consumers more control and more choice.
- Merchants: benefit from faster, more secure and lower-cost transactions, easier expansion into international markets, relief from multi-lateral interchange fees and the dominance of global card networks.
- Governments: may view LPMs as a means to reclaim control over their domestic payment infrastructure, promote financial inclusion by expanding access to secure digital payments, enhance transaction transparency, and improve regulatory oversight of financial flows.

These combined factors are driving the rapid adoption of LPMs worldwide.

Strategic Report



Grow core and develop new revenue streams

Add value to existing global merchants and extend the LPM network.

Expand the network to new merchants via direct selling and channel partnerships.

Drive product innovation

Lead the market with cutting edge LPM products.

Drive transaction volumes with secure, expert money movement.

Increase operational efficiency

Scale the platform with enhanced treasury capabilites for real-time settlements.

Automate backoffice functions for seamless, high-volume processing.

Strengthen compliance and risk managment

Grow in a controlled, compliant and low-risk manner.

Strengthen regulatory, data privacy and scalable compliance frameworks.

Be a great place to work

Attract, retain and develop top talent.

Foster a strong, inclusive culture that supports scalable growth.

Different types of LPM are attracting different use cases

Direct Carrier Billing (DCB)

DCB continues to demonstrate strong value, with growth expanding across multiple continents. As the original Buy Now Pay Later solution for digital purchases, DCB payments remains a popular non-interest-bearing line of credit, allowing consumers to spend up to $1,000 per month in some countries. We continue to see merchants adopting DCB as a payment method in new markets while seeing incremental subscribers in mature markets. With approximately 200 connections to mobile operators, Boku continues to play a key role in driving the adoption and expansion of DCB globally.

DCB bundling continues to gain traction as a powerful distribution channel, enabling merchants to integrate their services into consumers' everyday digital experiences. Via Boku's bundling solutions, merchants can leverage established third-party ecosystems to reach new customers and drive new user acquisition and engagement. Boku provides seamless access to a vast network of digitally engaged consumers. As demand for embedded commerce solutions grows, bundling remains a key strategy for merchants looking to scale efficiently.

Digital Wallets & Account to Account (A2A)

Digital Wallets and A2A payments are central to digital commerce, seamlessly integrating payment capabilities within broader digital ecosystems. Digital Wallets are often embedded within SuperApps—such as ride-hailing, messaging, and e-commerce platforms—these payment methods connect to a vast, digitally engaged user base, offering significant marketing potential. With direct funding from bank accounts or linked payment sources, they provide enhanced convenience and greater user control. Both merchants and consumers benefit from integrated features like loyalty programs and promotions, driving higher engagement and retention.

As the future of payments, A2A transactions enable direct transfers from banking systems to merchants via Boku, offering a regulated alternative to traditional payment methods. Designed to be instant, affordable, and secure, A2A is becoming increasingly popular for cross-border transactions and offers an alternative to expensive international wire transfers and card-based fees. These innovations also promote financial inclusion, enabling more consumers to make digital payments without requiring credit cards or third-party payment services.

With over 60 connections to Digital Wallet and A2A schemes, Boku is accelerating the adoption of seamless payments in the global financial ecosystem.

Strategic Report

Boku's portfolio approach to global, diversified payments

Boku is a truly global and diversified payments provider, enabling seamless transactions on a pan regional basis across multiple countries supporting a broader span of industry verticals.

Pan-regional: we are present across APAC, EMEA and LATAM. Global merchants benefit from working with a partner that is truly global

Multi-country: we have a broad presence within each region and typically have multiple payment methods connected within each country, without over-reliance on one single market or product.

Industry verticals: we offer a broad range of payment choices which has attracted merchants in multiple industries, from digital and gaming (not gambling), prepaid advertising, online travel and online retail (e-commerce).

Providing a multi-layered solution is the route to adding value

Companies wishing to win in global payments in the future will need to find new ways to add value for merchants over and above payment facilitation in an increasingly competitive market. To achieve this, businesses must focus on key areas such as optimising payment connections, ensuring regulatory compliance, and providing efficient fund settlement solutions that address the evolving needs of merchants globally.

Optimising payment connections

Being the best at connecting merchants to LPMs at scale and cross-border requires attention to detail and an increasing amount of analytical intelligence:

- Conversion rates are key – better conversion rates drive quality connections.
- Dealing with complexity and the nuances within each industry segment e.g. refunds are a significant part of e-commerce.
- Utilising data is essential to continuously optimise payment processes and detect fraud or inefficiencies, leading to better decision-making and improved merchant success.

Regulatory compliance

An essential part of our success depends upon having the right licenses in the right countries:

- Payments is a regulated business and needs to be taken seriously.
- The growth in A2A payments, bank owned and run schemes, drive increasing amounts of governance.

Efficient fund settlement solutions

Being able to settle money back to merchants quickly, in whatever currency they prefer:

- Global expansion cannot be achieved if merchants cannot repatriate the revenues they have generated in specific markets.
- Licensing, combined with an extensive network of global banking partners, enables swift and seamless settlement of funds in the preferred currency, while maintaining compliance with international financial regulations, and minimising currency conversion risk and cost.

Strategic Report

Driving growth through investment in our capabilities and our people

In 2024, Boku continued to invest in its workforce, which now exceeds 450 employees in over 30 global locations. This investment includes an infusion of top-tier talent from leading financial institutions, bringing valuable expertise in secure and efficient money movement while also enhancing our finance, compliance, and technology functions. This positions Boku to handle greater transaction volumes, support more merchants, and manage increasingly complex settlement structures as the company continues to grow.

We are making ongoing investments to expand our product functionality including the introduction of global treasury and banking capabilities and the extension of our global banking network to facilitate real-time currency exchange and movement worldwide.

In addition, Boku has significantly expanded its regulatory reach across several key markets:

- **Japan:** Boku's Japanese entity received approval from the Ministry of Economy, Trade, and Industry as a Registered Payment Service Provider. This allowed the company to secure its first major e-commerce partnership with a global online retailer via a prominent Japanese e-wallet, while also enhancing its compliance technology, to screen hundreds of thousands of end-merchants.
- **India:** After sustained investment, Boku's Indian subsidiary was authorised by the Reserve Bank of India as a Payment Aggregator in 2024. In November, it went live on India's Unified Payments Interface (UPI) with a ride-hailing firm.
- **UK & EU:** In early 2025, the company bolstered its presence in the UK by obtaining, approval from the Financial Conduct Authority for its Payment Initiation Service Provider (PISP) and Account Information Service Provider (AISP) applications. Work is also underway to secure a similar authorisation in the EU through its authorised entity there.
- **Brazil:** Boku is continuing to invest in Brazil and has applied for authorisation from the Brazilian Central Bank as an electronic money issuer and payment initiator which will enable it to join the PIX A2A payment scheme in 2025.

Boku's strong foundation for future growth

Boku's success is built on several essential components—robust products, strong merchant and issuer relationships, a global banking network, reliable settlement systems, comprehensive payment licences, and top-tier talent—all of which require continuous investment. As global commerce increasingly shifts towards LPMs, Boku's strengthened regulatory footprint, growing banking network, and deeper market presence position it for sustained long-term success.

Looking ahead, the company will focus on its five growth pillars—growing revenues, product innovation, driving operational efficiencies, maintaining a robust risk and compliance framework, and being a great place to work. With its solid foundation in place, Boku is not only keeping pace with the future of payments—it is helping to define it.

Chief Executive Officer's Report

As I reflect on my first year as Boku CEO, I must say that I am pleased with the progress that we have made against our multi-year journey to become the world's best localised payments partner for global commerce. We delivered strong financials with continued organic revenue growth together with solid and sustained adjusted EBITDA margin, whilst also investing meaningfully in core capabilities that will pave the way for the company to grow substantially over the coming years. The company is in robust financial health, is cash generative and has capacity to self-fund future growth.

We have once again been proud to support many of the world's largest tech giants, as they continue to grow their businesses into new markets and penetrate deeper into existing ones, by allowing them to offer greater payment choice to consumers. These days, merely offering Visa and MasterCard as a method of payment will not necessarily enable all consumers in a market to pay for your products/services.

Throughout 2024, these existing merchants continued to deepen their partnerships with us, expanding their access to consumers by offering more Local Payment Methods (LPMs) via the Boku network. This sustained growth reflects the trust we have built through consistent execution, reliability, and a seamless payment experience. Our ability to deliver at scale, coupled with our commitment to compliance and innovation, has reinforced our position as a key partner for these industry leaders as they extend their reach in existing and new markets.

It is a pivotal time for the Payments industry, where payment methods previously referred to as "alternative" are now breaching into the mainstream.

I recently wrote an article about how the piano top life raft, a parable first floated (excuse the pun) by American architect Buckminster Fuller in the 1900s is a useful analogy for the way the payments industry is changing. The piano top parable goes like this: imagine you're shipwrecked and adrift on the ocean. The ship's grand piano floats by. You grab onto it, and it keeps you afloat. From that moment on, because the piano top saved your life, it becomes your go-to life raft.
The traditional plastic card-based payment systems that have dominated global commerce for 50 years are like the piano top life raft. They did a great job, but now there is a wave of new rafts tailored to modern businesses and their customers.

In today's world of global commerce, a range of LPMs, including Digital Wallets, Account to Account (A2A) payments and Direct Carrier Billing (DCB), designed initially for facilitating payments domestically, have flooded the scene offering greater convenience and opportunity.

Boku is therefore benefiting from three concurrent tailwinds relating to LPMs:

i. the rapid consumer adoption of LPMs across all continents (i.e. phones and not plastic)

ii. the repatriation of payment systems by central banks away from Visa and MasterCard domination

iii. a "pull" from larger global merchants who want to get paid cheaper and faster, avoiding the multi-lateral interchange fees and other associated scheme fees of the card processors.

At Boku, we have been anticipating that these trends would unfold for many years as we have steadily been adding more LPMs to our original network of DCB connections. These LPMs help our merchants to grow their businesses into new markets and cross-border. Our global network now incorporates over 250 LPMs, including increasingly popular payment methods in Italy (Satispay), Poland (BLIK), India (UPI), Nigeria (NIBSS) among many others. The Company is at an inflection point as the rapid growth in Digital Wallet and A2A payment adoption becomes a progressively meaningful part of our business.

Chief Executive Officer's Report

It is pleasing to see how the slick, tokenised checkout experience for DCB remains a popular way to buy digital content in many countries and consequently continues to show good growth in mature markets such as Taiwan, Japan, Germany, UK and Switzerland. We are also seeing adoption momentum in newer markets in the Middle East where a short-term, interest free line of credit to consumers (provided by Mobile Network Operators) is proving popular in markets such as Saudi Arabia and Iraq.

During the year we added capability to support online retail (e-commerce), a market with more complex dynamics and requirements to that of digital. In the world of e-commerce, the demands on the payment provider are greater and include processing significant volumes of refunds and handling the split between authorisation of a payment at the time of order and capture of the funds at the time of despatch. The ability for Boku to bring LPMs into the broader world of online retail gives us the right to play in an addressable market that is predicted to be valued at >$10 trillion by 2028 [source: Juniper research].[2]

With this added functionality, Boku now supports cross-border payments not only for digital streaming subscriptions and gaming (note - not gambling), but also broader e-commerce, online advertising, subscription software and online travel.

It is because of this sizable market opportunity that we are making necessary ongoing investments into scaling internal processes as well as upgrading systems, adding increased product functionality and introducing a global treasury and banking capability. These investments in automation will continue throughout 2025 and will deliver the potential to process larger transaction volumes at higher velocity across our platform. We will also be able to automate the segregation of funds to ensure we continue to meet regulatory requirements, increase levels of automation within the reconciliation and settlement of money flows in and out of our growing network of global banking partners and exchange currencies real time all over the world.

2 Boku & Juniper Research, 2024. 2024 Global Ecommerce Report. Available a https://www.boku.com/boku-knows/2024-boku-global-ecommerce-report

Our investment in scaling systems is being matched by scaling efforts with our people, having added significantly to the talent pool during 2024, combined with ongoing expansion of the licensing, risk management, compliance and finance functions – all key and necessary components for being a scale global payments player. During 2024, three new executives were added to the Boku leadership team: Rob Whittick, Chief Financial Officer (formerly NatWest), Vic Rodgers, Chief People Officer (formerly AO.com) and Paul Jarrett, Chief Treasury & Banking Officer (formerly Zepz). These new additions to the exec table have added a huge amount of depth and scale experience to the existing leadership team.

It is a pivotal time for the Payments industry, where payment methods previously referred to as "alternative" are now breaching into the mainstream.

Clearly, achieving all the above would not be possible without the collective talent, passion and hard work from every Boku employee from around the world. Despite our relatively small size, our organisation spans the globe, with over 450 employees in over 30 countries. We know how to be truly global – executing at pace for our merchants, with a clear global approach matched by local knowledge and expertise. This exceptional team have embraced a huge amount of change over the past 18 months, with changes at the leadership table, and increased ambition and growth agenda, culminating in our newly articulated Vision to become the world's best localised payments partner for global commerce.

Whilst we grow and scale, adding organisational rigour, process and governance become increasingly important, but we actively fight to preserve the vibrant culture that has successfully enabled Boku to reach this point.

Chief Executive Officer's Report

Looking Ahead To 2025 And Beyond

Looking ahead, our strategy will revolve around five core pillars—growing revenues, product innovation, driving operational efficiencies, maintaining a robust risk and compliance framework, and being a great place to work. Within these there are three material vectors of growth for Boku over the coming years:

- Continuing to be a strategic growth partner to our existing global merchants, helping them fulfil their own global expansion ambitions, by connecting them to more LPMs across more markets. This expansion will include launching PIX in Brazil during 2025 and leveraging our recently obtained cross-border permissions for UPI in India. We will continue to add new capabilities in MENA and be a partner of choice for LPMs in our heartlands of APAC and Europe.
- Attracting new global and regional enterprise merchants to the network by introducing direct sales capacity and/or partnering up to grow our presence in the wider market. We hugely value our existing merchant base – names to die for – and we also see potential to attract more big names to our network. The value of LPMs is not simply attractive to the very largest companies.
- Creating margin opportunity by adding new functionality to our product offering, for example helping merchants repatriate funds cross-border from difficult places will add value over and above core payment processing. It is surprising how even some of the largest global companies struggle with money movement cross-border. Having the right entities, licenses, banking partners and "know how" in the right places will be a differentiating factor for Boku going forward.

We have started 2025 strongly and have a healthy and increasing pipeline of opportunities. Consequently, the Board expects greater than 20% revenue growth in FY25, significantly exceeding current consensus[3] expectations with an adjusted EBITDA margin of greater than 30%.

In addition, while annual growth rates may vary, we are expecting organic revenue growth exceeding 20% on a compound annual growth rate (CAGR) basis over the medium term. We are also expecting an adjusted EBITDA margin exceeding 30% with progressive accretion from 2026 as we benefit from the operational leverage generated by our ongoing investments. The future is bright as we continue on our journey to becoming the world's best localised payments partner for global commerce.

We look forward to presenting our progress and outlining the next phase of our growth strategy during our upcoming Capital Markets Day on 1 July 2025 of which we will share details in due course.

Stuart Neal
Chief Executive Officer
18 March 2025

3 FY 2025 Consensus as of Monday 17 March 2025 is Revenue $109.6m and adjusted EBITDA $36.0m.

Chief Financial Officer's Report

Delivering robust revenue and adjusted EBITDA growth, while strategically investing in future business growth

Introduction

I am pleased to present Boku's full-year results for the year ended 31 December 2024. This has been a year of significant progress for Boku, evidenced, in part, by our strong financial performance. Revenues increased by 20% (or 24% on a Constant Exchange Rate[1] (CER) basis) to $99.3m (FY 2023: $82.7m) driving a 22% increase in adjusted EBITDA to $31.4m (FY 2023: $25.8m) and an adjusted EBITDA margin of 31.6% (FY 2023: 31.2%). We have delivered an operating profit in the year of $6.2m (FY 2023: $9.7m).

This financial performance has been underpinned by strong operational metrics. A year-on-year increase of 18% (or 23% on a CER basis) in Total Payment Volumes (TPV) driven by a 29% increase in Monthly Active Users (MAU).

Our journey to becoming the world's best localised payments partner for global commerce is advancing rapidly. Our position as a market leader in Direct Carrier Billing (DCB) continues to be reinforced with revenues growing by 11% in the year. In addition, we continue to diversify our revenue streams by investing in other, higher growth, Local Payment Methods (LPMs) – Digital Wallets and Account to Account (A2A) – where we have seen meaningful revenue growth of 56% in the year. These products now represent 26% of total revenues.

Revenue Performance	FY 2024 $'000	FY 2023 $'000	% change
DCB Revenue	73,322	66,100	+11%
Other LPM Revenue	25,951	16,620	+56%
Total Revenue	99,273	82,720	+20% & +24% CER

Operational Highlights	FY 2024	FY 2023	% change
Total Payment Volumes (TPV)	$12.4bn	$10.5bn	+18% & +23% CER
Take Rates	0.80%	0.79%	+1bp
Monthly Active Users (MAU) in December	87.1m	67.4m	+29%
New users for 12 months to December	83.1m	66.1m	+26%

1 Constant exchange rate is calculated by applying the monthly average foreign exchange rates in the prior year to the current year results.

We remain committed to undertaking important investment initiatives in both our product offering and delivery capability to support future business growth. Whilst making this investment we have delivered on our commitment to maintain an adjusted EBITDA margin of over 30%, reporting an adjusted EBITDA margin of 31.6% (FY 2023: 31.2%). We continue to generate cash through our business activities with our year end own cash balance increasing by 10% to $80.2m from $72.9m in the prior year. This 10% increase is after $10.7m related to the purchase of our own shares under our ongoing share buyback program and $3m of cash received from Danal relating to the exercise of warrants – excluding these items our own cash increased 21% in the year.

The achievements of this past year reflect the ever-increasing strength of our platform, the value we deliver to our global merchants, and the growing demand for localised payment solutions. I am excited about the opportunities ahead as we continue to deliver for our merchants and shareholders alike.

Expanding user base driving increased volumes and diversified revenue growth

Our robust revenue growth was underpinned by strong operational metrics and strategic network development, reflecting our focus on scalable future business growth.

Chief Financial Officer's Report

As Boku continues to connect our merchants into our issuer network, our MAUs have increased by 29% to reach 87.1 million in December 2024 (December 2023: 67.4 million). Likewise, new users for the 12 months to December grew by 26% during the year, totalling 83.1 million (FY 2023: 66.1 million).

These increased user numbers reflect the success of our ongoing efforts to develop connections across our network providing more value to our merchants. We have also continued to develop our geographic footprint, further enhancing our ability to support new and existing merchants globally. Alongside this, we completed more than 100 new connections across various jurisdictions, demonstrating our capability to link our issuer network with the world's largest merchants. Highlights in 2024 include our first e-commerce launch in Japan together with the addition of BLIK as a form of payment in Poland. The latter represented our first LPM connection for one of the world's largest merchants, extending our already strong DCB relationship. This progress has contributed to a 23% increase in TPVs on a CER basis which now stand at $12.4 billion (FY 2023: $10.5 billion).

As part of our focus on operational efficiency, we have made the strategic decision to disconnect certain merchants and close selected LPMs that are not economically viable for our business. Additionally, we have seen some consolidation of LPMs during the year.

Our take rate increased by 1 basis point to 0.80% in 2024 (FY 2023: 0.79%) reflecting a growing percentage of our business coming from LPMs with higher take rates.

Looking at the product mix, DCB, which includes DCB payments and DCB bundling, delivered revenue growth of 11% and we expect growth at a similar level in the near term. Within that, there has been a 7% growth in DCB payments and c.50% growth in DCB bundling. We continue to see merchants launching DCB connections including in key markets such as Taiwan, Turkey and the Middle East.

At the same time, other LPMs continue to gain momentum, with revenue growing by 56% year on year. These products now account for 26% of our total revenue, up from 20% in 2023 - notwithstanding an 11% growth in DCB. This growth is driven by strong operational metrics in other LPMs, with new users rising by 57% to 21.5 million (FY 2023: 13.7 million). This illustrates the progress we are making in delivering new LPMs and developing existing connections that continue to diversify our revenue streams towards higher growth products. This is something we are well positioned to do given our long standing DCB relationships with many of the world's largest tech giants who are working with us to connect them to other LPMs around the world. This is a trend we expect to continue going forward. Other LPM revenue contributed 27% in H2 2024 increasing further to 30% as we exited 2024.

Investing in our future

Our adjusted operating expenditure rose to $65.4 million (FY 2023: $54.9 million) whilst maintaining our commitment to an adjusted EBITDA margin of above 30%. We continue to take a disciplined and strategic approach to investment, ensuring that our resources are channelled into initiatives that drive scalability, foster innovation, and secure future business growth.

These investment initiatives include:

- Our first retail (e-commerce) launch, which required enhancing the functionality of our platform to support this type of payment activity
- Achieving authorisation from the Reserve Bank of India to operate as a Payment Aggregator for Unified Payments Interface (UPI)
- Connecting increasing numbers of LPMs to some of the world's largest online merchants
- Enhancing our platform to enable increasing levels of straight through processing
- Expansion of our foreign exchange and money movement capabilities
- Submitting an authorisation request to the FCA to offer both account information services and payment initiation services in the United Kingdom which was subsequently obtained early in 2025.

Operating Performance	FY 2024 $'000	FY 2023 $'000	% change
Adjusted EBITDA[2]	31,412	25,799	+22%
Adjusted Operating Expenses[3]	65,442	54,871	+19%
Adjusted EBITDA Margin[4]	31.6%	31.2%	+4bps
Operating Profit	6,156	9,716	-37%

2 Adjusted EBITDA is an alternative performance measure (APM) calculated as operating profit before non-recurring other income, depreciation, amortisation, share-based payment expense, foreign exchange gains/ (losses) and exceptional items (see the APM section of this report for further details).
3 Defined as gross profit less adjusted EBITDA.
4 Calculated as adjusted EBITDA over revenue for the year.

Chief Financial Officer's Report

Review of Other Operating Expenses and Other Items

Boku reported an operating profit of $6.2 million for the year (FY 2023: $9.7 million). This reduction in operating profit, despite a $5.6 million increase in adjusted EBITDA can be explained as follows:

- Share-based payment charges have increased to $10.5m from $7.6m in the prior year primarily due to the increased number of share awards granted as staff numbers rise and an increase of more than 30% in our share price. Boku operates a number of different award schemes:
  - Restricted Stock Unit (RSU) awards are granted to all staff and vest in full over 3 years.
  - Performance RSU (PRSU) awards are granted to executive employees and vest after 3 years subject to certain performance conditions; and
  - Stretch RSU (SRSU) awards relate to a new executive plan which was approved by shareholders during the year. The awards vest in 2028 and 2029 depending on Boku's share price performance following the 2027 results. 25% of the awards granted vest if the share price reaches three times the base price of 180.4p (541.2p), rising on a straight-line basis to 100% if it reaches five times 180.4p (902p). See note 22 for more details.
- Foreign exchange losses of $6.0m were reported in the year compared to losses of $1m in FY 2023. These are largely driven by losses on the revaluation of non-USD balances (largely JPY) during the first half of FY 2024.
- Exceptional items of $0.9m related to finance transformation costs, a one-off refund from an issuer and employee restructuring expenses (FY 2023: $nil).
- Depreciation increased from $1.8m in FY 2023 to $2m in FY 2024 due to a new operating lease and increased capital expenditure driven by increasing staff numbers and the related IT equipment costs.
- Amortisation of internally generated intangibles has increased from $3.6m in FY 2023 to $4.5m in FY 2024 reflecting the increase in capitalised expenditure e.g. developments for recent e-commerce launch. This was offset in part by a decrease in amortisation of acquired intangibles from $2.2m to $1.4m owing to a catch-up of accelerated decommissioning charges in the prior year.

Other items below the operating profit line include:

- A fair value loss on the Amazon warrants of $3.4m was reported in FY 2024 compared to a fair value gain of $0.1m in FY 2023 reflecting increases in our share price. See note 18 for further detail.
- Interest income increased to $3.7m in FY 2024 from $1.9m in FY 2023 due to higher average cash balances and more funds being placed on interest bearing and/or longer-term deposits.

The Group reported a Basic Earnings Per Share (EPS) of $0.01 (FY 2023: $0.03) and a Diluted EPS of $0.01 (FY 2023: $0.03).

Strengthening Our Financial Position

Boku continues to operate debt-free and generate strong cash flows, providing flexibility for future investment opportunities.

Cash Metrics	FY 2024 $'000	FY 2023 $'000	% change
Group Cash Balances	177,333	150,859	+18%
Average Cash Balances[5]	153,941	131,665	+17%
Own Cash[6]	80,249	72,919	+10%

Cash Generation

Group cash balances increased by 18% to $177.3m (FY 2023: $150.9m) and average cash balances increased by 17% to $153.9m (FY 2023: $131.7m). Boku's own cash now stands at $80.2m representing a 10% increase from $72.9m in FY 2023. The year end cash balance includes the following notable items excluding which our own cash increased by 21% in the year:

- an outlay of $10.7m relating to our ongoing share buyback which is discussed in more detail below (FY 2023: $9.8m)
- $3m of cash received from Danal relating to the exercise of warrants granted upon acquisition (FY 2023: $nil). See note 18 for further details.

When deriving our own cash balance, we exclude merchant and issuer related balances, which comprise issuer receivables, merchant payables, and merchant receivables, thus providing a clearer view of the Group's own cash position.

5 Average cash balances are an alternative performance measure calculated as the average cash balance for each day
6 Own cash is an alternative performance measure calculated as cash held plus gross amounts due from issuers and merchants less amounts owed to merchants

Chief Financial Officer's Report

In the current year, we have enhanced the disclosure of our financial statements to provide greater clarity and transparency. Specifically, we have separately identified issuer receivables and merchant payables in the notes to the financial statements, providing better visibility into merchant-related balances. Further details on these changes can be found in notes 16 and 20.

Share Buyback

The cash balance above is after the purchase of 4.7 million of Boku's own shares during the year for a total consideration of $10.7m. This purchase took place under Boku's 2022 and 2024 share buyback programmes as we consider it to be the most appropriate use of our cash when we believe shares are undervalued. See note 3.13 for further details.

Intangibles

At 31 December 2024, the Group had goodwill of $41.3m (FY 2023: $42.2m) and other intangibles of $15.2m (FY 2023: $14.4m). No impairment was required at year end. See note 13 for further details.

Deferred Tax Asset

Our deferred tax asset increased to $16.1m from $15.3m in the prior year. See note 10 for further details.

Current Trading and Outlook Guidance

As we look ahead, we remain committed to strengthening our network and enhancing value for our merchants and stakeholders. Our focus continues to be on optimising our payments network, ensuring that each connection operates at maximum productivity and efficiency. By investing in our products and continuing to develop our infrastructure and processes, we aim to drive greater value while maintaining a seamless, secure, and scalable service.

We will continue to leverage our geographic footprint, regulatory expertise, and network optimisation efforts to support growth and innovation. By staying agile and responsive to industry shifts, we are confident in our ability to drive long-term value for all stakeholders.

We have started 2025 strongly and have a healthy and increasing pipeline of opportunities. Consequently, the Board expects greater than 20% revenue growth in FY25, significantly exceeding current consensus[7] expectations with an adjusted EBITDA margin of greater than 30%.

In addition, while annual growth rates may vary, we are expecting organic revenue growth exceeding 20% on a compound annual growth rate (CAGR) basis over the medium term. We are also expecting an adjusted EBITDA margin exceeding 30% with progressive accretion from 2026 as we benefit from the operational leverage generated by our ongoing investments.

Through disciplined execution, strategic investment, and an unwavering focus on efficiency and innovation, we believe we are well-positioned to capitalise on market opportunities and sustain profitable growth in the years ahead. We look forward to presenting our progress and outlining the next phase of our growth strategy during our upcoming Capital Markets Day on 1 July 2025 of which we will share details in due course.

Thank you for your continued trust as we work together to build on our successes and deliver value to all of our stakeholders.

Robert Whittick
Chief Financial Officer
18 March 2025

7 FY 2025 Consensus as of Monday 17 March 2025 is Revenue $109.6m and adjusted EBITDA $36.0m.

Principal Risks & Uncertainties

Risk management in our business

Effective risk management is critical to achieving the Group's objectives. Boku operates a Group-wide risk management framework that applies across all business lines and functions. This ensures that strategic and operational risks are identified, assessed, mitigated, monitored, and reported consistently.

Our framework enables a holistic approach to risk management, allowing meaningful analysis and comparison of risks and mitigation strategies across our footprint. As part of our continuous improvement efforts, we regularly refine and enhance our risk management processes.

Responsibility

The Board has overall responsibility for ensuring effective risk management across Boku. It delegates risk oversight to the Audit Committee, which reviews risk management effectiveness and reports to the Board.

The Audit Committee oversees the management of all major risks affecting the Group, supported by the Global Leadership Team (GLT) and functional leaders who ensure risk management is embedded throughout the organisation, addressing both opportunities and threats. The committee monitors and promotes the highest standards of integrity, financial reporting, risk management and internal control.

Identifying and managing our risks

Our risk identification process combines a top-down approach (overseen by Audit Committee) and a bottom-up approach (driven by business operations).

Risks are assessed based on risk level (high, medium, or low) and risk tolerance (red, amber, or green). This classification helps prioritise mitigation efforts.

Each department's risk champion identifies and reports key risks, considering external factors (e.g. regulatory and economic conditions) and internal processes. These risks are consolidated into a Group-wide risk register, reviewed by the GLT and then presented to the Board for assessment and approval of the Group's principal risks.

1. Risk 1 (Competitive and rapidly changing environment)

The Group operates in a fast-evolving payments industry characterised by rapid technological advancements, shifting customer preferences, and an increasingly competitive landscape. Changes in market dynamics, including emerging payment technologies, evolving user behaviour, regulatory shifts, and pricing pressures, could materially impact revenue and profitability.

A loss of market share, the departure of a major merchant, or the termination of a key issuer relationship in favour of a competitor could significantly reduce transaction volumes and associated revenue. The Group must continuously innovate, adapt to market trends, and strengthen strategic partnerships to maintain its competitive position.

Risk level: Medium
Risk tolerance: Amber
Risk movement: Unchanged

Mitigation

1.1 Strategic growth & investments

- **Strategic investments:** Allocating resources towards the development of innovative products, expansion into new markets, and adoption of emerging technologies to enhance competitiveness and adaptability.
- **Exploring new opportunities:** Identifying and evaluating innovative ideas and solutions to develop new products and services that align with the evolving needs of our customers.

1.2 Product & service expansion

- **Expanding product offerings:** Introducing new payment solutions and enhancing the Group's services to align with evolving customer expectations and market practices, such as enabling faster settlement processes.
- **Strengthening partnerships:** Through experienced sales teams, cultivating and improving relationships with key merchants and issuers to drive robust and reliable collaboration, ensuring an understanding of evolving customer needs.

1.3 Expertise & capability building

- **Building expertise for innovation:** Cultivating the required skills and experience to effectively market, sell, and deliver innovative products leveraging new technologies for both existing and prospective merchants and issuers.

Principal Risks & Uncertainties

- **Continuous learning and development:** Encouraging internal teams to undertake training, certifications, and workshops to maintain a high level of expertise in emerging technologies and market trends.

1.4 Market & industry awareness

- **External environment analysis:** Conducting comprehensive assessments of the external landscape to gain insights into evolving market practices, competitor strategies, and shifting customer needs, ensuring the organisation remains adaptive and responsive to industry dynamics.
- **Engaging in industry events and forums:** Actively participating in technology expos, industry conferences, and panel discussions to remain abreast of the latest advancements, trends, and emerging technologies within the payments sector.
- **Fostering knowledge sharing:** Joining discussion groups, think tanks, and collaborative forums to exchange ideas and insights with industry peers and thought leaders.

2. Risk 2 (Scalability of processes, systems, and tools)

As Boku continues to expand, the ability to scale operational processes, systems, and tools efficiently is critical to supporting both existing and prospective merchant and issuer needs. Ensuring the resilience and scalability of production systems, particularly those underpinning transaction processing and settlement, is essential for maintaining service reliability.

Failure to scale effectively could lead to processing disruptions, settlement delays, and operational inefficiencies, potentially resulting in revenue loss, reputational damage, and weakened merchant relationships. Continuous investment in infrastructure, automation, and process optimisation is necessary to mitigate these risks and support sustainable growth.

Risk level: High
Risk tolerance: Amber
Risk movement: Unchanged

Mitigation

2.1 Identification of current and future system and process needs

- **Comprehensive needs assessment:** Conducting thorough evaluations of current systems and processes, particularly in production environments, to determine their capacity to support transactional and settlement requirements for customers and issuers in existing and new markets.
- **Scalability planning:** Continue to evolve the strategic roadmap for system enhancements that accommodates projected growth and market expansion.

2.2 Enhancement of employee skills:

- **Recruiting industry experts:** Strengthen existing teams by recruiting professionals with specialised expertise from competitors and the broader market.
- **Skill enhancement programmes:** Implement training and development initiatives to enhance the capabilities of existing staff, fostering a culture of continuous learning and development.
- **Knowledge transfer:** Leverage the experience of new hires to introduce best practices and innovative solutions within teams.

2.3 Significant investment in back-office transformation

- **Finance, treasury, and human resources transformation:** Invest in continuing automation and system upgrades to enhance efficiency, reduce errors, and support scalability across finance, treasury, and human resources. By refining workflows and leveraging technology, we aim to improve operational resilience and manage higher transaction volumes effectively.
- **Implementation of treasury management systems:** Adopt sophisticated treasury management platforms to improve liquidity management, forecasting, and risk mitigation.
- **Finance ledger system review and enhancement for strengthened controls**
  - **Ongoing vendor and system assessment:** Continuously assess the current finance ledger system to ensure it meets the company's compliance, control, and operational needs. Identify potential limitations and risks, proactively addressing any gaps that could impact financial integrity and efficiency.

Principal Risks & Uncertainties

  - **System optimisation and future scalability:** Explore opportunities to enhance ledger capabilities, ensuring the system remains fit for purpose as the company scales. Evaluate solutions that provide improved control and reporting functionality, and adaptability to evolving business requirements.
  - **Data insourcing:** Where practical bring data management in-house to improve data security, accessibility, and integration with internal processes.
- **Increase headcount strategically:** Add personnel in key areas to support transformation, ensuring teams are adequately staffed to drive this change that will support future growth.

2.4 Implementation of team optimisation plans:

- **Finance, treasury and human resources restructuring:** Reorganise teams to improve efficiency, communication, and responsiveness.
- **Performance metrics:** Monitor key performance indicators (KPIs) that track team effectiveness and productivity.
- **Continuous improvement culture:** Foster an environment where feedback is encouraged, and teams are empowered to suggest and implement improvements.

3. Risk 3 (Increase in regulation)

As Boku expands its product offerings and targets new markets, additional regulatory licensing requirements are anticipated. These requirements may necessitate significant changes to the Group's existing processes and systems to ensure compliance. The evolving regulatory landscape poses potential risks to the Group's operations, impacting processes and service delivery.

Proactively addressing regulatory and reporting challenges is critical to maintaining operational continuity and ensuring compliance across all jurisdictions.

Risk level: High
Risk tolerance: Amber
Risk movement: Unchanged

Mitigation

3.1 Strengthening regulatory compliance capabilities

- **Regulatory compliance task force:** A dedicated team to monitor and assess evolving regulatory requirements across regions.
- **Investment in compliance tools & technologies:** Adoption of regulatory monitoring software to automate and streamline adherence to varying regional rules.
- **Centralised regulatory knowledge management:** Maintain a repository of regulatory requirements and updates for all operational jurisdictions to ensure accessible and centralised knowledge management.

3.2 Enhancing data privacy & residency controls

- **Robust data management policies:** Address data residency requirements, ensuring sensitive customer data is stored and processed appropriately.
- **Region-specific cloud services & infrastructure:** Adopt infrastructure that complies with local privacy laws.
- **Regular data audits:** Conduct ongoing reviews of data flows to ensure compliance with evolving regulations.

3.3 Proactive engagement with regulators

- **Building strong regulatory relationships:** Establish and maintain engagement with regulators in key regions to stay ahead of changes and influence industry standards.
- **Industry participation & advocacy:** Actively contribute to industry forums, consultation groups, and lobbying efforts to address shared challenges and advocate for practical regulatory approaches.

3.4 Developing a scalable compliance framework

- **Adaptability to market expansion:** Implement a flexible compliance framework that accommodates new licensing and regulatory requirements as the company enters new markets.
- **Scenario analysis & stress testing:** Identify potential vulnerabilities in response to regulatory changes through forward-looking assessments.
- **Embedding the three lines of defence model:**
  - **First line of defence:** Functions that own and manage risk.
  - **Second line of defence:** Functions that oversee or specialise in risk management and compliance.
  - **Third line of defence:** Independent assurance through internal audit for regulated entities.
- **Group Board reporting:** Ensuring timely compliance updates to the Audit Committee and Board.

Principal Risks & Uncertainties

Compliance-focused initiatives:

- **Regulatory & legal readiness for new services:** Establish an internal task force to assess regulatory, legal, and operational impacts before launching new products/services.
- **Investment in horizon scanning solutions:** Assess third-party tools which may assist in proactively managing risks and regulatory compliance.

4. Risk 4 (Failure of issuers and intermediaries to settle payments)

The Group relies on third parties, including Mobile Network Operators (MNOs) and Issuers, to settle significant amounts owed to merchants within agreed contractual timelines. A failure by these intermediaries to make timely payments—whether due to financial distress, operational inefficiencies, or regulatory constraints—could materially impact the Group's cash flow, financial condition, and operating results.

A large-scale settlement failure may also erode merchant trust, disrupt business continuity, and necessitate additional liquidity management measures. Robust credit controls, risk monitoring, and contractual safeguards are essential to mitigate exposure to counterparty default risks.

Risk level: Medium
Risk tolerance: Green
Risk movement: Increased

Mitigation

4.1 Strengthening relationships with payment ecosystem partners

- **Building strong partnerships with MNOs and Issuers:** Establish and maintain robust relationships with key third parties through regular communication and joint strategic planning.
- **Trust and transparency through SLAs and performance Reviews:** Foster trust with partners by implementing service-level agreements (SLAs), conducting performance reviews, and maintaining an open dialogue to encourage timely settlement.

4.2 Strengthening financial controls and risk management

- **Enhancing credit control and receivables management**
  - Maintain rigorous credit control policies, including proactive monitoring of outstanding invoices and swift follow-up on overdue accounts.
  - Maintain strong internal reconciliation processes to ensure timely identification and resolution of payment issues.
- **Restricting advance settlement conditions:**
  - Apply appropriate eligibility criteria and risk assessment, considering creditworthiness, cost of funds, and payment history before granting advance settlements.
- **Implementing contractual safeguards:**
  - Regularly review and update contractual terms to reflect evolving market conditions and emerging risks.

5. Risk 5 (Significant fraud events or Cyber Incident)

A significant fraud incident or a successful social engineering attack poses a substantial risk to the organisation. It could result in financial losses, increased operational costs to investigate and resolve the incident, and legal or regulatory implications. Additionally, such an event could severely damage the organisation's reputation, eroding trust among merchants, issuers, and stakeholders, and potentially leading to a loss of business and long-term merchant confidence.

Risk level: Medium
Risk tolerance: Amber
Risk movement: Unchanged

Mitigation

5.1 Enhancing fraud prevention and Cybersecurity

- **Implementation of advanced fraud detection and prevention systems:**
  - Leverage real-time transaction monitoring to proactively identify and block suspicious activities.
  - Continuously update fraud detection algorithms to adapt to emerging fraud patterns and evolving threats.

5.2 Enhancing employee training and awareness

- **Regular cybersecurity training:** Conduct training sessions to educate employees on recognising and preventing social engineering tactics, such as phishing.
- **Simulated phishing exercises:** Test employee readiness through phishing simulations and use results to improve security awareness.

5.3 Strengthening fraud and incident response capabilities

- **Comprehensive fraud incident response plan:**
  - Maintain a structured response plan covering rapid containment, investigation, communication, and remediation.

Principal Risks & Uncertainties

- Dedicated response team to handle fraud incidents and minimise potential damage.
- Maintain cyber insurance to mitigate cyber incidents.

5.4 Ongoing risk rule optimisation: Regularly review and refine risk rules to enhance the effectiveness of fraud detection and customer behaviour monitoring.

6. Risk 6 (Cybersecurity and data protection)

The Group's IT infrastructure is exposed to cyber threats, including hacking, data breaches, and other malicious attacks, which could compromise sensitive customer data, disrupt operations, and damage the trust and reputation of the Group's products and services. A successful cyber attack could lead to financial losses, regulatory penalties, and a deterioration of market confidence in the Group's security resilience.

Failure to effectively safeguard systems against evolving cyber threats may have a material adverse impact on the Group's financial position and long-term competitiveness. Continuous investment in cybersecurity measures, incident response planning, and regulatory compliance is essential to mitigate these risks.

Risk level: High
Risk tolerance: Amber
Risk movement: Unchanged

Mitigation

6.1 Enhancing platform resilience & incident response

- Strong platform resilience to minimise the impact of cyberattacks and ensure rapid recovery in the event of a successful breach.
- Robust incident response protocols, including real-time threat detection and containment strategies.

6.2 Comprehensive security testing & assurance

- Conduct continuous security testing through internal and external penetration testing and vulnerability assessments.
- Maintain an ongoing assurance program to validate security controls and ensure compliance with evolving cybersecurity standards.

6.3 Employee awareness & cybersecurity training

- Continuous cybersecurity education and awareness programs to equip employees with the knowledge to identify and mitigate cyber threats, including phishing, social engineering, and data theft.
- Conduct simulated cyber threat exercises to enhance employee vigilance and response preparedness.

6.4 Strategic investment in cybersecurity infrastructure

- Continued investments to enhance cybersecurity tools and systems, including advanced threat detection, endpoint protection, and network security solutions.
- Leverage AI-driven security analytics and automated threat response mechanisms to strengthen defense capabilities.

6.5 Maintaining ISO 27001 certification & regulatory compliance

- Continuously uphold ISO 27001:2022 certification by adhering to rigorous information security management system (ISMS) standards.
- Ensure ongoing efforts to comply with global data protection regulations (e.g., GDPR, PCI DSS) to reinforce trust and data security best practices.
- Continue to enhance Digital Operational Resilience Frameworks to support robust Cyber and ICT risk management.

6.6 Build external and insider risk program designed to build defence in depth and zero trust

- Access Controls: Strengthening access controls that support strong authentication
- Implement role-based access controls (RBAC): Restrict system access based on user roles, ensuring only authorised personnel can access critical systems and data.

7. Risk 7 (Attracting and retaining top talent)

The Group's success relies on its ability to attract, retain, and develop key management and highly skilled technical talent. Competition for top talent in the fintech and payments industry is intense, and failure to recruit and retain well-qualified, motivated, and engaged personnel could negatively impact innovation, operational efficiency, and long-term growth.

The inability to offer competitive compensation, career development opportunities, or a compelling work environment may lead to talent attrition, weakening the Group's capabilities and industry position. This could have a material impact on the Group's reputation, business performance, and financial results. Proactive talent acquisition, retention strategies, and strong leadership development are critical to mitigating this risk.

Risk level: Medium
Risk tolerance: Green
Risk movement: Increased

Principal Risks & Uncertainties

Mitigation

7.1 Cultivating a high-performance, inclusive workplace

- Foster a diverse, equitable, and inclusive culture that enhances employee engagement, reduces turnover, and supports long-term value creation.

7.2 Enhancing the employee value proposition

- Strengthen Boku's employer brand by offering competitive career development opportunities, continuous learning, and professional growth initiatives.

7.3 Optimising talent acquisition & competitive compensation

- Strengthen recruitment strategies to attract top-tier talent by:
  - Offering market-aligned compensation packages and benefits through regular benchmarking.
  - Leveraging data-driven insights to enhance talent sourcing and hiring processes.

7.4 Retention & leadership development programs

- Implement structured retention initiatives, including:
  - Employee recognition programs to reward contributions and achievements.
  - Career progression frameworks to provide clear growth pathways.
  - Leadership development programs to nurture high-potential talent.

7.5 Strategic workforce planning & succession management

- Conduct talent reviews and succession planning to proactively identify and develop future leaders, ensuring business continuity.

7.6 Performance alignment & development planning

- Establish regular performance reviews to align individual goals with business objectives, providing employees with clear development paths and feedback-driven growth opportunities.

8. Risk 8 (Unforeseen disasters and black swan events)

As a global company operating across multiple jurisdictions, Boku is exposed to unforeseen disasters and black swan events—high-impact, low-probability occurrences that can disrupt operations, financial stability, and strategic objectives. These may include geopolitical instability, economic crises, natural disasters, cyber incidents, or global health emergencies.

Such events could have an immediate and significant impact on business continuity, regulatory compliance, and financial performance. Additionally, emerging risks with long-term implications may gradually reshape the operating environment. Maintaining robust business continuity planning, crisis management frameworks, and proactive risk monitoring is essential to mitigate potential disruptions and enhance resilience.

Risk level: High
Risk tolerance: Amber
Risk movement: Unchanged

Mitigation

Given the unpredictable nature of black swan events, there may be instances where insufficient information limits our ability to fully assess their scale and impact on our business and workforce. Additionally, certain mitigation strategies can only be fully developed once the nature of the threat is better understood. However, Boku has proactively implemented the following measures to enhance resilience:

8.1 Comprehensive risk monitoring & assessment

- **Risk universe:** Established a structured risk universe that categorises key risks based on their velocity and potential impact, ensuring regular monitoring and reassessment.
- **Emerging risk watchlist:** Maintains a dynamic watchlist of emerging risks—spanning technological, environmental, regulatory, and geopolitical developments—to inform strategic decision-making and scenario planning.

8.2 Business continuity & crisis preparedness

- **Business continuity program (BCP):** Developed a comprehensive BCP, incorporating disaster recovery plans to ensure operational resilience and a structured response to unforeseen disruptions.
- **Scenario analysis & stress testing:** Conducts regular assessments to evaluate potential vulnerabilities and response effectiveness in the face of high-impact events.

8.3 Geographic & operational diversification

- **Global operational resilience:** The Group's diversified presence in over 70 countries mitigates exposure to localised disruptions

Principal Risks & Uncertainties

9. Risk 9 (Environmental, Social, and Governance (ESG))

Boku recognises ESG risks as an important component of its overall risk management framework. The Group continuously assesses the potential risks and impacts of its internal practices and initiatives to ensure regulatory compliance, operational resilience, and alignment with stakeholder expectations.

Proactive ESG risk assessment and integration into strategic decision-making are essential to maintaining sustainability and stakeholder trust.

Risk level: Low
Risk tolerance: Green
Risk movement: New Risk

Mitigation

9.1 Enhancing our climate commitment

- **Expanding emissions reporting**: Voluntarily tracking and reporting on scope 2 green house gas (GHG) emissions across all offices since 2021 with a commitment to reporting on scope 1 and 3 emissions in due course.
- **Sustainable operations & carbon reduction initiatives**
  - Minimising waste by operating digitally.
  - Encouraging partners and suppliers to adopt carbon reduction initiatives.
  - Offices in London & Munich operate on 100% renewable energy tariffs.

9.2 Diversity diversity equity & inclusion (DEI)

- **DEI Strategy:** A DEI strategy has been developed and was approved by the global leadership team during 2024, outlining key commitments and actions.
- **Data driven DEI approach:**
  - A data protection impact assessment (DPIA) for collecting DEI data has been completed.
  - DEI data collection is scheduled for rollout in Q2 2025 to support informed decision-making and progress tracking.
- **Gender pay gap:** A gender pay gap review is currently underway as part of the salary review process to ensure equitable compensation across the workforce.

9.3 Employee engagement

- **Employee feedback:** Regular employee feedback processes and All Hands calls provide an open forum for discussion, ensuring transparency, alignment, and continuous improvement based on employee input.
- **Working groups:** An intersectional working group representing 10% of the workforce has been established to drive cross-functional DEI initiatives.

9.4 Strong governance & commitment to ethical business practices

- **QCA code compliance:** Adhering to the Quoted Companies Alliance (QCA) code for best governance practices.
- **Board oversight:** Regular Board effectiveness reviews to assess leadership, succession planning, and strategic alignment.
- **Whistleblowing protection**: Secure, anonymous reporting portal for employees and third parties to flag concerns confidentially.
- **Modern slavery prevention**: Due diligence on suppliers, with a publicly available modern slavery statement reaffirming our commitment to ethical labour practices.
- **Policies & training**: Robust policies**,** including a Code of Ethics, with annual mandatory training on data protection, information security and anti-money laundering.

Board of Directors

Dr. Richard Lawrence Hargreaves

Independent Non-Executive Chair

Appointment: 8 August 2017

Board skills and experience

Richard Hargreaves is an experienced Chair and Non-Executive Director, and professional business angel with great experience of the US market and a career investing in and helping grow young technology companies.

Richard began his career at ICFC (now 3i plc), Richard then founded and developed Baronsmead plc, until its eventual sale.

He was actively involved in the growth of the venture capital industry through the British Private Equity & Venture Capital Association (BVCA), where he became chair.

More recently, Richard co-founded Endeavour Ventures Ltd, which invests in young technology companies for its client base of high-net-worth individuals, subsequently retiring from that role in 2018l. He is a graduate of the University of Cambridge and has an MSc and PhD from Imperial College, London.

Charlotta Ginman FCA

Senior Independent Non-Executive Director

Committee appointments

Audit Committee chair

Remuneration Committee member

Appointment: 23 September 2020

Board skills and experience

Charlotta is a qualified Chartered Accountant and an experienced Non-Executive Director.

Following an initial career at Ernst &Young, Charlotta has subsequently held a series of senior investment banking roles with UBS, Deutsche Bank and JP Morgan, moving onto senior finance roles with Nokia and Vertu.

After a successful executive career, Charlotta made a transition to Non-Executive Director roles with a broad range of international companies from technology to healthcare and financial services.

Charlotta is currently a Senior Independent Director of Unicorn AIM VCT plc, Audit Committee Chair of Gamma Communications plc as well as Non-Executive Director and Audit Committee Chair at JP Morgan Indian Investment Trust plc and a Non-Executive Director at Vina Capital Vietnam Opportunity Fund Ltd.

Board of Directors

Meriel Lenfestey
Independent Non-Executive Director

Committee appointments
Remuneration Committee chair
Audit Committee member

Appointment: 21 September 2022

Board skills and experience
Meriel is an experienced customer focused technology entrepreneur and adviser, having worked across multiple sectors.

Having begun her career at Microsoft and the BBC, Meriel founded, grew and sold a user experience design consultancy, Flow Interactive, during which she spent 15 years working with many of the world's best-known brands across banking, health, communications, education, e-commerce and more.

Meriel made the transition to a portfolio career over a decade ago. She has been a member of several boards of companies listed on the London Stock Exchange and is currently a non-executive director on the boards of International Public Partnerships Ltd, Bluefield Solar Income Fund Ltd and Ikigai Ventures, as well as Board Chair at Jersey Telecom Global and holding private and third sector roles.

Loren I. Shuster
Independent Non-Executive Director

Committee appointments
Audit Committee member
Remuneration Committee member

Appointment: 21 September 2022

Board skills and experience
In his earlier career, Loren held senior leadership roles within commercial and marketing at multi-national businesses such as Google and Nokia.

He currently serves as the Chief People Officer at the LEGO Group, since 2015 serving on their Executive Leadership Team first as Chief Commercial Officer before transitioning to leading the LEGO Group's people strategy, in addition to their social responsibility, facilities and corporate brand communications agendas.

Loren has an MBA and Executive Masters in Organisational Psychology from INSEAD and is a member of the International Advisory Council of the Institute of Business Ethics.

Board of Directors

Jon Prideaux

Non-Executive Director
Former CEO (23/04/2024 -31/12/2023)

Appointment: 1 January 2024

Board skills and experience
Jon has more than 30 years of payments experience following an initial career as a technologist with IBM.,

There followed a distinguished career at Visa Europe, ultimately rising to EVP Marketing. Jon established Visa Europe's eCommerce division where he oversaw the introduction of Chip and PIN and launched several products including Visa Electron and V PAY.

Jon served as Deputy CEO at SecureTrading, where he doubled turnover and quadrupled profits and led a management buy-in at Shopcreator: before joining Boku in 2012, becoming CEO in 2014 and taking the company public in 2017. He stepped back to become a Non-Executive Director at the end of 2023. During his tenure, value processed increased more than fifty-fold.

Jon also advises several private companies and is an active Angel investor.

Mark Britto

Non-Executive Director

Appointment: 30 August 2017

Board skills and experience
Mark has over 20 years of experience as an entrepreneur, sales and financial services executive. He served as a senior executive for PayPal in various capacities for five years. He also served as Boku's Non-Executive Chair.

Mark founded Boku after six years as the CEO of Ingenio, a service marketplace and performance advertising company, which he led to a 2007 acquisition by AT&T.

Prior to Ingenio, Mark spent four years as SVP of worldwide services and sales at Amazon.com.

Mark's first start-up, Accept.com, was bought by Amazon.com in 1999 and served as the primary backbone of Amazon's global payments platform. Mark began his career in senior credit and risk management roles at leading national banks FirstUSA and Bank of America.

Board of Directors

Stuart Neal
Chief Executive Officer

Appointment: 17 January 2024

Board skills and experience
Stuart assumed the role as Boku Chief Executive Officer on 1 January 2024, following a six-month transition period with former CEO, Jon Prideaux. Prior to that, he was Chief Financial Officer of Boku between 2012 and 2014 and between 2017 and 2019, both periods of considerable growth for the Company. Stuart saw the Company through its IPO, before being appointed Chief Business Officer of Boku's Identity division, where he returned that business to growth, culminating in its successful disposal to Twilio in 2022.

Stuart has spent the past twenty years in senior roles across Payments and Fintech. He was previously Chief Commercial Officer at PaybyBankapp (acquired by Mastercard), helping to pave the way for what is now Open Banking. Stuart was also Commercial Director at Barclaycard, then Europe's second largest payment acceptance company, during which time he oversaw the roll out of contactless payments to merchants across the UK market.

Stuart is a qualified accountant and, in his earlier career, held senior Commercial and Finance positions within a number of blue-chip corporations including GlaxoSmithKline, Worldcom and Virgin Media.

Robert Whittick
Chief Financial Officer

Appointment: 17 July 2024

Board skills and experience
Rob, a Chartered Accountant, joined the executive team and Board of Boku in July 2024, bringing over 25 years of experience in Financial Services.

Rob's career spans a range of senior leadership roles within NatWest Group plc, where he held positions across the Treasury, Corporate and Institutional Banking, and Asia-Pacific business franchises. In 2014, he was appointed Finance Director for the Commercial and Private Banking Franchise, overseeing a business with a turnover of £5.7 billion by 2019. He was subsequently appointed as Group Chief of Staff in 2019, where he served as a member of the Group Executive Committee and reported directly to the CEO.

In addition to his executive career, in 2024, Rob completed a three-year tenure as a Non-Executive Director of Motability Operations Group plc where he was a member of both the Board and Audit Committee.

Global Leadership Team

The Global leadership team is made up of the Chief Executive Officer, the Chief Financial Officer and the following senior executives.

Adam Lee
Chief Product Officer

Skills and experience
Adam has been developing innovative products and services for over 20 years and most recently has been leading a decade long effort to construct the largest network of local payment methods for global commerce. Already used by the world's biggest tech companies, Adam is actively developing strategies to expand its adoption across more merchant verticals and geographies.

Before joining Boku, Adam was at Intuit where he launched the world's first consumer medical wallet used to understand, manage, and pay for healthcare expenses, distributed by two of the largest US healthcare networks, UnitedHealthcare and CIGNA. Prior to Intuit, Adam had also worked for two major industry-backed B2B platform companies, Neoforma and more notably GlobalNetXchange where he developed technology and services to drive better supply chain performance between companies around the world including Carrefour, Sears, Sainsburys, Metro AG, Karstadt Quelle, Unilever, Proctor & Gamble, and Diageo.

Mark Stannard
Chief Business Officer

Skills and experience
Mark has over 20 years' experience in mobile, digital, and fintech services and is a leading member of the team that has brought the biggest digital brands to Local Payments including Amazon, Meta, Spotify, Sony, Google, Netflix and Microsoft.

He played a critical role in building Boku's market-leading Local Payment Network of over 250 LPMs, and as Chief Business Officer, has direct responsibility for Boku's growth and the expansion of the network. This includes the deployment of new Payment Types onto the Boku platform, such as Digital Wallets, A2A payment schemes and mobile banking Apps.

Previously, Mark held positions at Deutsche Telekom where he led BD, marketing & licensing for music and digital entertainment services. He launched Europe's first mobile music service in 2001, signing deals with all five major record labels, and later brought leading film, TV & toy brands to mobile, including Spider-Man, Pink Panther and Transformers.

Global Leadership Team

Victoria Rogers
Chief People Officer

Skills and experience
Victoria is Boku's Chief People Officer and member of the Global Leadership Team. She leads the People team supporting Boku to be a great place to work, with over 450 employees across more than 30 countries.

Vic oversees the development and implementation of Boku's people strategy, which focuses on attracting, developing and retaining diverse and talented people.

Vic joined Boku in March 2024 and previously worked in e-commerce, games and brand management in both public listed and privately owned global organisations.

Paul Jarrett
Chief Banking and Treasury Officer

Skills and experience
Paul is the Chief Banking & Treasury Officer at Boku, where he leads our Treasury, Foreign Exchange, and Banking functions. He joined Boku in 2024, bringing a wealth of experience in developing financial markets strategy and driving global payments businesses forward.

With a proven track record in Treasury and FX management, he specialises in optimising banking relationships, managing financial risks, and creating innovative solutions that align treasury operations with Boku's strategic objectives.

Based in London, his focus is on fostering cross-functional collaboration to ensure Boku remains a leading provider of local payment solutions, empowering the company to serve its global clients effectively.

Global Leadership Team

Laura Li

Senior Vice President of Operations

Skills and experience

Laura oversees a wide range of technical and support functions which are responsible for integrating, launching and sustaining the expansion and adoption of Boku's global LPM network with issuers and merchants.

Laura played a pivotal role in scaling up the rollout of Boku's Direct Carrier Billing connections partners worldwide whilst building a global team specialising in technical project delivery, production support, business intelligence and fraud prevention.

Before joining Boku, Laura held various business, technical and operational positions in Sales, Customer Operations and Technical Project Management at Qualcomm, working with U.S. mobile carriers on the deployment of wireless network assisted GPS technology and a mobile operating system platform that supported mobile devices.

Prior to Qualcomm, Laura worked extensively in marketing with special emphasis in creative media, event planning and market research at Netcentives and Siemens.

Keegan Flanigan

Chief Technology Officer

Skills and experience

Keegan has nearly 20 years of experience working in technology and software engineering. He leads Boku's Engineering, Platform, IT, and Quality teams who are tasked with building and operating the platform that delivers Boku's products to its merchants. Keegan and his teams are responsible for ensuring that Boku delivers a scalable, reliable, and secure local payment network to the world's top companies.

During his time at Boku, Keegan has overseen the growth and scaling of the Boku technical platform, including growth of nearly 100x in transaction volume since its early days. He was responsible for leading the technical development of its core product suite and the technical integration of multiple key merchant accounts including Sony, Microsoft, Google, and others.

Before Boku Keegan worked in the Fitness Tech and Aviation Tech.

Corporate Governance Report

Dear Shareholder,

As Chair of the Board, it is my responsibility to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. To properly fulfil my role, it is important that I continue to collaborate closely with my Board colleagues, providing guidance support and constructive challenge to the executives, ensuring that the Board retains a laser like focus on the Group's Purpose, Strategy, and Culture as well as the successful delivery of the strategic plan it has approved. This is never more important when faced with a change in the executive leadership team as has been the case over the latest financial year.

I would like to personally thank our Chief Executive Officer Stuart Neal and our Chief Financial Officer Rob Whittick for the great strides they continue to make in driving the business forward during a year of continued growth and for personally setting a great example in how they demonstrate the Group's ethical values and behaviours in the way they do business.

For the year ended 31 December 2024, Boku has adopted the updated Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). Recognising the importance of robust corporate governance as a tool to help deliver business performance and to help support the Board in facilitating timely and fully informed discussion and decision making, Boku will work to ensure compliance with the updated QCA Code. Ahead of its due date we have adopted the recommended practice of submitting all directors for annual election by shareholders at the AGM. The following section summarises how Boku has applied the principles of the QCA Code over the past year and outlines how the Board and its committees operated in 2024, enabling our shareholders to evaluate our compliance with the QCA Code. We have also signposted different parts of the Annual Report where you can find more information.

Boku remains committed to ensuring effective governance is in place to deliver its strategy in line with its core values as highlighted in the Statement of Compliance below.

Information of Boku's compliance with the principles of the QCA Code can also be found on our website at https://investors.boku.com/governance-statement/.

Richard Hargreaves
Non-Executive Chair
18 March 2025

Corporate Governance Report

Statement of Compliance

Application of the QCA Corporate Governance Code

Deliver Growth

1. Establish a purpose, strategy and business model that promotes long-term value for shareholders.

The Company has clearly articulated its purpose which is to create one platform to unify the world of local payments, to give people the freedom to buy what they want, the way they want. Its vision is to become the world's best localised payment partner for global commerce. Its mission is to simplify global expansion for merchants by providing seamless access to the world's popular payment methods.

These are guided by our values:

Be Customer focused: We build long-term relationships, acting as a trusted and proactive partner while aligning the needs of the customer with the strategic goals of the Company.

Operate as one: We embrace different viewpoints and challenge one another; communicate openly with integrity, and always assume positive intent, recognising that our collective success is rooted in teamwork.

Know the impact: We take nimble, data-driven decisions and are accountable for our actions, ensuring they contribute positively to our mission and vision, and

Unleash ingenuity: We actively seek the most effective solution, challenge existing norms and engage in informed risk-taking to deliver results, reinforcing the spirit of curiosity, agility and creativity that makes us industry leaders.

Together, the Purpose, Vision, Mission and Values are designed to support the delivery of long-term sustainable growth. More details on stakeholder engagement are set out in principle 3 below.

The Company's operating guidelines are clear and impactful: plan deliberately, operate with excellence, focus on quality and build for scalability.

An explanation of the Company's business model and strategy, including key challenges in their execution (and how those will be addressed) is included within the principal risk and uncertainties on pages 19 to 25.

With support from the Global Leadership Team (GLT), the Chief Executive Officer leads Boku's daily operations and strategic direction. They develop and propose the Group's business plan and strategy to the Board and oversee its execution upon approval.

The Board of Directors reviews and challenges the Group's business plan, strategy and performance, ensuring that appropriate decisions are being made and that each promotes long-term value for shareholders.

This Corporate Governance Report includes further information about Boku's Board of Directors and the role of its committees.

2. Promote a corporate culture that is based on ethical values and behaviours.

Having the right culture at Boku is vital for underpinning our strategy. Acting ethically and with integrity in our business relationships and in our relationships with our employees is key to our success. The Board firmly believes this culture lies at the heart of and underpins Boku's success. As such, cultivating a diverse, equitable, and inclusive workplace is essential to who we are and what we stand for.

Boku's culture is monitored in a number of ways, including regular discussions during global leadership meetings, insights from employee surveys and Q&A sessions at monthly all hands meetings.

Boku is committed to offering competitive, fair, and flexible reward packages that attract and retain talented employees. These packages are tailored to individual skills and performance within a globally scalable framework, ensuring compliance with both local and international legal requirements. The company emphasises pay, equity and fairness across all regions.

Boku enforces a zero-tolerance policy against discrimination, bribery, corruption, and unethical business practices. We foster a culture of ethics and inclusivity through policies and training in recruitment diversity, equity, inclusion, whistleblowing, and anti-bribery.

An outline of the corporate culture promoted by the Board is set out on Boku's website in the section headed "Our Values"

More information in relation to diversity, equity and inclusion at Boku is described in the ESG Report on pages 53 to 56.

Corporate Governance Report

3. Seek to understand and meet shareholder needs and expectations.

The Board is committed to regular, open and effective communication with shareholders to ensure that the Company's strategy and performance are clearly understood and the views of shareholders are taken into account in Board decision making. The Board engages with shareholders through various channels and events, including the annual general meeting, updates to shareholders via its full and half-yearly reporting together with business and other updates through the regulatory news service, institutional and retail investor presentations and investor roadshows, which provide an opportunity for shareholders to engage directly with the GLT and the Board.

Historical annual reports, recordings of analyst calls and other governance-related materials, including notices and results of general meetings, are available on the Investor Relations section of the Boku website.

The main day-to-day engagement with shareholders is carried out by the Chief Executive Officer and Chief Financial Officer and, from time to time, by the Chair, Remuneration or Audit Chair where required. During the year, meetings with analysts and institutional shareholders typically take place immediately after the results announcements, supplemented by additional ad hoc meetings and calls at other times.

The Board encourages shareholders to participate at the Annual General Meeting, where board members and the global leadership team are present and available to answer questions from shareholders.

During the year, the Company held an extraordinary general meeting for shareholders to consider and approve a Stretch Restricted Share Unit Plan (the "SRSU"). During the development of the SRSU, the Company consulted and engaged with several key stakeholders, including external legal advisors and a remuneration consultant, to ensure that the shareholders' needs were also considered under the proposals. Following consultation with shareholders, the SRSU was successfully adopted by the Company's shareholders at the extraordinary general meeting on 11 September 2024.

Regular market reports are prepared by the Company's Nominated Advisor and are provided to the Board for consideration and discussion to ensure that the Directors have a clear understanding of shareholders' views and expectations.

The Board believes that they have successfully engaged with the Company's shareholders in the past and will continue to do so going forward.

4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success

The Company recognises the importance of engaging with its wider stakeholder community and addressing its social responsibilities as integral elements of achieving long-term success. The Company is committed to fostering sustainable practices, building strong relationships with stakeholders, and contributing positively to the wider community in which it operates.

The Company maintains regular and open communication with its key stakeholders, including shareholders, employees, merchants, carriers and regulatory bodies. This dialogue ensures that stakeholder perspectives are understood and integrated into the Company's decision-making processes.

- **Shareholders:** see Principle 3 above.
- **Employees:** The Company prioritises employee engagement and well-being, offering opportunities for professional growth, maintaining a diverse and inclusive workplace, and ensuring we meet all relevant health and safety standards applicable to the jurisdictions in which we operate. To gather employee feedback, the Company conducts an annual employee engagement survey, the results of which are analysed, actioned as necessary, and reviewed regularly to ensure continuous improvement.
- **Customers:** The Company's solutions are designed with the customer in mind, ensuring security, transparency, and convenience in all transactions. Feedback mechanisms are in place to continuously improve services. Our team of in-market experts help our customers navigate local market requirements to champion the best outcomes for our customer's program.
- **Regulators and Business Partners:** The Company is committed to full compliance with all applicable legal and regulatory standards, ensuring operational integrity and accountability. By adhering to these standards, the Company builds trust with regulators and business partners alike, laying the foundation for trusted relationships. Additionally, the Company actively engages with business partners and adapts to evolving industry requirements, fostering long-term, strategic partnerships.

Corporate Governance Report

Boku understands its role as a global corporate citizen and takes proactive steps to contribute to employees' well-being by creating a supportive and engaging work environment focusing on mental, physical, and social health. Our approach to the Group's environmental and social responsibilities are described in the ESG Report on pages 53 to 56.

The Company's board of directors and the GLT oversee the integration of stakeholder and social responsibility considerations into the Company's strategic objectives. Deep dive reviews are conducted to ensure alignment with long-term goals and adherence to best practices in corporate governance.

Through its commitment to addressing wider stakeholder and social responsibilities, the Company aims to create sustainable value for all stakeholders, enhance its reputation, and ensure the resilience and longevity of the business.

5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board, with the guidance and support of Boku's GLT, retains overall responsibility for identifying the major business risks faced by the Group by setting both the framework and risk appetite of the Group, in line with best practice. Our risk management framework, including internal controls, assurance activities and approach to risk, is summarised on pages 19 to 25.

Maintain a Dynamic Management Framework

6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The Board has an appropriate balance between executive and Non-Executive Directors and consists of:

i. an Independent Non-Executive Chair (Richard Hargreaves)

ii. two Executive Directors: the Chief Executive Officer (Stuart Neal) and the Chief Financial Officer (Robert Whittick)

iii. three additional Independent Non-Executive Directors (Charlotta Ginman (Senior Independent Director), Meriel Lenfestey and Loren I. Shuster)

iv. and two Non-Executive Directors (Mark Britto and Jon Prideaux).

The Board has sufficient members to ensure the appropriate balance of skills and experience to effectively operate and control the business and to ensure that its discussions and decision making is in no way dominated by one individual or group of individuals. The Board believes that its levels of diversity in all its forms are conducive to effective Board discussion and decision making.

The roles of the Chair and the Chief Executive Officer are separate, with their roles and responsibilities clearly defined.

The Chair's main responsibility is the leadership and management of the Board and its governance. He meets regularly and separately with the Executive and Non-Executive Directors to discuss matters relevant to the Board.

The roles and responsibilities of the Chair, Chief Executive and any other Directors are set out on page 36.

The Board holds at least six regular meetings per year. It has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities, as set out in their terms of reference.

Both Executive Directors are full time employees. Non-Executive Directors are required to devote sufficient time to prepare for and attend regular Board meetings, any ad hoc Board sessions, their Committee duties and other stakeholder engagement.

Further details of the current Directors and a note of those who are considered to be independent are set out on pages 36 to 37.

7. Maintain appropriate governance structures and ensure that, individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities.

The Board is satisfied that its Directors have an effective and appropriate balance of skills, experience and specific strengths to contribute to our success. All Directors are encouraged to constructively challenge all matters, both strategic and operational.

Due to the current size of the Group, the Board still considers a formal permanent Nominations Committee is not required. Any decisions relating to appointments to the Board will be a matter for the consideration of the whole Board, although from time to time sub-committees may be established to consider specific Board transition or succession planning in line with the established processes for the establishment of ad hoc Committees to consider specific issues when the need arises.

Corporate Governance Report

Following the publication of the updated QCA Code, the Board agreed that each director would stand for election at each annual general meeting. Shareholders approved this at the last annual general meeting on 22 May 2024.

Information relating to Directors, including their background and experience, can be found on pages 26 to 29. Collectively, our team has all the necessary skills and experience to carry out the Group's strategy and business model effectively.

The Directors keep their skills up to date through appropriate training, including an annual refresher training on the AIM rules provided by the Nominated Advisor as well as receiving regular updates on relevant corporate governance matters during Board meetings.

The Chair or the Senior Independent Director is available to speak with shareholders concerning the corporate governance of the Company. Charlotta Ginman assumed this role on 1 February 2024.

The Company Secretary is responsible for advising the Board on governance matters and ensuring that decisions of the Board in relation to governance matters are implemented.

The Remuneration Committee has engaged an external firm to provide advice on the Executive and Non-Executive compensation.

8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board engaged an external independent board evaluation consultant to conduct the annual board evaluation process for 2024.

The evaluation findings recognised the commitment of the Board and executive team to drive sustained improvement in the Board and executive team's effectiveness, governance and performance. The evaluation also highlighted the need to continue its development in certain key focus areas, including executive reporting to the Board, developing the Board agenda to balance between operational and strategic discussion, building on the existing strategy foundations and capability and continuing to further strengthen the internal control framework.

The Board evaluation process included the completion of a questionnaire, one-to-one interviews with each Director, Company Secretary and each member of the GLT, a review of past Board and Board committee meeting materials and observation of board meetings by the independent consultant.

Following completion of the Board evaluation survey, the Board held several sessions to review the findings and considered matters such as how to improve meeting materials, the continuing development of the internal controls framework and matters pertaining to Board succession planning.

Appropriate training is available to all Directors to develop their knowledge and skills to ensure they stay up to date on specific matters for which they have responsibility.

9. Establish a remuneration policy that is supportive of long-term value creation and the company's purpose, strategy and culture.

The Remuneration Committee is responsible for setting and overseeing a remuneration policy for Executive Directors and other members of the GLT that aligns with Boku's culture and strategic objectives.

Boku's remuneration policy is designed to support the Company's purpose and foster a culture of sustainable success by prioritising long-term value creation. A key element of this approach is the alignment of executive rewards with the long-term growth of the Company and the interests of its shareholders. This is achieved through a portion of executive compensation being delivered in the form of performance restricted stock units (PRSUs) and more recently, with the adoption of a Stretch Restricted Share Unit Plan (SRSU).

This structure incentivises executives to focus on sustained performance and strategic decision-making that drives shareholder value over time. Furthermore, it reflects Boku's cultural commitment to accountability and ownership, as executives are encouraged to align their personal interests with the Company's success.

Ultimately, this alignment reinforces a shared vision across the organisation, fostering a culture of responsibility, collaboration, and growth.

Build Trust

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Reports on the work of the Board and its committees are set out as follows:

- Board: pages 36 to 37
- Audit Committee: pages 40 to 43
- Remuneration Committee: pages 44 to 52

Corporate Governance Report

Information about shareholder voting at the Company's 2024 annual general meeting and extraordinary general meeting can be found on Boku's website.

The Group's approach to investor and shareholder engagement is described under Principle 2 above. Annual Reports, Annual General Meeting notices, regulatory announcements, trading updates and other governance related materials for 2024 and previous years are available from the Company's website.

The Board Composition and Responsibilities

The composition of the Board is set out below. There is a clear division of responsibilities between the Chair, the CEO, the Senior Independent Director (SID), and the Non-Executive Directors. The Chair leads the Board of Directors, ensuring its effectiveness and strong governance. The SID serves as a sounding board and intermediary for the Chair, other board members, and shareholders, facilitating discussions on any matters—confidential or otherwise.

The CEO, supported by the executive team, is responsible for the day-to-day management of Boku's business. This includes developing strategies for Board approval, leading and developing the team to be accountable for its execution, and reporting on progress.

Non-Executive Directors play a crucial role in providing constructive challenge, strategic guidance, and specialist advice while also holding management accountable. Of Boku's Non-Executive Directors, including the Chair, four are considered independent.

Attendance

Details of the number of Board meetings held during the year and the attendance at each is set out below.

Following the publication of the 2023 QCA Code, which is to apply for financial years beginning on or after 1 April 2024, the Board made the decision to ask shareholders for approval to amend its bylaws and certificate of incorporation to provide for annual election of all the directors at the AGM, receiving subsequent approval from the Company's shareholders at the 2024 AGM. As a result of this change, each director will be subject to election at each annual general meeting. The Directors evaluate the balance of skills, knowledge and experience of the Board when defining the role and capabilities required for new appointments.

The Board meets at least once every two months, ensuring a balanced agenda that addresses statutory and regulatory duties while dedicating sufficient time to key business areas. These include strategy, execution, financial performance, budgeting and planning, internal controls, approval of major

Name	Role	Number of eligible meetings	Attendance
Richard Hargreaves	Independent Non-Executive Chair	8	8
Charlotta Ginman*	Senior Independent Director	8	8
Stuart Neal**	Chief Executive Officer (CEO)	8	8
Robert Whittick***	Chief Financial Officer (CFO)	5	5
Meriel Lenfestey	Independent Non-Executive Director (iNED)	8	8
Loren I. Shuster	Independent Non-Executive Director	8	8
Mark Britto	Non-Executive Director	8	8
Jon Prideaux ^	Non-Executive Director	8	7
Keith Butcher <	Former CFO	2	2
Stewart Roberts >	Former iNED	2	2

* Charlotta Ginman became Senior Independent Director on 1 February 2024
**Stuart Neal joined the Group on 4 July 2023 as CEO designate. He became CEO on 1 January 2024 and joined the Board on 17 January 2024
*** Robert Whittick joined the Board and became CFO on 17 July 2024
^Jon Prideaux stood down as CEO on 31 December 2023 and was appointed as a Non-Executive Director on 1 January 2024. He did not attend one meeting called at short notice due to unforeseen personal reasons.
<Keith Butcher stood down from the Board after the Annual General Meeting held on 22 May 2024, remained as an employee of the Group until October 2024 and as a consultant until April 2025
>Stewart Roberts stood down from the Board after the Annual General Meeting held on 22 May 2024

Corporate Governance Report

capital projects, people and culture, key stakeholders, risk management, board evaluation, and governance. Additionally, the Board receives regular "deep dives" into topics relevant to strategic development and management. Board members are provided with appropriate and timely formal papers in advance of each Board or Committee meeting. This allows them to review key issues, challenge assumptions, and contribute to well-informed decision-making. Specific actions arising from these meetings are agreed upon by the Board and subsequently followed up by the relevant management team.

Audit Committee

The Audit Committee is chaired by Charlotta Ginman (Senior Independent Director), who assumed the role on 22 May 2024 following Stewart Roberts' departure from the Board and the Committee after the Annual General Meeting. The other members of the Committee are Meriel Lenfestey and Loren I. Shuster, all of whom are independent Non-Executive Directors.

The Audit Committee meets formally at least three times a year, with additional meetings held as required. Within its agreed terms of reference, the Committee is responsible for ensuring that the Company's financial performance is properly reviewed and reported. Its role includes monitoring the integrity of financial statements—including annual and interim accounts and results announcements—reviewing internal controls and risk management systems, assessing changes to accounting policies, overseeing the scope of non-audit services provided by external auditors, and advising on the appointment of external auditors.

A full report of the Audit Committee can be found on pages 40-43.

Remuneration Committee

The Remuneration Committee is chaired by Meriel Lenfestey, with Loren I. Shuster and Charlotta Ginman as its other members. Charlotta Ginman joined the Committee on 22 May 2024. All members are independent Non-Executive Directors.

The Committee meets at least twice a year, with additional meetings held as needed. Within its agreed terms of reference, it is responsible for determining the Company's remuneration policy for the Group's Chief Executive, Chair, and Chief Financial Officer, as well as other designated Executive management members. The remuneration of Non-Executive Directors is determined separately by the Chair and Executive Directors. The remuneration of the Chair is determined by the Board, with the Chair absent from the decision.

No Director or manager participates in decisions regarding their own remuneration, including executive share awards.

A full report of the Remuneration Committee can be found on pages 44-52.

Share Dealing code

The Group has adopted a dealing code for the Directors and all employees, which is appropriate for a company whose stock is admitted to trading on AIM. The Company takes all reasonable steps to ensure compliance by the Directors and employees with the terms of that dealing code by providing regular training and making the share dealing code and associated documents readily available at all times.

Shareholders

The Board is committed to regular, open and effective communication with shareholders to ensure that the Company's strategy and performance are clearly understood. The Company provides annual and interim statutory financial reports, investor and analyst presentations, regular trading and business updates. At the Annual General Meeting, all shareholders have the opportunity to meet and ask questions of the Board of Directors. The next Annual General Meeting is scheduled for 28 May 2025.

Board Composition		Board Independence		Board Tenure	
Executive	25%	Independent	4	0-3 years	37.5%
Non-Executive	75%	Not Independent	4	3-6 years	25%
		50% of the Board are independent		Above 6 years	37.5%

Audit Committee Report

Committee Chair Introduction

Dear Shareholders,

I am pleased to present my first Audit Committee Report for the year ended 31 December 2024, having taken over as Chair of the Committee following the AGM in May 2024. This report details the work of the Committee over the past year, fulfilling our responsibilities to provide effective governance over the Group's financial and risk activities.

Role and responsibilities

The Committee has written terms of reference which are available to view on the Company's website. The terms of reference clearly define the Committee's responsibilities and duties and are reviewed annually by the Committee and approved by the Board, most recently in January 2025. In addition to the terms of reference, the Committee has developed an annual agenda that corresponds with the meeting schedule to ensure all key responsibilities are managed and completed.

Membership and Attendance

The Committee is comprised of Independent Non-Executive Directors and, as a whole, has competence relevant to the Payments Industry. I am a Chartered Accountant, and I also chair the audit committees for other public companies. More information about the Committee members can be found on pages 26 to 29 and below.

Details of the number of committee meetings held during the year and the attendance at each is set out below.

Key reporting issues

During the year, and as part of the year-end procedures, the Committee considered the following key financial matters in relation to the Group's financial statements and disclosures with input from both management and the external auditor:

- Reviewed the management papers prepared on the key judgements and estimates in the consolidated financial statements, including:
  - Fair Value of the Amazon warrant liability
  - Determining the appropriate cash-generating units for goodwill impairment and reviewed management's work on identifying any impairment triggers (none detected)
  - Capitalisation of intangible assets and discussed the appropriateness of the capitalisation rate with both management and the auditor
  - Share-based payments, including an analysis of the new Stretch Restricted Share Unit Scheme
  - Deferred Tax – including the likelihood and estimation of future taxable profits
- Reviewed management's expected credit loss and value-in-use calculations for the purposes of goodwill impairment
- Reviewed management's going concern paper and fraud risk assessment memo
- Reviewed the appropriateness of the classification of exceptional items
- Reviewed the definitions and disclosures of Alternative Performance Measures (non-GAAP measures), including the new APM of own cash.

Name	Number of scheduled meetings	Attendance
Stewart Roberts* (Chair until 22 May 2024)*	1	1
Charlotta Ginman** (Chair from 22 May 2024)	3	3
Meriel Lenfestey	3	3
Loren I. Shuster	3	3

In addition to the scheduled Audit Committee meetings, Committee members also met on an ad hoc basis to discuss matters relating to the business of the Committee

* Stewart Roberts stood down from the Board and the Committee after the Annual General Meeting held on 22 May 2024
** Charlotta Ginman became Chair of the Committee on 22 May 2024

Audit Committee Report

Changes in accounting policies/ Application of IFRSs

The Committee is satisfied that there has not been a material impact on Boku's financial statements upon the adoption of new and amended financial standards (listed in note 2.7), furthermore, there are no changes in accounting policies impacting the current year and that there are no IFRSs yet to be adopted that the Committee expects to have a significant impact on the financial statements.

Annual Report and financial statements

The Board has asked the Committee to confirm that, in its opinion, this Annual Report, as a whole, can be taken as fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position, performance, business model and strategy. In doing so, the Committee has given consideration to:

- The way the Strategic Report (including the Chair's statement and reports of the CEO and CFO) presents the Group and its operations, financial and business model and the metrics management uses to measure performance,
- Whether suitable accounting policies have been adopted and have challenged the robustness of significant management judgements and estimates reflected in the financial results,
- The comprehensive control framework around the production of the Annual Report, including the verification processes in place to deal with the factual content,
- The extensive levels of review that are undertaken in the production process by both management and advisers,
- The Group's internal control environment.

The Group uses certain alternative performance measures (APMs) to present its results alongside the statutory financial statements. These are non-GAAP measures used by management and the Board, designed to provide the users with a further understanding of the trading performance of the business. An explanation of the APMs and a reconciliation to the nearest statutory equivalent measure is provided on pages 107 to 109.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, and it has reported on these findings to the Board.

Internal control and risk assurance framework

During the year, Boku commenced a Finance Transformation Programme with the aim of ensuring our internal control and risk assurance framework continues to be fit for purpose now and in the future. Our new CFO, Robert Whittick, who joined us in July 2024, has taken over the supervision and execution of this programme. Having hired a new Senior Group Financial Controller, Rob and his team are now looking at areas of automation and enhancement to both our internal controls framework, related processes as well as underlying systems, plus adding financial expertise to further drive this change. At our year end committee meeting we received a comprehensive memo from management on their fraud risk assessment and the controls in place to identify any misappropriation, something we took reassurance from. I shall be pleased to report on all of this progress in next year's report.

The Committee reviews the Company's principal and emerging risks on behalf of the Board at each Committee meeting, ensuring they remain relevant. Material changes are promptly notified to the Board, and mitigation plans are reviewed to ensure they are fit for purpose. Please refer to the principal risks section on pages 19 to 25 for additional information.

The Committee is regularly presented with deep dives into chosen principal risks, where it discusses in more detail the risk and its associated mitigation plan ensuring the Company's risk tolerance remains front of mind.

Internal Audit

Each year, we assess the need for an internal audit function for the wider Group. Following our latest review, we have once again decided that Boku will not establish a group-wide internal audit function at this time. Instead, we will continue to engage external firms to provide internal audit services with a limited scope, primarily focused on the controls and practices required by local regulatory requirements for new payment methods and Account to Account payments.

This decision, along with the scope of internal audit, will continue to be reviewed at least annually by the Audit Committee.

Boku continues to employ an external company, KPMG, to provide internal audit services for its Irish entity so as to be compliant with its regulatory obligations.

Audit Committee Report

Boku has a dedicated Risk & Compliance Team focused on ensuring the Group's compliance with all relevant regulations in the jurisdictions where it holds licenses. This includes adherence to local telecom regulations in specific markets as well as broader regulatory frameworks, such as PSD2 within the EU.

Further details on how the Group mitigates the risks associated with increased regulation can be found in the *Principal Risks and Uncertainties* section of this report on pages 19 to 25.

Key policies

The Committee is responsible for the review and approval of the following major policies:

- Non-Audit Services Policy, including Employment of Former Employees of the External Auditor
- Whistleblowing Policy

Audit services

The Auditor is appointed by the shareholders annually to provide an opinion on financial statements prepared by the Directors. PricewaterhouseCoopers LLP (PwC), the Company's current Auditor, were first appointed in 2023. Currently, Mark Jordan acts as our lead partner, and this is his second year of doing so.

The Auditor attends all Committee meetings and at the end of each Audit Committee we hold a closed Non Executive meeting with the Auditor present to discuss any needed matters without management present. The scope of the current annual year-end audit was agreed in advance with the Committee with a focus on areas of audit risk and the appropriate level of audit materiality. The Committee also had discussions with the auditor on internal controls, accounting policies and areas of critical accounting estimates and judgements and fees.

Following the audit, PwC reported to the Committee on the results of the audit work and highlighted any issues identified, or that the Committee had previously identified, as significant or material in the context of the financial statements.

There were no adverse matters brought to the Committee's attention in respect of the 2024 audit, which were material and should be brought to the Company's shareholders' attention.

Effectiveness

The Committee monitored and evaluated the effectiveness of the Auditor under the current terms of appointment based on an assessment of the Auditor's performance, qualification, knowledge, expertise and resources. The Auditor's effectiveness was also considered along with other factors such as audit planning and interpretations of accounting standards and separate discussions with management (without the Auditor present) and with the Auditor (without management present). I also held discussions with the audit partner throughout the year outside of Committee meetings.

The Committee was satisfied that the audit was effective and that PwC continues to demonstrate the skills and experience needed to fulfil its duties effectively.

Independence and non-audit fees

Boku's non-audit services policy was reviewed and updated in 2024. Any non-audit services are required to be pre-approved in advance by the Committee. During the year, PwC provided non-audit services to the Company of $126k (2023: $127k), representing work done in association with the interim accounts.

Auditors' remuneration

	2024 $'000	2023* $'000
Audit of the Group consolidated financial statements	863	798
Audit services – subsidiary audits (other primary auditor fees)	64	63
Audit – Non Audit Services (review of interim accounts)	126	127
Total audit fees	**1,053**	**988**

*During FY 2024 the auditors billed an additional $234k for work in relation to the finalisation of the FY 2023 audit.

Audit Committee Report

In order to fulfil the Committee's responsibility regarding independence of the Auditor, the Committee reviewed the senior staffing of the audit, the Auditor's arrangements concerning any conflicts of interest, the extent of any non-audit services, the fact that no former external auditors have been employed in the business, and the Auditor's independence statement. The Committee is satisfied that the Auditor remains independent.

Audit Committee effectiveness

During the year, an external evaluation of the effectiveness of the Board was conducted. I am glad to say that the Audit Committee had a positive outcome, something I am hoping we will continue to enjoy going forward.

Focus for the coming year

The Committee has four meetings scheduled for 2025. The Audit Committee will continue to review and monitor the Group's ability to maintain suitable control processes and risk management with a special emphasis on upgrades during the year stemming from the Finance Transformation Programme, discussed above.

Charlotta Ginman, FCA
Audit Committee Chair
18 March 2025

Remuneration Report

Chair's Introduction

Dear Shareholder,

I am pleased to present the Directors' Remuneration Report for the 2024 financial year.

This letter introduces the report, outlines the major decisions on Directors' remuneration during the year and explains the context in which these decisions have been made.

I am committed to maintaining Boku's high standards of corporate governance as an AIM-quoted company, transparency on remuneration disclosures, and flexibility to the specific incentivisation needs of a US-incorporated, high growth, technology company with a global presence.

Shareholders' expectations are important in our decision-making process, and I welcome shareholder feedback at any time. We will continue our practice of putting an advisory resolution on remuneration to shareholders at our AGM. This report sets out the remuneration policy for the Company, the incentive structures for Directors and management and the detailed remuneration for both the Executive and Non-Executive Directors of the Company for the year to 31 December 2024 and briefly includes expectations for 2025. The information provided fulfils the requirements of AIM Rule 19.

Note: Boku, Inc. being US incorporated and quoted on AIM is not required to comply with the UK's Companies Act Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Performance and Decisions taken during 2024

The Company continued to perform well in the year with revenue and adjusted EBITDA growing considerably. Inflation in the pay markets in which we operate (i.e. where we have employees) varied between 3.2% and 7.4%. In certain markets there remain skills shortages which we believe have continued to drive up average salaries ahead of these inflation figures. An average year on year rise in basic salary of between 4.5% to 12% was applied to all staff (with the amount of such increase dependent on their location) with the Executive Directors basic salary increasing by 4%. Boku remains focused on securing the best talent in a highly competitive global technology market.

During the year the Remuneration Committee focussed on ensuring its remuneration policy supports the ambitious strategy approved by our Board. This involved advising on compensation for key appointments to the executive team including the change of Chief Financial Officer following the retirement of Keith Butcher from the Board on 22 May 2024 and the subsequent appointment of Rob Whittick on 17 July 2024.

The Committee was also involved in the design and implementation of a new Stretch Restricted Share Unit (SRSU) plan for the executive management team which is designed to reward exceptional shareholder returns. I would like to personally thank shareholders for participating in an extensive consultation process in respect of the SRSU. This consultation informed the final design of the plan which was approved by shareholders at an Exceptional General Meeting ("EGM") held on 11 September 2024.

The Committee was also involved in the implementation of a new Key Employee Bonus Plan (below Executive level).

I am also grateful for the support from the new Chief People Officer and her team in delivering substantial work around company-wide reward philosophy and principles and how they can manifest in the design and delivery of schemes. This work will continue in 2025.

I hope that you find the report helpful and informative.

Meriel Lenfestey
Remuneration Committee Chair
18 March 2025

Remuneration Report

Remuneration Committee Composition and Role

The Remuneration Committee continues to be chaired by Meriel Lenfestey, with Loren I. Shuster serving as a member of the Committee throughout the financial year and Charlotta Ginman becoming a member in place of Stewart Roberts who stepped down from the Board following the AGM on 22 May 2024. All members of the Committee are considered Independent Directors. Additional biographical information about the Committee members can be found on pages 26 to 29. During the year, five scheduled meetings were held to review the remuneration of the Executive Directors and other senior executives, to review the overall pay policy and to consider the Restricted Stock Units plan. There were also five additional meetings convened with the Remco Chair and external advisors principally in order to deal with the design and implementation of the Stretch Restricted Share Unit plan.

Attendance

Details of the number of committee meetings held during the year and the attendance at each is set out below.

The Chief Executive Officer, Chief Financial Officer and Chief People Officer regularly attend Committee meetings to provide support and contextual information to the Committee. In particular, the views of the Chief Executive Officer are sought in respect of awards to the other Executive Directors and executive team members. External advisers are appointed as required in relation to the development of elements of remuneration and benchmarking analysis.

The Committee is responsible for determining, on behalf of the Board, the Company's policy on the remuneration of the Executive Director and other senior executives at Boku. Matters regarding Non-Executive Director remuneration are decided by the Chair and the Executive Directors and are not a matter for the Remuneration Committee. The remuneration of the Chair is determined by the Board with the Chair absenting from the decision.

The Committee's terms of reference, updated on 2 October 2024 to reflect best practice, are available on the Company's website at boku.com

Remuneration Committee effectiveness

During the year, an external evaluation of the effectiveness of the Board and its committees was conducted. The findings from this evaluation highlighted the importance of continuously enhancing the governance practices related to the committees and its membership. Specifically, the report recommended further development of the governance framework to better align the committees' activities with the Board's annual cycle.

Remuneration Policy

The Company's remuneration approach is designed to attract, recruit, motivate, and retain high calibre individuals with significant technical and strategic expertise in a competitive and rapidly evolving global sector.

The Committee is committed to applying this approach to Executive Management, ensuring they are incentivised to deliver value for shareholders while maintaining a strong focus on risk management, affordability, fairness in relation to the wider workforce, and alignment with AIM principles.

Name	Number of eligible meetings	Attendance
Meriel Lenfestey (Chair)	5	5
Loren I. Shuster	5	5
Charlotta Ginman* from 22 May 2024	3	3
Stewart Roberts**	2	2

* Charlotta Ginman joined the Committee on 22 May 2024
** Stewart Roberts stood down from the Board and the Committee after the Annual General Meeting held on 22 May 2024

Remuneration Report

Executive Directors

Executive Director remuneration consists of 5 elements:

- Salary
- Annual Bonus
- Long Term Incentives (LTI)
- Pension
- Benefits

More detail on each is as follows:

Salary: Base salary for each Executive Director is reviewed annually by the Committee. In considering adjustments, the Committee takes into account salary levels paid by companies of a similar size and nature, the performance of the group as a whole, the Director's performance, experience and responsibilities, and any general increase applied to staff pay.

Annual Bonus: Executive Directors participate in the annual bonus scheme. This delivers a bonus for the effective delivery of strategy, as demonstrated through the achievement of annual performance targets. The Company considers revenue, adjusted EBITDA and personal performance targets with equal weightings. The Company does not publish the specific targets, but they are broadly aligned with the figures for expected performance in the market. If either revenue or adjusted EBITDA fall below 90% of targets no bonus is payable for either, unless the Committee applies discretion. The Committee has discretion to adjust the level of bonus to avoid unintended consequences. The Committee considers ESG factors alongside other factors in the personal contribution element and will continue to consider the feasibility of including an ESG element in the targets as the Company's ESG policy matures.

Stuart Neal *Chief Executive Officer*
On-target performance: up to 50% of salary (split into two half yearly payments)
Over performance cap: up to a further 50% of salary (paid annually)

Robert Whittick *Chief Financial Officer*
On-target performance: up to 50% of salary (split into two half yearly payments)
Over performance cap: up to a further 50% of salary (paid annually)

Long-Term Incentives (LTI): The Committee sees Long-Term Incentives as an important part of the remuneration of all staff, to align them with shareholders and reward them for strong performance. For Executive Directors these are structured as follows:

- Performance-based Restricted Stock Units (PRSU) that have a normal vesting period of three years, after which they convert into common shares. They are all subject to annual performance conditions relating to adjusted EBITDA.
- Stretch Restricted Share Units (SRSU) which were introduced during the reporting year following shareholder approval of the SRSU at the EGM on 11 September 2024, to reward exceptional shareholder value growth between 19 March 2024 and the date on which the results announcement for the 2027 financial year is released (expected to be March 2028) with a holding period until vesting in two instalments after which they convert into common shares. They will only vest if the share price reaches 541.2p (GBP) or more, and they are capped at a share price of 902p (GBP).

The Committee believes that the mix of remuneration awards will promote a balance between strong, steady growth and reaching for full potential and promotes a more competitive remuneration environment in which to retain and seek high quality skills required to execute the Company's growth strategy. Details of LTIP awards currently held by Executive Directors are set out on page 51 to 52 of this report.

Pension: The Company operates pension schemes in various jurisdictions. Executive Directors participate on the same basis as other employees.

Benefits: The Company provides the option for all employees to participate in a private healthcare plan.

Non-Executive Directors

Non-Executive Director remuneration now consists solely of fees, following the removal of the one-off RSU allocation in 2023. The RSU allocation was initially introduced to align the interests of non-executive directors with shareholders, a common practice for US-based high-growth companies, but was removed after feedback from proxy advisors.

Fees: The fees paid to the Non-Executive Directors are determined by the Executive Directors having regard to external benchmarking as thought fit. In addition to an annual fee, independent directors receive additional fees for participation in and chairing Board committees more fully explained below.

Remuneration Report

Non-Executive Directors do not participate in any bonus schemes, nor are their positions pensionable. The overall remuneration package for Non-Executive Directors has been carefully constructed in line with the principles of the QCA Code so as not to compromise the independence of the Non-Executive Director.

They are entitled to recover reasonable expenses incurred in the performance of their duties.

The service contracts of the Executive Directors do not provide for any extra payment on the termination of employment.

In addition, following latest updates to the QCA Code, and with the support of shareholders at the 2024 Annual General Meeting, all directors are subject to annual re-election by shareholders at its Annual General Meeting.

2024 Remuneration Summary

2024 was another very good year for Boku. There was strong growth in both revenue and adjusted EBITDA, and excellent progress against the strategy of growing new Local Payment Methods (LPMs), such as Digital Wallets and Account to Account (A2A). Significant team effort went into launching new connections, maintaining regulator, merchant and issuer relationships, developing new products and technologies and investing in scaling the teams and the systems for the next stage of the Board's growth strategy. This is the context in which the Remuneration Committee made decisions.

During the year the Committee received external advice from h2Radnor on the new SRSU scheme, and from Korn Ferry on remuneration benchmarking.

The following sections show how remuneration was managed for the year ended 31 December 2024.

Service contracts

The service contracts and letters of appointment of the Directors include the following terms:

Executive Directors	Date of contract	Notice period (months)
Stuart Neal*	4 July 2023	6
Keith Butcher**	1 October 2019	stepped down on 22 May 2024
Robert Whittick	17 July 2024	6

*Stuart Neal was appointed as CEO Designate on 4 July 2023, as Chief Executive Officer on 1 January 2024 and an executive director of the Company on 17 January 2024
**Keith Butcher stepped down from the Board following the AGM 22 May 2024 but remained as an employee until his subsequent resignation as an employee on 23 October 2024 and will remain as a consultant to the business until April 2025.

Non-Executive Directors	Date of NED contract	Notice period (months)
Mark Britto	31 August 2017	2
Richard Hargreaves	8 August 2017	2
Stewart Roberts	1 January 2020	stepped down on 22 May 2024
Charlotta Ginman	23 September 2020	2
Meriel Lenfestey	21 September 2022	2
Loren I. Shuster	21 September 2022	2
Jon Prideaux	1 January 2024	2

Remuneration Report

Executive Directors

During the financial year, the company announced a planned transition in the Chief Financial Officer role. Keith Butcher, who served as CFO since 2019, stepped down from the Board following the AGM on 22 May 2024 and as an employee on 23 October 2024. He will continue as a consultant to the Company until April 2025.

Following an externally facilitated, independent and comprehensive search we were delighted to welcome his successor Robert Whittick who joined on 17 July 2024 and ensured continuity and alignment with the company's growth strategy.

No fees were received by Executive Directors for external appointments during the year ended 31 December 2024.

Annual Bonus:

In determining bonus payments for 2024, the Remuneration Committee considered underlying revenue and Adjusted EBITDA growth, factoring in adjustments for material foreign exchange fluctuations, progress against strategic objectives, share price performance and shareholder sentiment. Based on this assessment, the Committee approved above target-level payouts for the revenue and Adjusted EBITDA components of the scheme with the revenue element achieving 61% of the maximum and Adjusted EBITDA reaching 64% of the maximum. For individual performance assessments, Mr. Neal's personal achievement was evaluated at 74%, resulting in a total payout of 66% of the maximum awardable amount, reflecting his own personal achievements and the average achievement of his Global Leadership Team. Mr Whittick's personal achievement was assessed at 80% leading to an aggregate payout of 68% of the maximum awardable amount.

Annualised Base salaries as Executive Directors of the Company for the year ended 31 December 2024:

Stuart Neal*	Chief Executive Officer	£307,000	(2023: n/a)
Robert Whittick**	incoming Chief Financial Officer	£300,000	(2023: n/a)
Keith Butcher***	outgoing Chief Financial Officer	£239,795	(2023: £229,399)

*Stuart Neal was appointed as CEO designate on 4 July 2023 and his salary from that date to 31 December 2023 was £148,846. Stuart was appointed Group Chief Executive Officer on 1 January 2024 and an executive director of the Company on 17 January 2024.
**Robert Whittick was appointed as an Executive Director of the Company on 17 July 2024.
***Payments of £96,000 were made to Keith Butcher in the year ended 31 December 2024 partly in connection with his employment and to facilitate the handover to his successor as Chief Financial Officer.

Remuneration Report

The following annual bonus payments for executive directors are being made for 2024.

Stuart Neal Chief *Executive Officer*
Full year award: £203,373 (66% salary) (2023: n/a)

Robert Whittick *Chief Financial Officer*
For part year: £93,821 (68% of salary) based on his appointment date of 17 July 2024

Long-Term Incentive Plans

During 2024 the Company granted 2,141,709 Performance-based Restricted Stock Units (PRSUs) and 7,220,431 Stretch Restricted Share Units (SRSUs) over common shares to Executive Directors, other executives, and key employees under the Company's 2017 Equity Incentive Plan.

Stuart Neal *Chief Executive Officer*
PRSU award in 2024: 210,000 PRSU with a vesting date of 01/04/27

SRSU award in 2024: 1,363,629 SRSU vesting in two equal instalments on 01/07/2028 and 01/07/2029.

Robert Whittick *Chief Financial Officer*
PRSU award in 2024: 200,000 PRSU with a vesting date on 01/04/2027

SRSU award in 2024: 757,028 SRSU vesting in two equal instalments on 01/07/2028 and 01/07/2029.

Keith Butcher *Chief Financial Officer*
PRSU award in 2024: 175,000 PRSU with vesting date of 01/04/27*

**Keith Butcher left the Board on 22 May 2024 and remained an employee until October 2024, thereafter he will serve as a consultant until April 2025. The PRSU's awarded in 2024 have been forfeited in accordance the rule of the PRSU*.

A full breakdown of the Executive Directors' current interests in the long-term incentive awards is set out below.

Pension

Mr Neal participated in the pension scheme for the year.

Mr Whittick did not participate in the pension scheme from his appointment date of 17 July 2024.

Mr Butcher participated in the pension scheme as an executive director until his resignation as an executive director on 22 May 2024.

Medical Insurance

Mr. Neal did not participate in the medical insurance plan.

Mr. Whittick did not participate in the medical insurance plan.

Table of actual remuneration as Executive Directors for the year ended 31 December 2024

Executive Directors	Salary £	Bonus £	Pension £	Benefits £	Total 2024 £	Total 2023 £
Stuart Neal	306,416	203,373	1,761	–	511,550	n/a
Robert Whittick	137,693	93,821	–	–	231,514	n/a
Keith Butcher	99,146	–	734	–	99,880	404,094

*Payments of £96,000 were made to Keith Butcher in the year ended 31 December 2024 partly in connection with his employment to facilitate the handover to his successor as Chief Financial Officer.

Remuneration Report

Non-Executive Directors Fees:

	Fees 2024 £	Fees 2023 £
Richard Hargreaves	98,944	86,885
Mark Britto	49,294	44,308
Stewart Roberts*	25,780	49,112
Charlotta Ginman**	65,323	43,655
Loren I. Shuster	58,656	43,655
Meriel Lenfestey	63,696	49,112
Jon Prideaux ***	50,000	n/a
	411,693	245,972

*Stewart Roberts ceased to be the Senior Independent Director on 1 February 2024 and left the Board and Board Committees on 22 May 2024
**Charlotta Ginman became Senior Independent Director on 1 February 2024 and became the Audit Committee Chair on 22 May 2024 when she also joined the Remuneration Committee

***Jon Prideaux was appointed as a Non-Executive Director on 1 January 2024

The non-executive director fee structure was adjusted from 1 February 2024 following a benchmarking exercise in 2023 to align non-executive director fees to the market in parallel with removing the historic single Restricted Stock Unit issue as an element of remuneration and providing for additional workload for independent directors participating in committees. Non-executive director fees are structured as follows:

Non–Executive Directors	Chair fee £100,000	Basic fee £50,000	SID fee £5,000	Committee Chair fee £10,000	Committee Member fee £5,000	Independent
Richard Hargreaves	Yes	–	–	–	–	Yes
Stewart Roberts	–	Yes, until May 2024	Yes, until February 2024	AC Chair until May 2024	RC until May 2024	Yes
Charlotta Ginman	–	Yes	From February 2024	AC Chair from May 2024	RC from May 2024	Yes
Meriel Lenfestey	–	Yes	–	RC Chair	AC	Yes
Loren I. Shuster	–	Yes	–	–	AC and RC	Yes
Mark Britto	–	Yes	–	–	–	No
Jon Prideaux	–	Yes	–	–	–	No

Remuneration Report

Directors' interests in Shares

The interests of the Directors as of 31 December 2024 in the shares of the Company were:

Name	Number of Common Shares	Percentage of share capital
Mark Britto	11,322,589	3.791%
Jon Prideaux*	3,501,549	1.155%
Stuart Neal	634,825	0.210%
Robert Whittick	-	-
Richard Hargreaves**	1,479,688	0.495%
Charlotta Ginman	67,257	0.022%
Meriel Lenfestey	100,100	0.033%
Loren I. Shuster	52,825	0.018%

*Jon Prideaux's interest includes 18,644 shares held by his spouse
**Richard Hargreaves's interest includes 939,223 shares held by his family members.

Market Value options (historic)

Name	Date of Issue	Number of options	Exercise price	Start vesting date	Final vesting date	Lapsing date
Mark Britto	28 Oct 2016	500,000	USD $0.28	23 Sep 2016	23 Sep 2020	27 Oct 2026

There were no unexercised vested options at the year-ended 31 December 2024 (FY 2023: Nil).

Restricted Stock Units

Name	Date of Issue	Number of RSUs outstanding	Share price on grant date	Value on award date	Start vesting date	Final vesting date	Lapsing date
Jonathan Prideaux *	24 Jan 2023	210,000	£1.525	£320,250	01 April 2023	01 April 2026	04 Jan 2027
	19 Jan 2022	210,000	£1.64	£344,400	01 April 2022	01 April 2025	04 Jan 2026
Stuart Neal	17 Jan 2024	210,000	£1.57	£320,700	01 April 2024	01 April 2027	04 Jan 2028
	19 July 2023	344,000	£1.42	£488,480	01 April 2024	01 April 2026	04 Jan 2028
Robert Whittick	17 July 2024	200,000	£1.83	£366,000	01 April 2024	01 April 2027	04 Jan 2028

* Jon Prideaux is now a Non-Executive Director having stepped down as an executive director on 31 December 2023. The RSUs set out above date exclusively from his executive employment and are in no way connected to his new role as a Non-Executive Director.

Remuneration Report

Stretch Restricted Share Units

Name	Date of Issue	Number of SRSUs	Fair value at year-end	Value of award at year-end	Start performance period	Expected Final vesting date	Expected Lapsing date
Stuart Neal	02 Oct 2024	1,363,629	£0.109	£148,636	01 Jan 2024	01 July 2029	01 July 2029
Robert Whittick	02 Oct 2024	757,028	£0.109	£82,516	01 Jan 2024	01 July 2029	01 July 2029

Looking ahead to 2025

As we look to the future, attracting and retaining the best talent remains central to our ability to execute on ambitious goals and strategy.

For 2025, the Remuneration Committee will follow closely the outcome of a comprehensive review by management of total remuneration structure for all levels of the organisation including the Executive Directors. This will ensure the business maintains a competitive edge in the market, incentivises high performance, and aligns remuneration practices with the evolving needs of the business and expectations of our shareholders.

Executive Directors
Base salaries for the year ended 31 December 2025:

Following both internal and external benchmarking processes it became apparent that the Chief Executive Officer salary was materially below the Committee target of mid-market having fallen behind during and following the transition from the previous Chief Executive Officer, but that the Chief Financial Officer and other executive members were aligned with the benchmark.

Therefore, the base salary of the Chief Executive Officer will increase by 12.2%, rising from £307,000 to £344,500 which will not bring the level to benchmark in year. The Committee will then consider a further adjustment in 2026 to bring the base salary to a benchmarked median. The Chief Financial Officer salary is awarded a general increase of 4% aligned with the wider UK based workforce (prorated to 2% based on his start date on 17 July 2024).

From 1 February 2025 the following Base Salaries will be applied:

Stuart Neal, *Chief Executive Officer*	£344,500	(2024: £307,000)
Robert Whittick, *Chief Financial Officer*	£306,000	(2024: £300,000)

Annual Bonus

No change

Long term incentives

As part of the management review of total remuneration, the Committee will consider any changes necessary to ensure PRSU and SRSU complement each other, that the PRSU scheme performance measures and structure remain fit for purpose, and to ensure ongoing affordability of allocations as the share price increases. The Committee will continue to consider and award, as appropriate, to incentivise long term performance.

Pension

No change

Benefits

No change

Non-Executive Directors including the Board Chair

The salary schedule for Non-Executive Directors, including in respect of the Board Chair, agreed with effect from 1 February 2024 and set out above shall continue to apply although a general increase of 4% has been applied for 2025, aligned to the general increase applied to UK based employees.

Environmental, Social and Governance Report (ESG)

A message from our CEO

Boku is a rapidly growing global company that partners with some of the world's leading brands. Our core values drive everything we do, and we ensure they align with those of our key stakeholders. By design, we are a diverse and localised organisation, a key factor in our success. With employees from various backgrounds across 30 countries, including Taiwan, Japan, Singapore, India, the UAE, Nigeria, Germany, Ireland, Brazil, the UK, and the US, our global presence helps us better serve our customers. Diversity is not just a buzzword at Boku; it's our competitive edge.

Creating the right culture in such a diverse, dispersed organisation is crucial, and our ESG agenda plays a key role in this. In recent years, we've heavily invested in expanding our compliance and governance teams, adding expertise in diversity, equity, and inclusion (DEI), and appointing our first Group Chief People Officer.

We are passionate about running internal DEI groups, supported by executive sponsorship, and tracking key metrics like the gender pay gap. These metrics are essential for embedding DEI into the business.

While we operate a hybrid work model offering remote flexibility, and don't manufacture or run emission-generating machinery, we recognise our responsibility as global citizens. We are continually looking for ways to reduce our carbon footprint.

We also encourage employees to engage in social causes, with our management team leading by example. Initiatives such as packing food for the homeless in San Francisco, supporting an orphanage in Mumbai, and offering internships and mentorship to inner-city London teens allow us to give back to the global community.

We understand that this work is ongoing, and we are committed to doing more than just meeting regulatory requirements—striving to make a positive impact wherever we operate.

Our Mission – Boku is building the world's best network of localised payment solutions.

Our Vision – Boku is helping to enable borderless commerce by offering better payment choice.

	FY 2024 Highlights	FY 2025 Objectives
Environmental	• Continued to reduce carbon emissions by operating digitally to minimise waste, while actively encouraging partners and suppliers to embrace similar carbon reduction initiatives. • Certain of our European offices now operate on 100% renewable energy tariffs.	• Consider opportunities to enhance reporting disclosures related to Scope 1, 2, and 3 emissions in line with the company's growth.
Social	• We recruited our first Chief People Officer in 2024 who is focused on gender diversity as a key area. • We have enhanced our recruitment processes to ensure fair, consistent and inclusive hiring processes globally. • Undertook numerous initiatives to give back to local communities.	• Improve the group's approach to DEI including the development of our gender equality programme • Increase participation rates in our staff surveys. • Increase cultural awareness within our employee community to foster an ever more inclusive culture.
Governance	• Established a code of ethics to underline the principles we wish our staff to adhere to.	• Continue to work towards full compliance with the updated Quoted Companies Alliance (QCA) Code.

Environmental, Social and Governance Report (ESG)

1. Environmental

We are pleased to highlight our ongoing commitment to sustainability, recognising the responsibility we have as a fintech company to minimise our environmental impact. While our business model naturally results in very limited carbon footprint compared to traditional industries, we remain proactive in enhancing our environmental commitment. Our operations are designed to be energy-efficient, leveraging cloud solutions that optimise resource usage and reduce the need for physical infrastructure. This approach not only streamlines our processes but also minimises energy consumption and electronic waste.

We are committed to continuously exploring and implementing innovative practices to further reduce our environmental impact. This includes optimising data centres for maximum energy efficiency, utilising renewable energy sources where possible, and maintaining a predominantly remote workforce to decrease commuting-related emissions.

GHG Emissions

We currently voluntarily report on Scope 2 emissions, and we are committed to reporting on Scope 1 and Scope 3 emissions in due course.

Scope 1

Scope 1 emissions cover direct emissions from owned or controlled sources. Our offices are equipped with nine refrigerators and supported by air conditioning systems. Our goal is to develop our Scope 1 emission disclosures as we grow.

Scope 2

Scope 2 emissions relate to indirect emissions from purchased electricity and heat, calculated using location-based reporting methods.

USA: Scope 2 emissions were estimated using the area method, which allocates energy use based on our share of the building's floor space and total energy consumption, as individual energy consumption data was unavailable.

Estonia, UK, and India: These figures were calculated using monthly utility bills, incorporating individual usage data provided by the building landlords (Estonia and UK) and energy providers (India).

Several of our offices are powered, either fully or partially, by renewable energy tariffs. Specifically, our London and Munich offices are supplied with 100% renewable energy. In addition, Boku operates largely paperless to further reduce our environmental impact.

To further decrease our carbon footprint, Boku is committed to collaborating with partners and suppliers to encourage their own reductions in carbon emissions. We plan to actively engage with them to identify additional opportunities for collective action in minimising our environmental impact.

Scope 3

Scope 3 emissions relate to indirect emissions from purchased electricity and heat, calculated using location-based reporting methods. We aim to develop our Scope 3 reporting capability in due course.

We are committed to enhancing our reporting practices as we grow, ensuring they accurately reflect our environmental impact and sustainability efforts. By adopting industry best practices and incorporating more detailed metrics, we aim to provide clear, reliable information that demonstrates our dedication to transparency and accountability.

	UK		Estonia		USA		India		Germany		Total	
Energy Consumption (tCO_2e)	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
Scope 2	6.3	7.71	68.11	33.44	29.82	25.97	49.67	41.41	0.62	–	154.52	108.53
Intensity Ratio (tCO_2e per $m group revenue)	**UK**		**Estonia**		**USA**		**India**		**Germany**		**Total**	
Scope 2	0.08	0.08	0.83	0.34	0.36	0.26	0.6	0.42	0.01	–	1.87	1.09

Environmental, Social and Governance Report (ESG)

2. Social

At Boku, we firmly believe that our people are the driving force behind our success and the key to achieving our vision of becoming the world's best localised payments partner for global commerce. Under the leadership of our new Chief People Office (CPO), Victoria Rodgers, we've undertaken significant changes to enhance our social responsibility initiatives. These efforts reflect our commitment to fostering a more inclusive, equitable, and high-performing workplace.

Throughout 2024, we focused on initiatives aimed at improving recruitment, reward, driving diversity, equity, and inclusion (DEI) and social giving across Boku. We are proud to share our progress and our forward-looking strategy to continue our social impact journey.

2024 Achievements and Milestones

1. Fair Recruitment & Hiring Practices Overhaul

We enhanced our recruitment processes to ensure fair, consistent, and inclusive hiring practices globally. This initiative included enabling inclusion tools within our Applicant Tracking System (ATS), broadening access for diverse candidates, and fostering a fairer hiring experience.

2. Fair Rewards & Promotion

We embarked on a comprehensive job leveling initiative, supported by the development of our Reward Philosophy and Principles. This effort aimed to create transparency and equity in pay and reward structures, culminating in a Pay and Reward Review that underscores our commitment to fair and consistent career progression.

3. DEI Strategy and Delivery

Our DEI strategy remains a cornerstone of our social initiatives. This year, we achieved a 73% participation rate in our first DEI survey, establishing critical baseline metrics for measuring progress. We delivered global cultural awareness training sessions with 41% participation, fostering a more inclusive culture. Additionally, our Intersectional Working Group, comprising 10% of employees, plays a key role in executing our DEI strategy, ensuring diverse perspectives shape our direction.

4. Social Giving and Community Impact

In 2024, we donated $8,430 to various charities globally and continue to offer all employees two paid days off for volunteering in their (local) community. We participate in the Family Giving Tree's annual Holiday Wish Drive in the US, through which we are able to bring joy to 25-30 children from local low-income families. Our partnership with Urban Synergy, a UK-based youth empowerment charity, goes from strength to strength as we welcomed three people into our London office for hands-on work experience and supported their Annual UShine Recognition Awards. We also improved on-site hiring practices to provide local support to merchants wherever possible, further embedding our social impact into business operations. Finally, instead of purchasing traditional holiday gifts, Boku makes annual donations to local charities on behalf of our merchants. To further inspire positive social impact, our leadership showcases their commitment by volunteering locally during executive off-sites. In 2024, the volunteering activities included a visit to an orphanage in Mumbai, India, and building bird houses and insect hotels in Estonia.

Future Areas of Focus for 2025 and Beyond

Looking ahead, we are committed to building on this momentum through initiatives to support our managers through training and best practice in performance and talent management to foster an inclusive high-performance culture, bolster employee well-being, ensure fair reward, and expand financial inclusion.

1. Management Development

Empowering our managers to lead with empathy, inclusivity, and effectiveness is a critical enabler of our success. In 2025, we will roll out targeted management development programs that build leadership capability and continue to strengthen our inclusive high-performance culture.

2. Transparent Performance and Talent Management

We will refine our performance and talent management processes to prioritise objective, consistent, and transparent practices. These improvements ensure that all employees understand expectations, receive meaningful feedback, and have equal opportunities to grow and thrive.

3. Wellbeing Strategy & Social Calendar

We will implement a comprehensive roadmap to enhance employee well-being, creating a supportive and engaging work environment focusing on mental, physical, and social health. Year-round initiatives such as team-building activities (virtual games, local events), wellness programs (mental health workshops, sports challenges), L&D sessions (skill-building, guest speakers), DEI events (Black History Month, Women's Month), and key local celebrations will cultivate a positive, inclusive culture that drives both employee growth and business success.

Environmental, Social and Governance Report (ESG)

4. Gender Pay Gap Report and Action Plan

We will produce a comprehensive report and targeted action plan to address disparities. Our forward philosophy and principles promote fairness and inclusion, which the GPG report supports by ensuring pay and benefits are based on role impact, not gender. Insights from the report will drive data-driven decisions to ensure fairness and equity across the organisation.

5. Financial Inclusion for the Underbanked

We recognise the transformative potential of expanding financial access and inclusion. Our focus will increasingly turn to supporting underbanked populations, ensuring our solutions drive positive social impact globally.

Our ongoing commitment to social responsibility is rooted in the belief that investing in our people, fostering inclusion, and driving equitable outcomes are critical to achieving sustained success. We look forward to deepening our impact and continuing to make strides in 2025 and beyond.

3. Governance

Boku is an AIM listed company with several regulated subsidiaries across the globe. We remain committed to ensuring that effective corporate governance is in place to deliver our values, which underpin Boku strategy. The Board is responsible for establishing a clear purpose and setting the strategic direction of Boku. It ensures that the culture is aligned with our strategy, oversees our affairs and promotes the success of Boku for the benefit of our investors, customers, regulators and other stakeholders. The GLT, led by the CEO, is accountable for delivering the strategy, with individual director accountable for delivery within their areas.

Boku is a member of Quoted Companies Alliance (QCA) and, as such, it continues to apply its Corporate Governance Code. A summary of Boku's compliance with the QCA Code can be found on pages 34 to 38.

Board and Committees

We regularly evaluate the balance of skills, experience and knowledge of Boku directors. To strengthen this process, in October 2024, the Board commissioned an externally facilitated Board effectiveness review in accordance with the code and best practice. The review included evaluation of the composition and effectiveness of the Board and its Committees, and individual board members' contributions, and succession planning. Key themes arising from the review were used to further strengthen Boku governance framework.

Policies & Training

We have an established code of ethics to underline the principles that we wish our staff to adhere to. We also have specific staff conduct policies, on whistleblowing, information security, and anti-bribery and corruption. Throughout the course of our investigations that have taken place since the date of our last annual report, we have found no instances of any systemic issues or breaches of our anti-bribery and corruption policy, nor of any anti-bribery and corruption laws. Compulsory training modules on data protection, information security and anti-money laundering are taken by all staff on an annual basis.

Modern Slavery

Preventing unethical practices within our own business is our priority. Additionally, we want to do the same for the partners that we work with—across the entire supply chain. Due to the nature of our business, Boku's main suppliers are mostly involved in IT and marketing services, and they are largely considered to be low risk.

As part of our onboarding process, we conduct due diligence on all our prospective partners and suppliers. By applying a risk-based approach, we ensure that all our partners meet our highest standards.

Boku has established and published a modern slavery statement which can be found on our website.

Whistleblowing

We are committed to safe and inclusive workplace where all colleagues can speak out and report unethical behaviour in confidence, without fear of retaliation. Our whistleblowing procedures are set out on our website, where colleagues and any third party can report any criminal offences, ethical wrongdoings or other instances of malpractice that may cause harm to others. Concerns can be raised directly, on a strictly confidential basis, or anonymously, via a whistleblowing service provided by and external partner, WhistleB, to ensure anonymity. The company's whistleblowing policy is introduced to all new employees throughout the onboarding process and is regularly reviewed to ensure that it is suitably adequate for the company and its employees.

Directors' Report

The Directors present their report and the audited financial statements for Boku, Inc. for the year ended 31 December 2024.

The preparation of these financial statements is in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) Interpretations issued by the International Accounting Standards Board (IASB).

Principal Activities

The principal activity of Boku, Inc. and its subsidiaries (the "Group") is the provision of digital payments, including Digtal Wallets, Account to Account, and Direct Carrier Billing for global merchants. These solutions enable merchants to acquire new customers and accept online payments from billions of consumers who prefer to pay without credit cards.

Business review and future developments

The review of the year's activities, operations, future developments and key risks is contained in the Strategic Report on pages 5 to 25.

Directors

The Directors who held office during the year and subsequently were as follows:

1. Richard Hargreaves
2. Jon Prideaux
3. Keith Butcher (resigned 22 May 2024)
4. Mark Britto
5. Stewart Roberts (resigned 22 May 2024)
6. Charlotta Ginman
7. Meriel Lenfestey
8. Loren I. Shuster
9. Stuart Neal (appointed 17 January 2024)
10. Robert Whittick (appointed 17 July 2024)

With regard to the appointment and replacement of Directors, the Company is governed by its Bylaws (the US equivalent of the Articles of Association) and related legislation. The Bylaws may be amended by special resolution of the shareholders.

The Remuneration and Audit Committee reports can be found on pages 44 to 52 and 40 to 43 respectively.

Directors' interests

Directors' share options and interests in shares can be found in the remuneration report on pages 51 to 52.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Dividends

The Directors do not recommend a final ordinary dividend for the year (2023: $nil).

Post Balance Sheet Events

None.

Financial Risk management

Details of financial risk management are provided in note 24 to the financial statements.

Internal Control

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The processes to identify and manage the key risks of the group are an integral part of the internal control environment.

Such processes, which are regularly reviewed and improved as necessary, include strategic planning, approval of annual budgets, regular monitoring of performance against budget (including full investigation of significant variances), control of capital expenditure, ensuring proper accounting records are maintained, the appointment of senior management and the setting of high standards for health, safety and environmental performance. The effectiveness of the internal control system and procedures is monitored regularly through a combination of review by management, the results of which are reported to and considered by the Audit Committee. The system of internal control comprises those controls established to provide assurance that the assets of the Group are safeguarded against unauthorised use and to ensure the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failing to achieve the business objectives of the Group.

Director's Report

Going Concern

The Group's going concern assessment is based on forecasts and projections of anticipated trading performance. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows.

The Directors confirm that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next 12 months from approval of these financial statements and meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. Accordingly, these financial statements are prepared on a going concern basis.

Please refer to note 2.4 for further details.

Purchase of own shares

During the full financial year, the Company repurchased common stock with par value of $0.0001 per share in the capital of the Company ("Common Stock"), on the open market, amounting to a total of 4,746,000 common stock, at an aggregate cost (exclusive of broker commission) of £8,357,590 and an average cost of 176.09 pence per share.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved: so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware; and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors appointment

PricewaterhouseCoopers LLP were reappointed during the year and have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Substantial shareholdings

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at 28 February 2024.

Shareholder	
Octopus Investments (London)	13.21%
BlackRock Investment Management (London)	9.39%
Vitruvian Partners (London)	9.07%
Capital Research Global Investors (Los Angeles)	6.94%
Boku Inc Directors and Related Parties (London)	6.42%
abrdn plc (Edinburgh)	5.09%
Danske Capital Management (Copenhagen)	3.18%

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.The Company is incorporated in and subject to the laws of the State of Delaware, USA, which does not require the Directors to prepare financial statements for each financial year. However, the Directors are required to do so to satisfy the requirements of the AIM Rules for Companies. When preparing the financial statements, the Directors are required to prepare the Group financial statements in accordance with an appropriate set of generally accepted accounting principles or practice. The Directors have elected to use International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) ("IFRS"). The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of the IFRS. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The financial statements on pages 65 to 114 were approved by the Board of Directors on 18 March 2025 and signed on its behalf by Stuart Neal.

On behalf of the Board

Stuart Neal
Chief Executive officer
18 March 2025

Independent Auditors' Report
to the Directors of Boku, Inc.

Report on the audit of the financial statements

Opinion

In our opinion, Boku, Inc.'s group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2024 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Statement of Financial Position as at 31 December 2024; the Consolidated Statement of profit or loss and other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

The group's financial statements are a consolidation of 33 legal entities and consolidation entries.

Overview

Audit scope

- For the purposes of our audit we considered the group to be one component for audit testing. We determined this taking into consideration the consistent business characteristics and activities in each legal entity and the homogenous nature of the centralised control environment and financial reporting systems.

Key audit matters

- Capitalisation of development costs in relation to internally developed software

Materiality

- Overall materiality: $992,000 based on 1% of revenue (2023: $600,000 based on 5% of adjusted profit before tax).
- Performance materiality: $694,000 (2023: $420,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Capitalisation of development costs in relation to internally developed software is a new key audit matter this year. Valuation of deferred tax assets, which was a key audit matter last year, is no longer included because of the decrease in audit risk following the prior year restatement in the 2023 Annual Report.

Independent Auditors' Report to the Directors of Boku, Inc.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development costs in relation to internally developed software In order to capitalise development costs for internally developed software, management applies judgement as to whether these meet the capitalisation criteria under IAS 38 'Intangible Assets'. There is a risk that management does not differentiate appropriately between costs to be capitalised and costs to be expensed. Refer to note 2, note 3 and note 13 for further details.	We understood management's processes in respect of capitalising intangible assets and evaluated the design and implementation of relevant controls. We reviewed the group's software capitalisation policy and assessed its compliance with the criteria of IAS 38 - 'Intangible Assets'. We have tested the capitalised staff costs on a sample basis by tracing the gross salaries used in the calculations to payroll records. We have verified that the calculations on the capitalisation workings are accurate through re-performance of the calculations. We reviewed the nature of projects capitalised and held interviews with project managers on a sample basis in order to assess that the projects met the criteria required for capitalisation as development costs under IAS 38 - 'Intangible Assets'. We have tested the third parties' services capitalised on a sample basis by agreeing these to supporting documentation. Based on the procedures performed we did not identify any material misstatement in development costs capitalised and consider management's disclosures in the financial statements as appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which it operates.

The group is organised into 33 legal entities and the group financial statements are a consolidation of these entities. For the purposes of our audit we considered the group to be one component for audit testing. We determined this taking into consideration the consistent business characteristics and activities in each legal entity and the homogenous nature of the centralised control environment and financial reporting systems. Therefore, all legal entities and consolidation adjustments were audited as one component by applying the group's materiality.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's financial statements.

Independent Auditors' Report to the Directors of Boku, Inc.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	$992,000 (2023: $600,000).
How we determined it	1% of revenue (2023: 5% of adjusted profit before tax)
Rationale for benchmark applied	Revenue is considered the more appropriate benchmark at this stage of the group's business cycle and an important measure used by the market to assess growth.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 70% (2023: 70%) of overall materiality, amounting to $694,000 (2023: $420,000) for the group financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above $49,000 (2023: $30,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's analysis of the going concern of the group and supporting forecasts;
- Understanding and assessing the key inputs into management's base case and severe but plausible scenario, such as revenue growth rates;
- Considering the consistency of forecasts used in the going concern model with those used in the recognition of deferred tax and impairment assessments for goodwill;
- Considering the historical reliability of management's forecasting for cash flows by comparing budgeted results to actual performance for the last year and for actual performance in 2025; and
- Reviewing the disclosures in the financial statements relating to the gong concern basis of preparation, and evaluating whether these provided an explanation of the Directors' assessment that was consistent with the audit evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Directors of Boku, Inc.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the laws and regulations applicable to payment processing, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the AIM Rules for Companies and relevant tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the misappropriation of cash balances. Audit procedures performed by the engagement team included:

- Review of correspondence with and reports to relevant regulators across the group for key territories in terms of revenue generated;
- Review of management's reporting to the Audit Committee in respect of compliance and legal matters;
- Discussions with management and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

Independent Auditors' Report to the Directors of Boku, Inc.

- Identifying and testing journal entries meeting specific fraud criteria, including those posted to certain account combinations;
- Reviewing legal expenses and whistleblowing reports;
- Independently confirming the cash and cash equivalents financial statement line item with third party financial institutions and performing alternative procedures on the remaining immaterial balance to verify existence;
- Tested the bank reconciliations from the bank statement to the general ledger as at 31 December 2024; and
- Obtaining direct confirmations over selected merchant and carrier balances.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors as a body to satisfy the requirements of the AIM Rules for Companies in accordance with our engagement letter dated 20 September 2024 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Partner responsible for the audit

The engagement partner on the audit resulting in this independent auditors' report is Mark Jordan.

PricewaterhouseCoopers LLP
Chartered Accountants
London
18 March 2025

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue	5	99,273	82,720
Cost of providing services	6	(2,419)	(2,050)
Gross profit		**96,854**	**80,670**
Administrative expenses	7	(90,698)	(71,057)
Other income		–	103
Operating profit		**6,156**	**9,716**
Fair value (loss)/ gain on warrants	18	(3,403)	53
Finance income	9	3,654	1,887
Finance expense	9	(221)	(249)
Profit before tax		**6,186**	**11,407**
Income Tax expense	10	(2,407)	(1,321)
Profit for the year (all attributable to equity holders of the parent)		**3,779**	**10,086**
Other comprehensive (expense)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(2,228)	1,572
Other comprehensive (expense)/income for the year, net of tax		**(2,228)**	**1,572**
Total comprehensive income for the year (all attributable to equity holders of the parent)		**1,551**	**11,658**
Earnings per share	**11**		
Basic EPS ($)		0.01	0.03
Diluted EPS ($)		0.01	0.03
Alternative performance measures			
Adjusted EBITDA[1]		31,412	25,799

1 Adjusted EBITDA is an alternative performance measure (APM) calculated as operating profit before non-recurring other income, depreciation and amortisation, share-based payment expense, foreign exchange gains/(losses), and exceptional items (see the APM section of this report for further details).
The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 $'000	2023 $'000
ASSETS			
Non-current assets			
Property, plant, and equipment	12	776	758
Intangible assets	13	56,485	56,620
Right-of-use assets	14	2,433	2,784
Warrant contract assets	18	1,806	1,840
Deferred tax assets	10	16,096	15,306
Total non-current assets		**77,596**	**77,308**
Current assets			
Issuer, trade and other receivables	16	151,197	146,914
Warrant contract assets	18	208	122
Cash and cash equivalents	17	177,333	150,859
Total current assets		**328,738**	**297,895**
Total assets		**406,334**	**375,203**
LIABILITIES			
Non-current liabilities			
Warrant liabilities	18	9,130	5,511
Lease liabilities	14	1,612	1,682
Other non-current liabilities	19	1,676	979
Deferred tax liabilities	10	239	182
Total non-current liabilities		**12,657**	**8,354**
Current liabilities			
Merchant, trade and other payables	20	252,882	231,441
Short-term lease liabilities	14	1,035	1,370
Current tax liabilities		2,019	509
Total current liabilities		**255,936**	**233,320**
Total liabilities		**268,593**	**241,674**
EQUITY			
Share capital		29	29
Other reserves		261,049	255,249
Foreign exchange reserve		(6,946)	(4,718)
Treasury share reserve		(10,728)	(6,628)
Accumulated losses		(105,663)	(110,403)
Total equity (all attributable to equity holders of the parent)	21	**137,741**	**133,529**
Total equity and liabilities		**406,334**	**375,203**

The accompanying notes form an integral part of these consolidated financial statements

The consolidated financial statements were approved by the Board for issue on 18 March 2025 and signed on its behalf by:

Stuart Neal
Chief Executive Officer

Rob Whittick
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

	Note	Share capital $'000	Other reserves $'000	Foreign currency translation reserve $'000	Treasury share Reserve $'000	Accumulated losses $'000	Total Equity $'000
Equity as at 1 January 2023		**29**	**252,385**	**(6,290)**	**(1,835)**	**(120,713)**	**123,576**
Profit for the year		–	–	–	–	10,086	10,086
Other comprehensive income		–	–	1,572	–	–	1,572
Total comprehensive income for the year (all attributable to equity holders of the parent company)		**–**	**–**	**1,572**	**–**	**10,086**	**11,658**
Transactions with owners of the Company							
Issue of share capital upon exercise of stock options and RSUs		–	406	–	–	–	406
Share–based payments	22	–	7,467	–	–	–	7,467
Taxation on share–based payments		–	–	–	–	224	224
Acquisition of treasury shares		–	–	–	(9,802)	–	(9,802)
Issue of treasury shares to employees		–	(5,009)	–	5,009	–	–
Equity as at 31 December 2023		**29**	**255,249**	**(4,718)**	**(6,628)**	**(110,403)**	**133,529**
Profit for the year		–	–	–	–	3,779	3,779
Other comprehensive expense		–	–	(2,228)	–	–	(2,228)
Total comprehensive income for the year (all attributable to equity holders of the parent company)		**–**	**–**	**(2,228)**	**–**	**3,779**	**1,551**
Transactions with owners of the Company							
Issue of share capital on exercise of warrants	18	–	3,000	–	–	–	3,000
Issue of share capital upon exercise of stock options and RSUs		–	495	–	–	–	495
Share–based payment expense	22	–	8,903	–	–	–	8,903
Taxation on share–based payment		–	–	–	–	961	961
Acquisition of treasury shares		–	–	–	(10,698)	–	(10,698)
Issue of treasury shares to employees		–	(6,598)	–	6,598	–	–
Equity as at 31 December 2024		**29**	**261,049**	**(6,946)**	**(10,728)**	**(105,663)**	**137,741**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	**2024 $'000**	2023 $'000
Cash flows from operating activities			
Cash generated from operations	23	**42,659**	**40,935**
Income taxes paid		(646)	(338)
Net cash generated from operating activities		**42,013**	**40,597**
Cash flows from investing activities			
Interest received		3,635	1,887
Purchase of property, plant, and equipment		(529)	(434)
Payments for internally developed software		(7,016)	(5,430)
Proceeds from discontinued operations (net of cash disposed)		–	5,600
Net cash (used in)/generated from investing activities		**(3,910)**	**1,623**
Cash flows from financing activities			
Payment on lease liabilities		(1,747)	(1,649)
Issue of share capital on the exercise of options and RSUs		495	406
Payments for the acquisition of treasury shares		(10,698)	(9,802)
Proceeds from warrant exercise		3,000	–
Proceeds from the sale of treasury shares		–	2,333
Interest paid on loan		(37)	(78)
Net cash used in financing activities		**(8,987)**	**(8,790)**
Net increase in cash and cash equivalents		**29,116**	**33,430**
Cash and cash equivalents at the beginning of the year		150,859	116,513
Effect of foreign exchange rate changes		(2,642)	916
Cash and cash equivalents at the end of the year		**177,333**	**150,859**

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2024

1. Corporate information

Boku, Inc. (the Company or the Parent) is a public limited company incorporated and domiciled in the United States of America. The shares of the Company are quoted on AIM, a market of the London Stock Exchange Group plc. The Company's registered office is at 660 Market Street, Suite 400, San Francisco, CA 94104, United States.

These consolidated financial statements comprise the Company and its subsidiaries (the Group or collectively Boku).

The principal activity of Boku is the provision of digital payment solutions to its merchants, allowing consumers to make purchases through Local Payment Methods (LPMs), such as Direct Carrier Billing (DCB), Digital Wallets, and Account to Account (A2A) payments. These solutions support a broad range of payment preferences and enable Boku's merchants to acquire new customers and accept payments from consumers who prefer alternatives to traditional payment methods.

Boku operates through its subsidiaries under various regulatory licenses across multiple jurisdictions, each allowing operations within the respective territories. In the European Economic Area (EEA), Boku is authorised as a Payment Institution by the Central Bank of Ireland, permitting cross-border services across EEA member states. In the United Kingdom, Boku is authorised as an Electronic Money Institution by the Financial Conduct Authority, facilitating operations within the UK market. Similarly, Boku holds regulatory approvals in Hong Kong, India, the Philippines, Singapore, Taiwan, Argentina, Malaysia, the United States, and Japan, enabling it to provide payment services in those jurisdictions.

These consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors and authorised for issue on 18 March 2025

2. Basis of preparation

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

These consolidated financial statements are prepared under the historical cost convention except when otherwise disclosed in the accounting policies and in accordance with the accounting policies set out herein. These policies have been consistently applied to all years presented unless otherwise stated.

2.3 Basis of presentation

The consolidated financial statements are presented in USD, which is the Company's functional currency. All amounts are rounded to the nearest thousands (expressed as $'000) unless otherwise indicated.

Notes to the Consolidated Financial Statements

2. Basis of preparation continued

2.4 Going concern

Boku finances its day-to-day working capital requirements through its own cash balances. The directors have undertaken a detailed going concern assessment, evaluating Boku's current and projected financial performance and position, including forecast cash flows. This assessment included a downside scenario, which considered a potential revenue decline between 11.6% and 36.5% against forecasts, over a 5-year period, which would bring net profits to break even. The downside scenario, outlining the impact of a severe but plausible adverse case, shows sufficient headroom for liquidity for at least the next 12 months from the approval date of these consolidated financial statements. Given the strength of our cash generation and position the $10m revolving credit facility previously available to the group was not renewed following its expiry on 17 September 2024. This facility remained undrawn throughout the year.

Based on this assessment, the directors are satisfied that Boku has adequate resources to continue operations for the foreseeable future and meet its financial obligations as they fall due for a period of at least 12 months from the date of approval.

Accordingly, these consolidated financial statements have been prepared on a going-concern basis.

2.5 Alternative performance measures (APMs)

Management uses APMs internally to understand, manage, and evaluate the business performance and make operating decisions. These measures are among the primary factors management uses in planning for and forecasting future periods. The primary APMs are adjusted EBITDA, adjusted operating expenses, constant exchange rate revenues, own cash and average cash balances which management considers relevant in understanding the Boku's financial performance. Further information about these APMs is disclosed in the APM section of this report.

2.6 Critical accounting judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments and estimates about the future that affect the application of Boku's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed regularly, and revisions are recognised prospectively.

Judgements

Significant judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are as follows:

- Assessing the likelihood of future taxable profits to support the recognition of deferred tax assets (Note 3.5 and 10)
- Determining whether development costs meet the capitalisation criteria under IAS 38 (Notes 3.7 and 13)
- Determining the appropriate cash-generating units (CGUs) for goodwill impairment testing (Notes 3.7 and 13)

Estimates

Key assumptions and estimation uncertainties at the reporting date, which could result in material adjustments to the carrying amounts of assets and liabilities within the next financial year, include:

- Fair value estimation of share-based payment awards and the associated expense for each year (Notes 3.4 and 22)
- Estimating future taxable profits and changes in temporary differences for deferred tax calculations (Note 3.5 and 10)
- Fair value estimation of warrants (Note 18)

Notes to the Consolidated Financial Statements

2. Basis of preparation continued

2.7 New and amended standards and interpretations

New and amended standards issued and effective

The following new and amended standards have been adopted in the consolidated financial information.

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants (Amendments to IAS 1)
- Lease Liability in Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

There has been no material impact on Boku's consolidated financial statements upon the adoption of the above new and amended standards.

New and amended standards issued but not yet effective

At the date of these consolidated financial statements, the following standards, amendments, and interpretations have not been effective and have not been early adopted:

New and amended standards not effective and not yet adopted by Boku	Effective date
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Boku's consolidated financial statements. Boku will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Other new and amended standards are not expected to have a significant impact on Boku's consolidated financial statements.

3. Material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company, where control is defined as having power over the investee, exposure to variable returns, and the ability to influence those returns through power.

Subsidiaries are consolidated from the date effective control is transferred to the Company and excluded from consolidation from the date that control ceases. Intercompany transactions, balances, and any unrealised income and expenses (except for foreign currency transaction gains or losses) between Group entities have been eliminated in the consolidated financial statements. For more information on the Company's subsidiaries, refer to Note 15.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Notes to the Consolidated Financial Statements

3. Material accounting policies

3.2 Foreign currency

Foreign currency transactions and balances

The functional currency of each subsidiary is determined based on the primary economic environment in which it operates (its functional currency). The main functional currencies for the Company's subsidiaries are US Dollar, Euro, Japanese Yen, and Pound sterling. Transactions in foreign currencies are translated into the respective functional currencies of the Group companies at the exchange rate prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising from settlement or translation are recognised in profit or loss within administrative expenses.

Foreign operations

The assets and liabilities of foreign operations with functional currencies other than USD are translated into the presentation currency (USD) at the exchange rate prevailing at the reporting date. The income and expenses of foreign operations are translated into USD at average exchange rates for the year unless exchange rates fluctuate significantly.

Exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

On disposal of a foreign operation, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

3.3 Revenue from contracts with customers

Boku provides digital payment solutions by acting as an agent between merchants and Local Payment Methods (LPMs or issuers), including mobile network operators (MNOs), Digital Wallets, Account to Account (A2A) schemes and aggregators. Boku's revenue is derived from service fees for facilitating payment transactions between the merchant and their end users and related services.

Boku's contracts with merchants clearly outline the transaction price and typically involve a single performance obligation, i.e. processing payment transactions from merchant's customers. However, certain contracts may have additional, distinct performance obligations based on the settlement preferences of the merchants. Revenue is recognised at a point in time upon the completion of the underlying transaction. Boku does not have deferred revenue as of 31 December 2024 (31 December 2023: $Nil), as all performance obligations are fulfilled when completing each transaction.

The different types of service fees can be categorised as follows:

i. Settlement fees

Settlement fees represent contractual fees earned where Boku acts as an intermediary collecting funds from issuers and remitting them to merchants, thereby facilitating transactions from merchants' customers. The contractually agreed service fee is the difference between the amount collected from issuers and the amount remitted to merchants, and it is recognised at the time of the transaction.

ii. Transactional fees

Transactional fees represent fees earned from merchants who receive payments directly from issuers. Boku provides technical integration and charges a fee, which is recognised at the time of the transaction. Where discounts for early settlement are offered, Boku estimates the expected discount at the time of the transaction and accounts for it as a reduction in the service fee.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

iii. Other revenue

Other revenue includes:

- Advance Payment Service (APS): Fees charged for early settlement to merchants before Boku receives funds from issuers.
- Foreign Exchange (FX) Fees: Fees charged when a merchant requests settlement in a currency different from the original transaction currency, based on agreed mark-up percentages.
- Merchant Integration Fees: Fees charged to merchants for setting up new integrations.
- Amazon warrant revenue: As part of a multi-year agreement signed with Amazon in 2022, Boku issued warrants under a stock warrant agreement tied to the revenue generated from payment processing services provided to Amazon. These warrants represent both a derivative financial instrument, accounted for at fair value through profit or loss (FVPL) in accordance with IAS 32 and IFRS 9, and non-cash consideration payable to a customer under IFRS 15. The non-cash consideration is initially measured at fair value and amortised to revenue as a reduction over the vesting period. For more information, refer to Note 18.

3.4 Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Boku has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

Boku operates equity-settled share-based payment arrangements, including share options and Restricted Stock Units (RSUs), awarded to employees and other eligible participants. The accounting treatment depends on the type of award and the conditions attached to vesting.

i. Measurement and Recognition

Share Options: The fair value of share options is determined at grant date using appropriate valuation models, such as Black-Scholes or Monte Carlo Simulation, which incorporate assumptions including expected volatility, risk-free interest rates, and the likelihood of meeting market-based performance conditions. The expense is recognised in profit or loss over the vesting period, with a corresponding credit to equity.

RSUs with non-market vesting conditions: The fair value of RSUs with non-market vesting conditions is based on the market value of the underlying equity at the grant date. Adjustments are made to reflect service conditions (e.g. continued employment) and where relevant non-market performance conditions (e.g. financial or operational targets). These conditions are reassessed at each reporting date, with the cumulative expense adjusted to reflect the number of awards expected to vest.

RSUs with Market-Based Conditions: RSUs with market-based conditions, such as share price targets, are valued at the grant date using appropriate valuation models (e.g. Monte Carlo Simulation). The expense is recognised over the vesting period and adjustments are made to reflect service conditions (e.g. continued employment). No adjustments are made for changes in the likelihood of meeting the market-based conditions

ii. Modifications, Forfeitures, and Cancellations

When terms or conditions of share options or RSUs are modified before vesting, any increase in the fair value, measured immediately before and after the modification, is recognised over the remaining vesting period. If awards are cancelled during the vesting period, any remaining unrecognised expense is accelerated and recognised in profit or loss in the period of cancellation. Unvested awards forfeited due to employee departures result in the reversal of the cumulative share-based payment expense as of the forfeiture date.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

In cases where the grant date is delayed until the vesting date, where material the fair value of the award is estimated at each reporting date from the date that services are provided and final measurement occurs at the end of the vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Share options and RSUs which will incur future employer payroll taxes on exercise, are accrued for the future cost of Employer's National Insurance from the point the options are granted over their vesting period. This liability is then amended at each subsequent reporting date under IFRS 2.

Retirement Benefits: Defined contribution schemes

Boku operates defined contribution pension schemes across various jurisdictions. Under these plans, Boku pays fixed contributions to publicly or privately administered pension funds on a mandatory, contractual, or voluntary basis. Once the contributions are paid, Boku has no further payment obligations, as it bears no legal or constructive liability for insufficient fund assets to meet employee benefits.

In the United States, Boku operates a 401(k) plan, a defined contribution scheme. Eligible employees may defer a portion of their salary, subject to regulatory limits. Boku matches contributions to the plan, with matching contributions made for the years ended 31 December 2024 and 2023.

Contributions are recognised as employee benefit expenses and are recognised in profit or loss in the year to which they relate.

3.5 Income Tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax relating to the timing differences arising on share-based payments recognised in equity, is also recognised in equity and not as a tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current taxes are calculated according to local tax rules, using tax rates enacted or substantially enacted at the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The Group's method for calculating the tax provision under IFRS on an individual entity basis for the year ending 31 December 2024, involves the following approach.

Entities are categorised according to a materiality threshold, considering current tax impacts and deferred tax effects from categories such as share-based payments, carried forward losses, and Property, Plant and Equipment. Tax provisioning calculations for immaterial entities utilise profit/(loss) before tax figures multiplied by foreign tax rates. Material entities include corporations in the UK and USA. These entities undergo a more detailed calculation process, with US and UK group entities preparing the tax provision closely aligned with their actual tax return. This approach ensures that the Group's tax provision aligns accurately with its tax obligations under IFRS on an individual entity basis.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax loses can be utilised.

The amount of the deferred asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

3.6 Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost comprises acquisition and other directly attributable costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Boku and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the period in which they are incurred.

Depreciation is provided on a straight-line basis and is recognised in profit or loss to write off the depreciable amount of each asset over its estimated useful life as follows:

Office equipment and fixtures and fittings	3-5 years
Computer equipment and software	3 years
Leasehold improvement	3-5 years or over the lease term

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate. Carrying amounts are reviewed on each reporting date for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

3.7 Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of Boku's share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate potential impairment. Impairment losses are recognised in profit or loss and are not subsequently reversed.

For impairment testing, goodwill is allocated to the cash-generating unit (CGU), which represents the lowest level within Boku, at which the goodwill is monitored for internal management purposes. The goodwill arising from acquisitions is allocated to the Payment Services operating segment, which is the identified CGU.

Impairment is assessed by comparing the carrying amount of the CGU with its recoverable amount. The recoverable amount is determined using value-in-use calculations, which involve estimating future cash flows and applying a pre-tax discount rate to calculate their present value. See note 13 for further details.

Internally generated intangible assets - Development costs

Boku develops software that is used to provide its services. Development costs directly attributable to the design, development, and testing of internally developed software and or substantial enhancements to existing software controlled by Boku are capitalised if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits and
- the development cost of the asset can be measured reliably.

Capitalised costs include direct costs of materials, services, and payroll for employees involved in the development. Costs are capitalised from the point when criteria are met until the asset is ready for use. Development costs not meeting these criteria are expensed as incurred, and previously expensed development costs are not reclassified as assets. Subsequent expenditure is capitalised only when it increases the asset's economic benefits. All other expenditures, including those related to internally generated goodwill and brands, are expensed as incurred.

Trademarks

Trademarks are not amortised due to their indefinite useful life, as they retain value indefinitely with continued use and contribute to cash inflows without a set expiration.

Other intangible assets

Other intangible assets include domain names, developed technology, and merchant relationships. Intangible assets acquired through business combinations are initially measured at their fair value at the acquisition date, while separately acquired intangible assets are recognised at their purchase cost. Following initial recognition, these intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses and amortised on a straight-line basis over their estimated useful lives. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

Amortisation rates

Amortisation is recognised in profit or loss within administrative expenses. Significant intangible assets and their estimated useful economic lives are as follows:

Intangible asset	Useful economic life
Trademarks	Indefinite life – not amortised
Merchant relationships	5 -10 years
Developed technologies	2-10 years
Domain names	10 years
Internally developed software	3 years

3.8 Leases

Right of use asset

Boku assesses whether a contract is or contains a lease at the inception of the contract. If Boku assesses that a contract contains a lease and meets the requirements of IFRS 16, Boku recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant, and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, Boku's incremental borrowing rate. Generally, Boku uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee and
- the exercise price under a purchase option that Boku is reasonably certain to exercise, lease payments in an optional renewal period if Boku is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Boku is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Boku's estimate of the amount expected to be payable under a residual value guarantee, or if the Boku changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Boku has opted not to recognise right-of-use assets for short-term leases, i.e. leases with a term of twelve (12) months or less and applies low-value assets recognition exemption to leases of office equipment with a value below $5,000. Lease payments for short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

For service charges, Boku capitalises fixed service charges as part of the lease liability and right-of-use asset in accordance with IFRS 16. Variable service charges, however, are excluded from the lease liability and are expensed as incurred.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving, and deposit accounts, restricted cash, and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.10 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Boku becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for issuer and trade receivables that do not have a significant financing component that are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a) Financial assets

All recognised financial assets are measured subsequently in their entirety at amortised cost, at fair value through profit or loss (FVTPL), and at fair value through other comprehensive income (FVOCI), depending on the classification of the financial assets.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition unless Boku changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

i. Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost under the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

ii. Fair value through other comprehensive income (FVOCI)

Debt instruments that are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are subsequently measured at FVOCI. Interest income calculated under the effective interest method, foreign exchange gains and losses, and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. When the financial asset is derecognised, the cumulative gain or loss accumulated in OCI is reclassified from equity to profit or loss.

On initial recognition, Boku may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Dividends on these investments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

iii. Fair value through profit and loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are subsequently measured at FVTPL. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Boku may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Recognition and derecognition

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Boku's financial assets mainly comprise cash, issuer, trade, and other receivables. For more information on the details and classification of Boku's financial assets, refer to Note24.

Impairment of financial assets

At each balance sheet date, financial assets classified as either amortised cost or FVOCI and contract assets are assessed for impairment based on Expected Credit Losses (ECL). Boku adopts a simplified approach for issuer and trade receivables whereby allowances are always equal to lifetime ECL. The expected credit losses on these financial assets are estimated using a provision matrix based on Boku's historical credit loss experience, adjusted for factors that are specific to the debtors and other receivables, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The losses are recognised in profit or loss with a corresponding adjustment to the carrying amount through a loss allowance account.

Other amortised costs assets, including cash and cash equivalents and other receivables, are deemed low risk; hence, credit risk is assumed not to have increased significantly since initial recognition. If Boku identifies evidence of significant increase in credit risk on the assets, lifetime ECL is used to calculate allowance on the asset.

Boku writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of the debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. Subsequent recoveries of amounts previously written off will result in impairment gains.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

b) Financial liabilities

All recognised financial liabilities are measured subsequently at amortised cost or FVTPL, depending on the classification of the financial liability.

i. Fair value through profit or loss

A financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognised in the profit or loss.

ii. Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Boku's financial liabilities comprise merchant, trade and other payables (excluding other taxes and social security costs), lease liabilities, and warrant liability.

Derecognition of financial liabilities

Boku derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. Boku also derecognises a financial liability when its terms are modified and its cash flows are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On the derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position if Boku has a legally enforceable right to set off the recognised amounts, and Boku either intends to settle on a net basis or realise the asset and settle the liability simultaneously.

3.11 Provisions

A provision is recognised in the statement of financial position when Boku has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The provision for employer taxes on future employee share instruments is not discounted as it is not considered material. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.12 Contingent liabilities

A contingent liability is disclosed when the Boku has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of Boku or when the Boku has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Notes to the Consolidated Financial Statements

3. Material accounting policies continued

3.13 Share Capital

Ordinary shares are classified as equity and are stated at the proceeds received net of direct issue costs. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

a) Share buyback

Buy-back scheme 2024

On 18 November 2024, the Group announced a share buyback programme to repurchase common stock in the capital of the Company (Boku, Inc.) up to a maximum of four million Common Stock. On 11 February 2025, the Company announced an extension to the share buyback programme to repurchase a further four million Common Stock principally as we consider it to the most appropriate use of our cash when we believe shares are undervalued.

Shares purchased under the buyback programme, held in treasury, may be used to satisfy future obligations concerning the staff equity remuneration programme or warrant holders. The buyback programme is being effected within certain pre-set parameters, including that the maximum price paid per Common Stock shall be no more than 105 per cent of the trailing 5-day average mid-market price, and in accordance with the authority granted by Boku's Board.

The buyback programme is effective from 18 November 2024 and will expire on 30 June 2025 (following the extension), or earlier, if either the maximum aggregate number of Common Stock has been purchased. At that point, the Board intends to assess whether or not to commence a further buyback, within the Board authority to hold up to 5% of the Common Stock in Treasury, based on the circumstances at the time

Due to the limited liquidity in the issued Common Stock, a buy-back of Common Stock pursuant to the Authority on any trading day may represent a significant proportion of the daily trading volume in the Common Stock on AIM and may exceed 25 per cent of the average daily trading volume. Accordingly, the Company will not benefit from the exemption contained in Article 5(1) of the UK version of the Market Abuse Regulation (Regulation (EU) No 596/2014) as incorporated into UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

Buy-back scheme 2022

On 7 July 2022, the Group announced a share buyback programme to repurchase common stock in the capital of the Company (Boku, Inc.) up to a maximum aggregate consideration of £8 million and up to a maximum of five million Common Stock.

The programme aimed to hold the Common Stock in treasury to satisfy future obligations concerning the staff equity remuneration programme. The buyback programme operated within certain pre-set parameters, including that the maximum price paid per Common Stock should be no more than 105 percent of the trailing 5-day average mid-market price, and in accordance with the authority granted by Boku's Board.

The buyback programme became effective on 7 July 2022 with an expiration date of 30 June 2023, or earlier, if either the maximum aggregate number of Common Stock has been purchased, or the maximum aggregate consideration has been reached. On 8 June 2023, it was announced that the buyback programme was to be extended for a further 12 months and would expire on 30 June 2024, or earlier, if either the maximum aggregate number of Common Stock had been purchased, or the maximum aggregate consideration had been reached. The extended programme involved repurchasing of additional Common Stock up to a maximum aggregate consideration of £10.5 million, and up to an additional maximum of 5.25 million Common Stock. The buyback expired on 30 June 2024 and was not renewed.

Due to the limited liquidity in the issued Common Stock, a buy-back of Common Stock pursuant to the Authority on any trading day may represent a significant proportion of the daily trading volume in the Common Stock on AIM and may exceed 25 percent of the average daily trading volume. Accordingly, the Company will not benefit from the exemption contained in Article 5(1) of the UK version of the Market Abuse Regulation (Regulation (EU) No 596/2014) as incorporated into UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

The cost of treasury shares held is presented as a separate reserve (the treasury share reserve) and recorded in equity. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to other reserves.

Notes to the Consolidated Financial Statements

4. Segment information

Boku operates as a single operating segment - Payments Services. This segment includes all activities related to providing digital payment solutions, allowing consumers to make purchases through Direct Carrier Billing (DCB) or other Local Payment Methods (LPMs), such as Digital Wallets and Account to Account (A2A) payments.

The Chief Operating Decision Maker (CODM), identified as the Global Leadership Team (GLT), monitors the performance of Boku as a whole for the purpose of resource allocation and decision-making. As such, no additional segment reporting disclosures under IFRS 8 are provided.

Boku's revenue by geographical region is disclosed in Note 5. As of the reporting date, the majority of Boku's non-current assets are located in the USA. The geographical breakdown of non-current assets, based on their location, is as follows:

Non-current assets by geographical region[1]	2024 $'000	2023 $'000
Americas	50,210	48,400
Europe, Middle East & Africa (EMEA)	8,289	11,504
APAC	1,195	258
Total non-current assets by geographical region	**59,694**	**60,162**

1 Non-current assets exclude deferred tax and warrant contract assets

5. Revenue

	2024 $'000	2023 $'000
Revenue	**99,273**	**82,720**

Revenue disaggregation by major geographical market[1] is as follows:

	2024 $'000	2023 $'000
Americas	4,397	3,204
Asia-Pacific (APAC)	57,998	47,230
Europe, Middle East & Africa (EMEA)	36,878	32,286
Total Revenue by geographical market	**99,273**	**82,720**

1 The geographical market depends on the type of service provided and is based either on customer location or the source currency.

In 2024, 4 customers (2023: 4) accounted for more than 10% of the total revenue from Payment Services, contributing $68,594k (2023: $59,890k).

6. Cost of providing services

The cost of sales is primarily related to the monthly fees, service charges from MNOs and other providers, customer service fees, marketing expenses, and bad debts.

Notes to the Consolidated Financial Statements

7. Administrative expenses

Operating profit is stated after charging:

	Note(s)	2024 $'000	2023 $'000
Employee benefit expenses	8	52,952	43,514
Depreciation and amortisation	12,13,14	7,899	7,557
Foreign exchange loss		5,964	1,034

8. Employee benefit expenses

Included in administrative expenses are costs related to employee benefits, analysed as follows:

	2024 $'000	Restated 2023 $'000
Salaries	34,072	28,474
Short-term benefits	2,203	1,767
Social security costs	4,859	4,293
Pension costs	357	249
Other staff costs	935	1,136
Share-based payment expense[1]	10,526	7,595
Total employee benefit expenses[2]	**52,952**	**43,514**

1 For more information, refer to Note 22 for details on awards granted to employees and Note 3.4 for the accounting policy on shared-based payments.
2 In 2024, Boku changed the presentation of the employee benefit expenses to exclude contractor costs from salaries to improve the usefulness of disclosed information. The comparative amounts for 2023 have been re-represented accordingly. For information on the remuneration of key management personnel, refer to Note 25.

The average number of employees (including executive directors) during the year was 452 (2023: 384). As of the reporting date, the total number of employees was 472 (2023: 416).

Notes to the Consolidated Financial Statements

9. Finance income and expense

	2024 $'000	2023 $'000
Finance income		
Interest income from bank deposits	3,654	1,887
Total finance income	**3,654**	**1,887**
Finance expenses		
Interest on credit facility[1]	(37)	(78)
Interest on lease liabilities	(184)	(171)
Total finance expenses	**(221)**	**(249)**
Net finance income	**3,433**	**1,638**

1The $10m revolving credit facility, previously available to the Group, expired on 17 September 2024 and was not renewed. This facility remained undrawn throughout the year.

10. Income tax expense

	2024 $'000	2023 $'000
Current tax		
Current tax on profits for the year	241	427
Foreign tax	2,133	903
Adjustments in respect of prior years	261	(7)
Total current tax	**2,635**	**1,323**
Deferred tax		
Origination and reversal of temporary differences	6	355
Adjustments in respect of prior years	(234)	(357)
Total deferred tax	**(228)**	**(2)**
Total tax expense/(credit)	**2,407**	**1,321**

The tax assessed for the period is higher (2023: lower) than the standard rate of corporation tax in the US. The Group's effective tax rate (ETR) on profit is 38.9% (2023: 11.6%). The 2024 ETR is 27.6% once the effect of the Estonia distribution tax is removed.

Notes to the Consolidated Financial Statements

10. Income tax expense continued

The reasons for the difference between the actual tax charge for the year and the applicable rate of income tax of the US reporting entity applied to the results for the year are as follows:

	2024 $'000	2023 $'000
Profit before tax	**6,186**	**11,407**
Tax rate (US income tax rate)	21%	21%
Profit before tax multiplied by the applicable rate of tax:	1,299	2,395
Variance in overseas tax rates	129	28
Impact of change in tax rates	24	(204)
Impact of difference between CT & DT rate	(841)	1,010
Expenses not deductible for tax purposes	1,045	1,003
Utilisation of tax losses	475	(3,532)
Non qualifying depreciation	11	7
Adjustments in respect of prior years	28	(364)
Foreign tax	174	249
Other differences	(677)	288
Distribution tax	698	-
US state taxes/ Withholding taxes	42	441
Total tax (credit)/ expense	**2,407**	**1,321**

Deferred Tax	2024 $'000	2023 $'000
Net opening position	**15,124**	**15,518**
Net recognition in the year	**733**	**(394)**
P&L	228	2
Equity	496	(396)
Foreign exchange revaluation	9	-
Net closing position	**15,857**	**15,124**

The net closing position is made up of:

- The deferred tax liability at 31 December 2024 is $239k (2023: $182k) relates primarily to undistributed BNS Estonia OU profits.
- The deferred asset at 31 December 2024 of $16,096k (2023: $15,306k) relates primarily to the recognition of the US and UK available losses which management believe that can be utilised within the next six years. Each year management assesses the recoverability of the deferred tax assets.

Notes to the Consolidated Financial Statements

10. Income tax expense continued

A deferred tax asset/ (liability) has not been recognised for the following items:

	2024 $'000	2023 $'000
Other temporary and deductible differences	-	(7,925)
Unused tax losses	15,494	6,197
Total deferred tax assets	**15,494**	**(1,728)**

The Group has carried forward tax losses and other timing differences at the reporting date. In respect of its UK subsidiary, these can be carried forward and offset against UK taxable income indefinitely. In respect of its US entities, net operating loss carry forwards can be carried forward and offset against taxable income for 20 years for losses incurred up to and including 31 December 2017. These expire on various dates through to 2037. All net operating loss carry forwards incurred after 31 December 2017 can be carried forward and offset against US taxable income indefinitely. Utilisation of US net operating loss or tax credit carry forwards may be subject to annual limitations if an ownership change had occurred pursuant to the section 382 Internal Revenue Code and similar state provisions.

Deferred tax assets are recognised to the extent of the deferred tax liability arising on temporary differences in the same entity, and there is a legal right of offset and the temporary differences are expected to unwind in the same entity and period. Remaining deferred tax assets are recognised to the extent there are sufficient taxable profits available in which the temporary difference can be utilised, based on profit forecasts and probability weightings. Management have based the forecasts on the Group's five-year plan, which is aligned with the detailed going concern assessment, evaluating Boku's current and projected financial performance and position, including forecast cash flows.

At the reporting date, undistributed reserves on non-US subsidiaries (excluding BNS Estonia OU) of $3,685k may attract withholding tax. No deferred tax liabilities have been recognised because the timing of any distribution is under the Group's control and there are no plans to distribute in the foreseeable future.

UK corporation tax rates increased from 19% to 25% with effect from 1 April 2023, in accordance with the Finance Act 2021. Current and deferred taxes have been computed at 25%. There have been no significant changes in tax rates enacted or effective in the current or prior year that are expected to have a material impact on the financial statements. The company will continue to monitor any potential changes in tax legislation that may impact its future financial performance.

Notes to the Consolidated Financial Statements

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares issued during the year after deducting shares held in treasury.

Diluted earnings per share is calculated by adjusting basic earnings per share for the potential dilution from share options, RSUs, and warrants. For the purposes of the diluted earnings per share calculation, it is assumed that all performance conditions attached to these schemes have been met as of the reporting date.

The weighted average number of shares in issue during the year and the resulting earnings per share calculations are as follows:

	2024	2023
Profit for the year attributable to shareholders of the Company ($,000)	3,779	10,086
Weighted average number of shares in issue	300,389,412	297,942,357
Dilutive effect of share plans (options and RSU's) and warrants[1]	16,569,341	15,337,750
Diluted weighted average number of shares in issue	316,958,753	313,280,107
Basic earnings per share ($)	0.01	0.03
Diluted earnings per share ($)	0.01	0.03

1 The Amazon Warrants increase the number of diluted shares reported, which has an effect on our fully diluted earnings per share. If Amazon exercises its right to acquire shares pursuant to the Amazon Warrant agreement, it will dilute the ownership interests of existing shareholders and reduce earnings per share.

Notes to the Consolidated Financial Statements

12. Property, plant, and equipment

	Computer equipment and software $'000	Office equipment and fixtures and fittings $'000	Leasehold improvement $'000	**Property, plant, and equipment Total $'000**
Cost				
At 1 January 2023	1,546	286	228	**2,060**
Additions	372	62	–	**434**
Disposals	(37)	(4)	–	**(41)**
Exchange adjustment	20	12	9	**41**
At 31 December 2023	1,901	356	237	**2,494**
Additions	448	56	25	**529**
Disposals	(353)	(6)	–	**(359)**
Exchange adjustment	(48)	(16)	(4)	**(68)**
At 31 December 2024	**1,948**	**390**	**258**	**2,596**
Accumulated depreciation				
At 1 January 2023	992	227	145	**1,364**
Charge for year	305	38	42	**385**
Disposals	–	–	–	**–**
Exchange adjustment	(25)	6	6	**(13)**
At 31 December 2023	1,272	271	193	**1,736**
Charge for year	382	47	55	**484**
Disposals	(349)	(5)	–	**(354)**
Exchange adjustment	(28)	(13)	(5)	**(46)**
At 31 December 2024	**1,277**	**300**	**243**	**1,820**
Net book value				
At 31 December 2023	629	85	44	**758**
At 31 December 2024	**671**	**90**	**15**	**776**

No impairment has been recorded during the years 2024 and 2023.

Notes to the Consolidated Financial Statements

13. Intangible assets

	Domain name	Developed technology	Merchant relationships	Trade–marks	Goodwill	Internally developed software	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	**$'000**
Cost							
At 1 January 2023	140	5,793	14,899	110	41,733	16,401	**79,076**
Additions	–	–	–	–	–	5,430	**5,430**
Exchange adjustment	–	389	444	–	450	(167)	**1,116**
At 31 December 2023	**140**	**6,182**	**15,343**	**110**	**42,183**	**21,664**	**85,622**
Additions	–	–	–	–	–	7,016	**7,016**
Write–offs	–	–	–	–	–	(303)	**(303)**
Exchange adjustment	–	(355)	(865)	–	(876)	(109)	**(2,205)**
At 31 December 2024	**140**	**5,827**	**14,478**	**110**	**41,307**	**28,268**	**90,130**
Accumulated amortisation							
At 1 January 2023	140	2,817	10,204	–	–	9,685	**22,846**
Charge for year	–	1,276	904	–	–	3,562	**5,742**
Exchange adjustment	–	383	(15)	–	–	46	**414**
At 31 December 2023	**140**	**4,476**	**11,093**	**–**	**–**	**13,293**	**29,002**
Charge for year	–	802	644	–	–	4,461	**5,907**
Write–offs	–	–	–	–	–	(303)	**(303)**
Exchange adjustment	–	(9)	(651)	–	–	(301)	**(961)**
At 31 December 2024	**140**	**5,269**	**11,086**	**–**	**–**	**17,150**	**33,645**
Net book value							
At 31 December 2023	–	1,706	4,250	110	42,183	8,371	**56,620**
At 31 December 2024	**–**	**558**	**3,392**	**110**	**41,307**	**11,118**	**56,485**

Developed technology

In 2023, Boku initiated a project to migrate the merchants acquired through the Fortumo acquisition from the Fortumo platform to the Boku platform. Upon completion, the Fortumo payments platform will become obsolete. The project is expected to conclude in 2025, and the amortisation of the Fortumo payments platform was accelerated in 2023 to reflect its remaining useful life.

Goodwill

This represents the excess of the consideration paid over the fair value of net assets of Mopay AG (Mopay), acquired in October 2014, and Fortumo Holdings Inc., acquired on July 1, 2020, and is allocated to the Payment Services cash-generating unit (CGU). The recoverable amount of the Payments Services CGU was determined to exceed its carrying value, indicating no impairment is required.

Notes to the Consolidated Financial Statements

14. Leases

Boku's leases relate to offices across locations where it operates.

Right-of-use assets – Offices	2024 $'000	2023 $'000
Cost		
At 1 January	6,249	6,178
Additions	1,292	957
Disposals	(920)	(975)
Exchange adjustment	(173)	89
At 31 December	6,448	6,249
Accumulated depreciation		
At 1 January	3,465	2,945
Charge for year	1,508	1,430
Disposals	(976)	(971)
Exchange adjustment	18	61
At 31 December	4,015	3,465
Net book value – Right-of-use assets	**2,433**	**2,784**

The additions related to renewal of India office, together with the 1-year renewal of the office leases for Ireland, Germany, Japan, and Singapore. Additions in the prior year related to the renewal of the Estonia office, together with the 1-year renewal of the office lease for Ireland, Germany, Japan, and Singapore.

Reconciliation for discounted lease liabilities included in the statement of financial position is set out as below:

Lease Liabilities – Offices	2024 $'000	2023 $'000
Lease liabilities as at 1 January	**3,052**	**3,549**
Additions	1,213	937
Interest expense	184	171
Payments to lease creditors	(1,747)	(1,649)
Exchange adjustment	(55)	44
Lease liabilities as at 31 December	**2,647**	**3,052**
Current portion of lease liabilities	**1,035**	**1,370**
Non-current portion of lease liabilities	**1,612**	**1,682**

During the year, short-term and small-value leases expensed in other operating expenses amounted to $321k (2023: $329k).

Notes to the Consolidated Financial Statements

14. Leases continued

The table below represents the maturity analysis of contractual undiscounted lease payments:

	2024 $'000	2023 $'000
Less than one year	1,035	1,370
One to five years	1,839	1,692
Over five years	63	--
Total undiscounted lease liabilities as at 31 December	**2,937**	**3,062**

The amounts recognised in the consolidated statement of cash flows are presented below:

	2024 $'000	2023 $'000
Payment of principal	1,563	1,478
Payment of interest	184	171
Total lease cash outflows	**1,747**	**1,649**

15. Subsidiaries

The subsidiaries of the Company, all of which have been included in the consolidated financial information, are presented below.

Name	Ownership	Principal activity	Place of Incorporation
Boku Payments, Inc.	100% owned by Boku, Inc.	Holding Company	United States
Boku Network Services, Inc.	100% owned by Boku, Inc.	Holding Company	United States
Boku Account Services, Inc.	100% owned by Boku, Inc.	Holding Company	United Stated
Boku Account Services UK Ltd.	100% owned by Boku Account Services, Inc.	Digital payment solutions	United Kingdom
Boku Brasil Participações Ltda.	100% owned by Boku Network Services, Inc.	Holding company	Brazil
Boku Network Brasil Instituição De Pagamento Ltda.	100% owned by Boku Brasil Participações Ltda.	Digital payment solutions	Brazil
Boku Network Services GmbH	100% owned by Boku, Inc.	Digital payment solutions	Germany
Boku Network Services UK Ltd	100% owned by Boku Network Services, Inc.	Digital payment solutions	United Kingdom
Boku Network Services AU Pty Ltd	100% owned by Boku Network Services, Inc.	Digital payment solutions	Australia
Boku Network Services IN Pvt. Ltd.	100% owned by Boku Network Services, Inc.	Digital payment solutions	India
Boku Network Services SG Pte. Ltd.	100% owned by Boku Network Services, Inc.	Digital payment solutions	Singapore
Boku Network Services HK Limited	100% owned by Boku Network Services, Inc.	Digital payment solutions	Hong Kong
Boku Network Services Taiwan Branch Office	100% owned by Boku Network Services, Inc.	Digital payment solutions	Taiwan
Boku Network Services Japan Branch Office	100% owned by Boku Network Services, Inc.	Digital payment solutions	Japan
Mopay AG Beijing Representative Branch	100% owned by Boku Network Services AG (Germany)	Digital payment solutions	China
Boku Network Services IE Limited	100% owned by Boku Network Services, Inc.	Digital payment solutions	Ireland

Notes to the Consolidated Financial Statements

15. Subsidiaries continued

Name	Ownership	Principal activity	Place of Incorporation
Boku Network Services MY Sdn. Bhd.	100% owned by Boku Network Services, Inc.	Digital payment solutions	Malaysia
Boku Network Services EE Holdings, Inc.	100% owned by Boku Network Services, Inc.	Holding Company	United States
Boku Network Services TH Co Ltd.[1]	49.9% owned by Boku Network Services, Inc.	Digital payment solutions	Thailand
Boku Network Services PH, Inc.	99.99% owned by Boku Network Services, Inc.	Digital payment solutions	Philippines
Boku Network Services MX S. de R.L. de C.V.	50% owned by Boku Network Services, Inc. 50% owned by Boku, Inc.	Dormant	Mexico
Boku Network Services Estonia OÜ (previously Fortumo OÜ)	100% owned by Boku Network Services EE Holdings, Inc.	Digital payment solutions	Estonia
Boku Network Services ES S.L.	100% owned by Boku Network Services Estonia OÜ	Dormant	Spain
Fortumo Mobile Services Pvt. Ltd.	100% owned by Boku Network Services Estonia OÜ	Digital payment solutions	India
Fortumo Singapore Pte. Ltd.	100% owned by Boku Network Services Estonia OÜ	Digital payment solutions	Singapore
Boku Network Services PE S.A.C.	100% owned by Boku Network Services, Inc.	Dormant	Peru
Boku Network Services CO S.A.S.	100% owned by Boku Network Services, Inc.	Digital payment solutions	Colombia
Boku Network Services CL S.P.A.	100% owned by Boku Network Services, Inc.	Dormant	Chile
Boku Network Services ZA (Pty) Ltd	100% owned by Boku Network Services, Inc.	Dormant	South Africa
Boku Network Services KE Limited	100% owned by Boku Network Services, Inc.	Dormant	Kenya
Boku Network Services TZ Limited	99.999% owned by Boku Network Services, Inc. 0.001% owned by Boku, Inc.	Dormant	Tanzania
Boku Network Services AR S.R.L.	95% owned by Boku Network Services, Inc. 5% owned by Boku, Inc.	Dormant	Argentina
Boku Network Services UG Limited	99.95% owned by Boku Network Services, Inc. 0.05% owned by Boku, Inc.	Dormant	Uganda
Boku Network Services UY S.A.	100% owned by Boku Network Services, Inc.	Dormant	Uruguay
Boku Network Services Nigeria Limited	100% owned by Boku Network Services, Inc.	Dormant	Nigeria

1 Boku Network Services TH Co Ltd is considered a subsidiary of Boku Network Services, Inc. as it has control over its activities under IFRS 10.

Notes to the Consolidated Financial Statements

16. Issuer, trade and other receivables

	2024 $'000	2023 $'000
Receivables from issuers[1]	134,672	130,971
Trade receivables	12,122	12,974
Less: allowance for expected credit losses	(1,385)	(2,047)
Net accounts receivable	**145,409**	**141,898**
Other receivables	187	125
Deposits held	646	604
Sales taxes receivable	1,266	1,102
Prepayments	3,689	3,185
Total trade and other receivables	**151,197**	**146,914**

1 Receivables from issuers represent amounts due from issuers for processed transactions, which are expected to be settled within one year. In 2024, Boku revised the presentation of trade and other receivables to enhance the clarity and usefulness of financial disclosures. As part of this change, trade and other receivables were represented on the statement of financial position as issuer, trade and other receivables and issuer receivables were reclassified from trade and other receivables into a separate line item in the note. Comparative figures for 2023 have been represented to reflect this reclassification.

In 2023, $5,600k was received relating to the final settlement from the sale of the Identity business.

Allowance for expected credit losses:

	2024 $'000	2023 $'000
Opening balance	2,047	1,238
Increase/(decrease) in loss allowance[1]	(572)	1,017
Utilised during the year1	(90)	(208)
Closing balance	**1,385**	**2,047**

1 Movements in expected loss provisions and provision utilisation /write-off are recorded in the cost of providing services.

Information about Boku's exposure to credit and market risk and loss allowance for trade receivables is included in Note 24.

17. Cash and cash equivalents and restricted cash

	2024 $'000	2023 $'000
Cash and cash equivalents	142,308	117,360
Restricted cash	35,025	33,499
	177,333	**150,859**

The restricted cash primarily includes safeguarded customer funds received but not yet paid to merchants for Boku's licensed entities, cash held at the bank to secure a lease agreement for Boku's San Francisco office, and monies held at a financial institution to collateralise Company credit cards.

Notes to the Consolidated Financial Statements

18. Warrants

On 16 September 2022, Boku entered into a stock warrant agreement with Amazon in conjunction with a commercial service level agreement for Boku to provide payment processing services to Amazon.

Under the agreement, Boku issued warrants to Amazon allowing them to purchase common stock that will vest incrementally, based on the amount of revenue earned from Amazon via Boku payment processing methods. The warrant agreement grants Amazon the right to acquire up to 11,215,142 shares of common stock in the Group (equivalent to 3.75% of the Boku's total common stock as at the inception of the warrant agreement). 747,676 warrants of common stock vested immediately on the signing of the warrant agreement on 16 September 2022. 209,350 additional shares of common stock will vest for every $1m of revenue generated by Boku under its service level agreement with Amazon over a 7-year vesting period ending 15 September 2029. During the year 418,700 (2023: 209,350) additional warrants of common stock vested for revenue generated under the agreement. No further warrants will vest after $50m of revenue is generated under the service level agreement, which results in a final vesting increment of 209,316 shares of common stock. The exercise price of vested warrants is 81.20p per share, based on the 30-day volume weighted average trading price as at 16 September 2022.

Boku has determined that the 747,676 warrants of common stock that vested immediately on signing of the warrant agreement, are equity instruments under IAS 32, as they represent a fixed number of shares that will be exercised at a fixed price. The warrants will therefore not be accounted for until they are exercised and paid, at which point share capital and share premium will be recorded.

Boku has determined that the remaining warrants linked to revenue under the service level agreement are within the scope and revenue recognition and financial instruments accounting standards. The warrants represent a derivative financial instrument classified as a financial liability in accordance with IAS 32 and IFRS 9, remeasured to fair value with gains and losses recognised in profit or loss. The warrants also represent non-cash consideration payable to a customer under IFRS 15, which is recorded as a reduction to revenue and measured at fair value, but not subsequently remeasured.

At inception of the warrant, an equal and opposite derivative financial liability and corresponding contract asset are recorded at fair value, based on the total number of warrants expected to vest (linked to forecasted Amazon revenues under the service level agreement) and the fair value of a single warrant.

The contract asset, which effectively represents a prepaid or deferred volume rebate, is amortised to revenue based on Amazon revenues to date as a proportion of total expected Amazon revenues over the 7 year vesting period.

The derivative financial liability is remeasured to fair value at each reporting date. The fair value movement attributable to the change in the number of shares expected to vest due to a change in estimated Amazon revenues over the 7-year vesting period is recorded as an equal and opposite increase to the financial liability and contract asset, based on the fair value of the warrant at inception. The fair value movement attributable to the change in the fair value of the underlying warrants is recognised as gains or losses in profit or loss.

The fair value of warrant obligations as at 31 December 2024 was $9,130k (2023: $5,511k), primarily due to an increase in the spot price of shares on AIM from £1.34 to £1.82 (partially offset by an increase in risk free rate from 3.81% to 4.41%), combined with an increase in the number of warrants expected to vest from 5,334K to 5,571k. The fair value of 1 warrant increased to $1.639 at 31 December 2024 from $1.033 at 31 December 2023. The increase in the number of warrants expected to vest resulted in an increase to the contract asset and financial liability by $216k. The remaining increase in the fair value of underlying warrants of $3,403k represented a charge to the statement of comprehensive income. The warrants are classified as Level 3 derivative liabilities, as they require significant judgement or estimation due to the absence of an active market. The fair value was determined using a combination of Monte Carlo Simulation and Black-Scholes Model valuation methods.

Significant unobservable inputs used in the valuation included an equity volatility of 40% (2023: 40%), revenue volatility of 35% (2023: 30%), a risk-free rate of 4.41% (2023: 3.81%), and forecasted revenue from Amazon over the 7-year vesting period.

A significant change in volatilities would materially impact the fair value of the warrants. At 31 December 2024, a 5% decrease in both equity and revenue volatilities (to 35% and 30%, respectively) would have resulted in a fair value reduction to $8,956k, a decline of $174k. Conversely, a 5% increase (to 45% and 40%, respectively) would have increased the fair value to $9,348k, an increase of $218k.

Notes to the Consolidated Financial Statements

18. Warrants continued

The movement of the contract asset for Amazon and warrant liabilities during 2024 and 2023 is as follows:

Warrant contract asset	2024 $'000	2023 $'000
Balance at January 1	1,962	1,711
Change in the number of warrants expected to vest	216	359
Amortisation to revenue	(164)	(108)
Balance as at 31 December	**2,014**	**1,962**

Warrant Liability	2024 $'000	2023 $'000
Balance at January 1	5,511	5,206
Change in the number of warrants expected to vest	216	358
Change in fair value of underlying warrants	3,403	(53)
Balance as at 31 December	**9,130**	**5,511**

Exercise of other warrants in the year

Danal Company Ltd exercised a total of 1,634,699 warrants (2023: Nil), exercisable at 141p, for a total compensation of $3,000k. As a result, 1,634,699 new common shares of $0.0001 were issued. The warrants were issued as part of the initial consideration in respect of Boku's acquisition of Danal, Inc., announced on 6 December 2018 and completed on 1 January 2019.

19. Other non-current liabilities

Other non-current liabilities represent accrued taxes on Stock options and RSUs amounting to $1,676k (2023: $979k)

20. Merchant, trade and other payables

	2024 $'000	2023 $'000
Payables to merchants[1]	**243,878**	**221,885**
Trade payables	1,344	1,644
Total account payable classified as financial liabilities	**245,222**	**223,529**
Accruals	5,664	5,357
Other payables including taxes and social security costs	1,268	1,967
Provision for social security costs on stock options & RSUs	728	588
Total current trade and other payables	**252,882**	**231,441**

1 Payables to merchants represent amounts due to merchants for processed transactions, which are expected to be settled within one year. In 2024, Boku revised the presentation of trade and other payables to enhance the clarity and usefulness of financial disclosures. As part of this change, trade and other payables were represented on the statement of financial position as merchant, trade and other payables and merchant payables were reclassified from trade and other payables into a separate line item in the note. Comparative figures for 2023 have been represented to reflect this reclassification.

Notes to the Consolidated Financial Statements

21. Equity

a) Share Capital

Authorised share capital

The authorised share capital comprises 500,000,000 shares (2023: 500,000,000). Boku has a single class of ordinary shares with a par value of $0.0001 each.

Ordinary shares issued and fully paid

Boku's issued share capital is summarised in the table below:

	2024		2023	
Common shares of $0.0001 each	**Number of Shares** '000	$'000	Number of Shares '000	$'000
Opening balance	301,067	29	299,270	29
Issue of share capital	1,635	–	–	–
Exercise of options and RSUs	409	–	1,797	–
Closing balance	**303,111**	**29**	**301,067**	**29**

b) Nature and purpose of reserves

Below is a description of the nature and purpose of various equity reserves. Movements on these reserves are set out in the consolidated statement of changes in equity.

Other reserves

The other reserves disclosed in the consolidated statement of financial position include a share premium representing the difference between the issue price and the nominal value of the shares issued by Boku. It also includes all stock option expenses reserves.

Foreign currency translation reserve

The foreign currency translation reserve comprises cumulative foreign currency translation differences arising from the translation of financial statements of overseas operations.

Treasury reserve

Treasury reserve relates to the amounts paid to buy back shares from the market. At 31 December 2024, Boku holds 4,548,434 shares in treasury (2023: 4,007,868).

Retained losses

Retained losses represent cumulative net losses in the consolidated income statement.

c) Dividends

No dividends were declared or paid in the current year (2023: Nil).

Notes to the Consolidated Financial Statements

22. Share-based payment

As part of the total remuneration package, Boku has the following share-based compensation schemes for employees, directors, and non-employees:

i) 2009 Equity Incentive Plan (2009 Plan)
ii) 2017 Equity Incentive Plan (2017 Plan)
iii) Stretch Restricted Share Unit Plan (2024 Plan)

2009 Plan

2009 equity incentive plan (2009 Plan) for the granting of stock options, restricted stock awards (RSA), and restricted stock units (RSU). No options were available to be issued under this plan as at 31 December 2024 or 2023. There are 1,788k options vested but not exercised under this plan as at 31 December 2024 (FY2023: 2,218k).

Movements in the number of share options outstanding and their related weighted average exercise prices under the 2009 plan are as follows:

	2024		2023	
Share options outstanding	**Number of options (thousands)**	**Weighted average exercise price per share option (in USD)**	**Number of options (thousands)**	**Weighted average exercise price per share option (in USD)**
Balance January 1	2,218	$0.30	3,771	$0.34
Exercise	(420)	$0.29	(1,513)	$0.31
Forfeited	(10)	$0.28	(40)	$0.28
Balance 31 December	**1,788**	**$0.30**	**2,218**	**$0.30**

The fair value of each option (excluding RSUs) has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected terms ranging from 4.99 to 6.89 years; risk-free interest rates ranging from 0.73% to 3.05%; expected volatility of 58%; and no dividends during the expected term. The weighted average remaining contractual life of options under the plan is 1.3 (2023: 2.4) years.

2017 Plan

2017 Equity Incentive Plan (2017 Plan) for the granting of stock options and restricted stock units (RSUs). The Group reserved an initial ten million shares of common stock for issue under the plan.

Options were granted in the 2017 Plan only in January 2018. Since then, only RSUs have been granted under the plan. The options granted under this plan vest over 3 years and contain a one-year cliff. Therefore, 25% of the options vest at the end of one year, and from year two, graded quarterly vesting takes place, where each instalment of vesting is treated as a separate stock option grant. Options under the 2017 Plan may be outstanding for periods of up to ten years from the grant date. There are 476k options (FY 2023: 836k) outstanding as at 31 December 2024.

Notes to the Consolidated Financial Statements

22. Share-based payment continued

Movements in the number of share options outstanding and their related weighted average exercise prices under the 2017 plan are as follows:

	2024		2023	
Share options outstanding	**Number of options (thousands)**	**Weighted average exercise price per share option (in USD)**	**Number of options (thousands)**	**Weighted average exercise price per share option (in USD)**
Balance January 1	836	$1.205	837	$1.205
Exercised	(322)	$1.205	(1)	$1.205
Forfeited	(38)	$1.205	–	–
Balance 31 December	**476**	**$1.205**	**836**	**$1.205**

The fair value of each option (excluding RSUs) has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected terms ranging from 5.04 to 6.01 years; risk-free interest rates ranging from 1.87% to 1.92%; volatility of 45%; and no dividends during the expected term. The weighted average remaining contractual life of options under the plan is 3.1 (2023: 4.0) years.

RSUs under the 2017 Plan remain outstanding for periods of up to three years following the grant date. Outstanding RSU grants generally vest over three years in three equal portions or one-third after two years and two-thirds in the third-year anniversary from the grant date. There are 12,570k (2023: 11,597k) RSUs outstanding as at 31 December 2024.

Movements in the number of RSUs awards under the 2017 plan are as follows:

	2024		2023	
RSUs outstanding	**Number of RSUs (thousands)**	**Weighted-average grant-date fair value (in USD)**	**Number of RSUs (thousands)**	**Weighted-average grant-date fair value (in USD)**
Balance January 1	11,597	$1.978	10,069	$1.919
Granted	5,792	$2.131	5,832	$1.860
Vested	(3,783)	$1.990	(3,290)	$1.319
Forfeited	(1,036)	$2.003	(1,014)	$1.937
Balance 31 December	**12,570**	**$2.043**	**11,597**	**$1.978**

The number of available RSUs for future use in the plan at the end of 2024 were 61,423k (2023: 54,259k)

2024 Plan

On 2 October 2024, the Company granted Restricted Share Units (RSUs) under the Stretch Restricted Share Unit Plan (SRSU Plan). The RSUs vest based on a market-based performance condition, requiring the Company's 40-day VWAP share price after the 2027 financial results to reach a specified multiple of the base share price of 180.4p. 25% of the awards vest if the share price reaches 3x the base price, 100% vest if it reaches 5x, and vesting occurs on a straight-line basis for outcomes between these thresholds.

Notes to the Consolidated Financial Statements

22. Share-based payment continued

Awards will vest in in two instalments:

- 50% in July 2028 (after 4.5 years)
- 50% in July 2029 (after 5.5 years)

The fair value of the RSUs was determined using a Monte Carlo simulation, incorporating market-based performance conditions, with the following assumptions: risk-free interest rates 4.19%; volatility of 33.74%; and no dividends during the expected term.

The expense is recognised over the vesting period using a straight line vesting approach.

Movements in the number of RSUs awards under the 2024 plan are as follows:

	2024		2023	
RSUs outstanding	**Number of RSUs (thousands)**	**Weighted–average year–end fair value (in USD)**	**Number of RSUs (thousands)**	**Weighted–average year–end fair value (in USD)**
Balance January 1	–	–	–	–
Granted	7,220	$0.137	–	–
Vested	–	–	–	–
Forfeited	–	–	–	–
Balance 31 December	**7,220**	**$0.137**	**–**	**–**

The breakdown of total share-based payment expense is as follows:

	2024 $'000	2023 $'000
Share-based payment expense (excluding national insurance)	8,903	7,467
National insurance benefit/(reversal)	908	(435)
National insurance paid in the year	715	563
Total share-based payment expense	**10,526**	**7,595**

Notes to the Consolidated Financial Statements

23. Cash generated from operations

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit for the year		**3,779**	**10,086**
Adjustments for:			
Depreciation of property, plant, and equipment	12	484	385
Amortisation of intangible assets	13	5,907	5,742
Depreciation of right-of-use assets	14	1,508	1,430
Loss on disposal of property, plant, and equipment		3	1
Amortisation of warrant contract asset	18	164	108
Fair value loss/(gain) on warrants	18	3,403	(53)
Share-based payment expense	22	8,903	7,467
Net Finance income	9	(3,433)	(1,638)
Employer taxes on stock options and restricted stock units benefit/(charge)		908	(435)
Income tax expense	10	2,407	1,321
Changes in net working capital[1]:			
Increase in Issuer, trade and other receivables including contract assets		(7,139)	(54,356)
Increase in merchant, trade and other payables including contract liabilities		25,765	70,877
Cash generated from operations [2]		**42,659**	**40,935**

1 Net working capital includes both short-term and long-term items.
2 In 2024, Boku changed the presentation of the cash flows relating to operations activities to improve the usefulness of disclosed information. The comparative amounts for 2023 have been re-represented accordingly.

24. Financial instruments – Fair values and risk management

a) Classes and categories of financial instruments and their fair values

Fair value measurements are categorised into Level 1, 2, and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

Notes to the Consolidated Financial Statements

24. Financial instruments – Fair values and risk management continued

At the end of each reporting period, Boku categorises its financial assets and liabilities according to the appropriate level of fair value hierarchy, which is summarised in the table below.

2024	Carrying Amounts					Fair Value [1]
	Amortised Cost	Fair value through profit or loss[3]				
		Level 1	Level 2	Level 3	Total	Total
Cash and cash equivalents	177,333	–	–	–	177,333	177,333
Issuers and Trade receivables –net	145,409	–	–	–	145,409	145,409
Deposits	646	–	–	–	646	646
Total financial assets	**323,388**	**–**	**–**	**–**	**323,388**	**323,388**
Merchant and Trade payables	245,222	–	–	–	245,222	245,222
Lease liabilities	2,647	–	–	–	2,647	2,647
Warrant liability [2]	–	–	–	9,130	9,130	9,130
Total financial liabilities	**247,869**	**–**	**–**	**9,130**	**256,999**	**256,999**

2023	Carrying Amounts					Fair Value [1]
	Amortised Cost	Fair value through profit or loss				
		Level 1	Level 2	Level 3	Total	Total
Cash and cash equivalents	150,859	–	–	–	150,859	150,859
Issuers and Trade receivables – net	141,898	–	–	–	141,898	141,898
Deposits	604	–	–	–	604	604
Total financial assets	**293,361**	**–**	**–**	**–**	**293,361**	**293,361**
Merchant and Trade payables	223,529	–	–	–	223,529	223,529
Lease liabilities	3,052	–	–	–	3,052	3,052
Warrant liability [2]	–	–	–	5,511	5,511	5,511
Total financial liabilities	**226,581**	**–**	**–**	**5,511**	**232,092**	**232,092**

1 Items carried at fair value are measured at fair value at the end of each reporting period. The fair value of items not carried at fair value is estimated to equal the carrying amount due to limited credit risk and short time to maturity.
2 Warrants are classified as Level 3 derivative liabilities and valued using a combination of Monte Carlo Simulation and Black-Scholes Model valuation methods. For more information, refer to Note 18.
3 There were no transfers between levels 1, 2 & 3 for fair value measurements during 2024 and 2023.

Notes to the Consolidated Financial Statements

24. Financial instruments – Fair values and risk management continued

b) Financial risk management

The principal financial risks to which Boku is exposed are as follows:

- Market risk (Interest rate risk & Foreign currency risk)
- Credit risk
- Liquidity risk

Risk management within Boku is the responsibility the Board of Directors, whose primary objective is to establish policies that mitigate financial risks. All funding requirements and financial risks are managed in accordance with the policies and procedures approved by the Board.

Market Risk

Market risk is the risk that the value of financial instruments may fluctuate due to changes in market conditions, including interest rates and foreign exchange rates. Boku faces market risk primarily from foreign currency and interest rate exposures that arise through its operational activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Although Boku does not have borrowings, it is exposed to interest rate risk primarily through its interest-earning cash balances held across multiple jurisdictions.

Rising interest rates have had a positive effect on Boku's cash position. During 2024, Boku earned bank interest income of $3,654k (2023: $1,887k). A change of 100 basis points in interest rates at the reporting date, with all other variables held constant, would have increased / (decreased) interest income by the amounts shown below:

- Increase of 100 basis points (1%): Increase in interest income by approximately $656k
- Decrease of 100 basis points (1%): Decrease in interest income by approximately $628k

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. This risk arises from transactions denominated in foreign currencies and from receivables and payables that exist due to such transactions. Operating globally, Boku faces both transaction and translation foreign exchange risks.

Boku is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which revenues, receivables, and payables are denominated and Boku's functional currency. To mitigate this exposure, Boku settles payments over short periods and applies mark-up fees to cover currency fluctuations.

Additionally, Boku is exposed to foreign currency translation risk due to subsidiaries that have functional currencies other than the U.S. dollar. As a result, shareholders' equity is subject to fluctuations in exchange rates, with translation differences reported as currency translation adjustments in the consolidated financial statements. This translation risk does not give rise to a cash flow exposure.

Notes to the Consolidated Financial Statements

24. Financial instruments – Fair values and risk management continued

Boku operates in 58 currencies (2023: 60 currencies), with primary exposure arising from the Euro (EUR), British pound (GBP), and Japanese yen (JPY). The table below summarises Boku's net exposure (difference between financial assets and liabilities) across these currencies and shows the sensitivity to a potential 10% change in exchange rates, assuming all other variables remain constant:

	2024			
	EUR $'000	**GBP** $'000	**JPY** $'000	**Others** $'000
Accounts receivable	39,307	26,903	24,561	53,963
Cash and cash equivalent	36,587	1,028	23,750	27,889
Accounts payable	(61,026)	(21,205)	(35,500)	(77,713)
Net FX exposure	**14,868**	**6,726**	**12,811**	**4,139**
10% impact +/-	**1,652**	**747**	**1,423**	**460**

	2023			
	EUR $'000	**GBP** $'000	**JPY** $'000	**Others** $'000
Accounts receivable	41,076	15,933	15,042	60,108
Cash and cash equivalent	25,220	8,379	24,238	13,393
Accounts payable	(54,702)	(19,074)	(29,586)	(79,968)
Net FX exposure	**11,594**	**5,238**	**9,694**	**(6,467)**
10% impact +/-	**1,288**	**582**	**1,076**	**(718)**

The following significant exchange rates were applied during the year:

	2024		2023	
	Average Rate	**Reporting Date Rate**	**Average Rate**	**Reporting Date Rate**
USD per EURO	1.04759	1.03872	1.09161	1.10372
USD per GBP	1.26401	1.25359	1.26634	1.27314
USD per JPY	0.00650	0.00638	0.00695	0.00709

If the functional currency, at the reporting date, had fluctuated by 10% against the EUR, GBP, and JPY with all other variables held constant, the impact on profit after taxation for the year would have been $4,282k (2023: $2,228k) respectively higher / lower, mainly as a result of exchange gains/losses on translation of foreign exchange denominated financial instruments.

Notes to the Consolidated Financial Statements

24. Financial instruments – Fair values and risk management continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily issuer, trade and other receivables) and from its financing activities, including deposits with banks and financial institutions.

The maximum exposure to credit risk by class of financial asset is as follows:

	2024 $'000	2023 $'000
Cash and cash equivalents	177,333	150,859
Issuer and Trade receivables – net	145,409	141,898
Deposits	646	604
	323,388	**293,361**

Cash and cash equivalents

The credit risk on liquid funds is limited as counterparties are highly rated banks with credit ratings assigned by reputable credit rating agencies, including Fitch Ratings and Standard & Poor. Boku regularly monitoring their creditworthiness to mitigate financial loss, and while cash and cash equivalents fall under IFRS 9 impairment requirements, no impairments were recognised due to their insignificant risk of value changes. Boku's cash and cash equivalent breakdown by credit ratings is as follows:

	2024 $'000	2023 $'000
AA-	6,096	3,472
A+	25,314	40,977
A	140,326	103,883
BBB	3,289	2,174
BB+	855	36
D	125	124
Unrated	1,328	193
	177,333	**150,859**

Issuer and trade receivables

Boku is exposed to credit risk primarily through receivables from issuers and trade receivables. Boku limits its exposure to credit risk from issuer and trade receivables by entering into contracts with creditworthy counterparties and where possible by limiting its liability contractually to merchants in the event of non-payment from issuers. Credit terms for issuer and trade receivables are standard and short-term, with no significant financing component.

Boku applies the simplified approach under IFRS 9 in calculating expected credit losses (ECL) for receivables from issuers and trade receivables, recognising a lifetime ECL as they do not contain a significant financing component. Receivables are grouped by days past due and historical loss experience. The expected credit loss model was updated at year-end, to reflect reasonable and supportable information, including forward-looking information, available on credit risk of the issuer and trade receivable balances.

Notes to the Consolidated Financial Statements

24. Financial instruments – Fair values and risk management continued

For the year ended 2024, the total ECL provision was $1,385k (2023: $2,047k), representing 0.94% (2023: 1.42%) of total receivables. The majority of receivables aged less than 60 days had no significant credit risk, while higher loss rates were applied to older balances based on historical default patterns. Receivables over 150 days past due had the highest loss rate, reflecting increased credit risk. The decrease in provision was primarily due to improved collection patterns and a lower proportion of overdue balances in the high-risk category. The Company continues to monitor credit risk closely, applying adjustments where necessary to reflect changes in the current and future macroeconomic environment and debtor-specific risks.

Liquidity risk

Liquidity risk is the risk that Boku will not be able to meet its financial obligations as they fall due. Boku's approach to managing liquidity is to maintain, as far as possible, sufficient liquidity to meet liabilities when due under both normal and stressed conditions without incurring unacceptable losses or compromising its reputation.

As an intermediary, Boku considers cash flows related to merchant funds as generally balanced from a liquidity perspective. In most cases, merchant payables are settled after cash is collected from issuers; however, for certain merchants, payments can be made before corresponding receipts are received. This mixed payment approach is carefully monitored to ensure liquidity remains adequate. The liquidity risk of each group entity is managed by the Treasury team at the entity level to meet any liquidity obligations.

The following table presents the remaining contractual maturities of Boku's financial liabilities as of the reporting date. These amounts are gross, undiscounted, and include estimated future interest payments where applicable.

	Within 1 year	2-5 years	More than 5 years	**Total**
31 December 2024	$'000	$'000	$'000	**$'000**
Merchant and Trade payables	245,222	-	-	**245,222**
Warrant liability	-	-	9,130	**9,130**
Leases liabilities	1,035	1,839	63	**2,937**
Total[1]	**246,257**	**1,839**	**9,193**	**257,289**

	Within 1 year	2-5 years	More than 5 years	**Total**
31 December 2023	$'000	$'000	$'000	**$'000**
Merchant and Trade payables	223,529	-	-	**223,529**
Warrant liability	-	-	5,511	**5,511**
Lease liabilities	1,370	1, 692	-	**3,062**
Total[1]	**224,899**	**1,692**	**5,511**	**232,102**

1 No material difference between discounted and undiscounted fair value.

Capital Management

Boku's capital structure consists of share capital, other reserves, treasury shares, foreign exchange reserve, and retained losses. Boku's objectives in managing capital are:

- To safeguard its ability to continue as a going concern, enabling it to provide returns for shareholders and benefits for other stakeholders and
- To provide adequate shareholder returns by pricing products and services appropriately for the level of risk.

Boku's capital is detailed in the consolidated statement of changes in equity. Boku is debt-free and working capital requirements are met through existing cash resources. Boku manages its capital structure proactively, adjusting to economic conditions and projected cash needs across operational, financing, and investment activities. Factors influencing capital adequacy include capital expenditures, market developments, and potential acquisitions.

Notes to the Consolidated Financial Statements

25. Related party transactions

Related parties of Boku include its key management personnel, subsidiaries, and entities with significant influence over the Company. Transactions and balances between Boku and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. For more information on principles of consolidation and subsidiaries, refer to Note 3.1 and Note 15, respectively.

Transactions and balances between Boku and other related parties are disclosed below.

a) Transactions with key management personnel

Key management personnel include the directors and global leadership team of Boku. Compensation to key management personnel is set out below:

	2024 $'000	2023 $'000
Salaries	4,737	5,104
Short-term benefits	119	101
Social security costs	810	1,108
Share-based payments	3,179	3,402
Long-term employee benefits	13	18
Total	**8,858**	**9,733**

For further information on the remuneration of each director, refer to the remuneration report.

There were no other transactions with related parties during the year (2023 Nil).

26. Commitments and contingencies

In the normal course of business, the Group may receive inquiries or become involved in legal disputes regarding possible patent infringements. In the opinion of management, any potential liabilities resulting from such claims, if any, would not have a material adverse effect on the Group's consolidated statement of financial position or results of operations.

From time to time, in its normal course of business, the Group may indemnify other parties with whom it enters into contractual relationships, including customers, aggregators, MNOs, lessors, and parties to other transactions with the Group. Boku has also indemnified its Directors and executive officers, to the extent legally permissible, against all liabilities reasonably incurred in connection with any action in which such individual may be involved by reason of such individual being or having been a Director or executive officer. The Group believes the estimated fair value of any obligation from these indemnification agreements is minimal; therefore, these consolidated financial statements do not include a liability for any potential obligations at 31 December 2024 and 2023.

In addition, the Group may provide credit support instruments, including parent guarantees and standby letters of credit, to counterparties as part of its contractual obligations. Management does not expect any claims under these arrangements to have a material impact on the Group's financial position.

The Group had no contractual commitments for the acquisition of property, plant, and equipment and intangible assets in the current year or prior.

27. Events after the reporting date

Management has assessed the events occurring between the reporting date and the date of approval of the financial statements. No material events have been identified that would require adjustment to or disclosure in the financial statements.

Alternative Performance Measures

Management regularly uses Alternative Performance Measures (APMs) internally to understand, manage and evaluate the business performance and make operating decisions. These measures are among the primary factors management uses in planning for and forecasting future periods.

Management present APMs because they believe that these and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. It is believed these APMs depict the true performance of the business by encompassing only relevant and controllable events, allowing management to evaluate and plan more effectively for the future. These measures are not defined under the requirements of IFRS and may not be comparable with the APMs of other companies and should be viewed as supplemental to, but not a substitute for, measures presented in the financial statements which are prepared in accordance with IFRS.

The primary APMs are EBITDA, adjusted EBITDA, adjusted operating expenses, constant exchange rate revenues, own cash, and average cash balances which management considers are relevant in understanding the Group's financial performance. Management calculates APMs by excluding certain non-cash and one-off items from the actual results. The determination of whether non-cash items or one-off items should be excluded, is a matter of judgement and is based on whether the inclusion/exclusion from the results represent more closely the consistent trading performance of the business.

Boku uses the following APMs

APM	Definition
Adjusted EBITDA	A measure of profitability from continuing operations which is calculated as operating profit before non-recurring other income, depreciation and amortisation, share-based payments expense, foreign exchange gains/losses and exceptional items. In calculating adjusted EBITDA we exclude certain non-cash and non-recurring items that we believe are not reflective of our long term performance. Adjusted EBITDA is used internally to establish forecasts, budgets and operational goals to manage and monitor our business, as well as evaluate our underlying historical performance. We believe that adjusted EBITDA is a meaningful indicator of the health of our business as it reflects our ability to generate cash that can be used to fund recurring capital expenditures and growth. We also believe that adjusted EBITDA is widely used by investors, securities analysts and other interested parties as a supplemental measure of performance and liquidity
Adjusted operating expenses	Calculated as gross profit less adjusted EBITDA.
Adjusted EBITDA margin	Calculated as adjusted EBITDA over revenue for the year.
Constant exchange rate revenues	Constant exchange rate is calculated by applying the monthly average foreign exchange rates in the prior year to the current year revenues.
Own cash	Calculated as cash held plus gross amounts due to Boku from issuers and merchants less amounts owed to merchants
Average Cash Balances	Average cash is the average cash balance for each day

Alternative Performance Measures

Alternative performance measures

	2024 $'000	2023 $'000
Adjusted EBITDA	31,412	25,799
Adjusted EBITDA margin (%)	31.64%	31.19%
Adjusted operating expenses	65,442	54,871
Constant exchange rate revenues	102,408	82,720
Own Cash	80,249	72,919
Average Cash Balances	153,941	131,665

Reconciliation of adjusted EBITDA to operating profit

	Note	2024 $'000	2023 $'000
Adjusted EBITDA		**31,412**	**25,799**
Other income adjustment (non–recurring)		–	103
Depreciation and amortisation	7	(7,899)	(7,557)
Share–based payments	8	(10,526)	(7,595)
Foreign exchange loss	7	(5,964)	(1,034)
Exceptional items		(867)	–
Operating profit		**6,156**	**9,716**

Exceptional items are included in administrative expenses and include the following items:

Exceptional Items	2024 $'000	2023 $'000
Employee Restructuring Costs	(998)	–
Finance Transformation Costs	(337)	–
One–Off Refund from an Issuer	468	–
Total exceptional items	**(867)**	**–**

Adjusted operating expenses calculation

	2024 $'000	2023 $'000
Gross Profit	96,854	80,670
Adjusted EBITDA	(31,412)	(25,799)
Adjusted operating expenses	**65,442**	**54,871**

Alternative Performance Measures

Constant Exchange Rate Revenues

Operating Segment	2024 Revenue $'000	2024 Revenue at FY2023 Rates $'000	2023 Revenue $'000	Constant Currency Revenue Growth %
Payments Services	99,273	102,408	82,720	24%

Own Cash Calculations

	2024 $'000	2023 $'000
Cash and cash equivalents	177,333	150,859
Receivables from Issuers	134,672	130,971
Trade receivables	12,122	12,974
Payable to Merchants	(243,878)	(221,885)
Total own cash	**80,249**	**72,919**

Average Cash Balances

	2024 $'000	2023 $'000
Average Cash Balances	**153,941**	**131,665**

Forward Looking Statements

Certain statements contained in this report constitute "forward-looking statements." Forward-looking statements provide Boku's current expectations of future events and trends based on certain assumptions and include any statement that does not directly relate to any current or historical fact. The words "believe," "expect," "expectations," "anticipate," "foresee," "see," "target," "estimate," "designed," "aim," "plan," "intend," "influence," "assumption," "focus," "continue," "project," "should," "is to," "will," "strive," "may," "could," "forecast," or similar expressions as they relate to us or our management are intended to identify these forward looking statements, as well as statements regarding:

a) business strategies, projects, market expansion, growth management, and future industry trends and our plans to address them;

b) future performance of our business and any future distributions and dividends;

c) expectations and targets regarding financial performance, results, operating expenses, cash flows, taxes, currency exchange rates, hedging, cost savings and competitiveness, as well as results of operations including targeted synergies and those related to market share, prices, net sales, income and margins;

d) expectations, plans, timelines or benefits related to changes in our organisational and operational structure;

e) market developments in our current and future markets and their seasonality and cyclicality, as well as general economic conditions, future regulatory developments and the expected impact, timing and duration of potential global pandemics and geopolitical conflicts on our business, our customers' businesses and the general market and economic conditions;

f) our position in the market, including product portfolio and geographical reach, and our ability to use the same to develop the relevant business or market;

g) any future collaboration or business collaboration agreements or patent license agreements or arbitration awards, including income from any collaboration or partnership, agreement or award;

h) timing of the development and delivery of our products and services;

i) the outcome of pending and threatened litigation, arbitration, disputes, regulatory proceedings or investigations by authorities;

j) restructurings, investments, capital structure optimisation efforts, divestments and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, and capital structure optimisation efforts;

k) future capital expenditures or other R&D expenditures to develop or rollout new products; and

l) sustainability and corporate responsibility.

These statements, which are made on the date of this report, are based on management's best assumptions and beliefs in light of the information currently available to it and are subject to a number of risks and uncertainties, many of which are beyond Boku's control, which could cause actual results to differ materially from such statements. These statements are only predictions based upon our current expectations and views of future events and developments and are subject to risks and uncertainties that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Risks and uncertainties that could affect these statements include but are not limited to the risk factors specified under the section "Principal Risks & Uncertainties" of this report. Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. We do not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Glossary

Abbreviation	Definition
A2A	Account to Account based payment systems allow payments to be made from one bank account to another, generally in real time. They are contrasted with card-based payment systems where the payment is mediated through a card scheme. In A2As the payment is direct via Boku. A2A payments can be organised as schemes, typically under the jurisdiction of the Central Bank (UPI in India or Pix in Brazil), as interbank initiatives (Twint in Switzerland, Blik in Poland) or as infrastructure (Open Banking access to Faster Payments in the UK).
AGM	Annual General Meeting.
AIM	Alternative Investment Market.
AISP	Under Open Banking, an Account Information Service Provider, with consumer consent can access information about the transactions and balances in the consumer's bank account. AISPs can then provide services that provide a consolidated view of a consumer's activity across multiple banks, or analysis that might not be available from their financial institution. In the UK, AISPs are authorised by the FCA.
APMs	Alternative performance measures are non-GAAP financial measures used by management to assess and monitor the performance of the business.
ATV	The Average Transaction value is the TPV divided by the total number of successful transactions.
CAGR	Compound annual growth rate.
Carriers	Carriers are the consumer's mobile network operator (MNO), through which purchases can be charged to a phone bill. See DCB.
CER	Constant exchange rate is calculated by applying the monthly average foreign exchange rates in the prior year to the current year results.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CGU	Cash generating unit.
COO	Chief Operating Officer.
CT	Corporation tax.
DCB (Bundling)	DCB bundling refers to the distribution of merchant services via third parties, such as telecom providers typically as part of a new tariff or promotional offer (e.g., 'Get six months of streaming music included with your mobile phone plan'). Boku's services facilitate this process by seamlessly connecting the distributor with the entertainment company's systems.
DCB (Payments)	Direct Carrier Billing is a form of payment method whereby consumers can purchase digital goods using their post-paid mobile phone account or pre-paid mobile phone balance.
DEI	Diversity, equity and inclusion.
DT	Deferred tax.
ECL	Expected credit loss
EGM	Extraordinary General Meeting.
EPS	Earnings per share.
Digital Wallet	A Digital Wallet is a type of payment method that allows a user to undertake transactions online and, sometimes, offline. A user will link their wallet to a funding source which might be a bank account, debit card or cash top up. The balance in the wallet is then used to fund the purchase. In some cases, these wallets will have an auto top up feature that allows funds to be withdrawn from the funding source if there is insufficient balance. Examples include Alipay, PayPal, Dana or Gopay.

Glossary

Abbreviation	Definition
GLT	Global Leadership Team.
Gross margin	The difference between revenue and cost of sales divided by revenue.
Group	Boku, Inc. and its controlled entities.
IFRS	International Financial Reporting Standards.
Issuer	The Issuer is the entity within the Boku network who has the relationship with the consumer, issues them with payment credentials, collects the amounts owed by the consumer and settles them. The Issuers within the Boku network include Mobile Network Operators, Digital Wallet providers and A2A schemes.
LPMs	Local Payment Methods are those which typically operate in a single region. They include domestic card schemes, domestic voucher schemes, mobile network operators, Digital Wallets, Account to Account based payment systems and Buy Now Pay Later operators. Local Payment Methods typically operate to their own standard and are not interoperable with other schemes.
LTIP	Long term incentive plan.
MAU	Boku defines a Monthly Active User as one who has undertaken one or more successful payment transactions or who has an active bundle within the month in question. Users who have registered and still have an active payment method on file are not defined as active unless they have successfully transacted.
Merchant	A merchant is a business or entity that sells products or services to consumers and integrates various payment methods.
MNOs	Mobile network operator, see carrier.
Nomad	Nominated adviser.
NPV	Net present value.
Open banking	In Open Banking markets, banks are required to provide interfaces to authorised third parties to access account information (AISP) or initiate payments (PISP).
PISP	Under Open Banking, a Payment Initiation Service Provider, with consumer consent, can initiate payments from the consumer's bank account. In the UK, PISPs are authorised by the FCA.
Platform	The platform that Boku has built to connect Merchants and Issuers via Local Payment Methods.
PPA	Price purchase allocation.
PSP	A Payment Service Provider acts as a technical layer connecting a merchant to various issuers. The base level of service is the transaction model where only technical services are provided. It can be supplemented by the settlement model whereby funds are collected and settled to those merchants.
PwC	PricewaterhouseCoopers LLP.
RCF	Revolving credit facility.
RSU	Restricted Stock/Share Units are share awards subject to a vesting schedule and certain vesting conditions.
Settlement model	In the Settlement model, Boku provides not only technical transaction processing services but also collects the funds due from the Issuers and settles them to the merchant in the currency of their choice.
SID	Senior Independent Director.
SRSU	Stretch restricted share units subject to market based vesting conditions

Glossary

Abbreviation	Definition
Take rate	Take rate is defined as revenue divided by TPV. It is a measure of the average price obtained.
TPV	Total Payment Volume is total value transacted through the system quantified in US dollars. For payments, this is the total amount successfully transacted by consumers translated into USD at average FX rates for the month. For bundling transactions, it represents the total retail value of the bundles. In some cases, this value is inferred from revenue.
Transaction model	The Transaction Model is where Boku provides technical connectivity services to a merchant, while the merchant directly arranges settlement with the issuer.
WACC	Weighted average cost of capital.

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