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Boku Inc
19 March 2024

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Boku Inc.

("Boku", the "Company" or the "Group")

Results for the year ended 31 December 2023

An exceptional year of growth, driven by the addition of more digital wallets and account to account ("A2A") connections to our global network of Local Payment Methods ("LPMs"), delivering revenue and EBITDA significantly ahead of initial expectations

Boku (AIM: BOKU), a global network of localised payment solutions, is pleased to announce its audited results for the year ended 31 December 2023 ("FY23").

Financial Highlights

- Revenues for the year up $18.9 million (30%) to $82.7 million (FY22: $63.8 million)
  - 33% higher than 2022 on a constant currency basis*
- Full year revenues include $16.9 million from digital wallets and A2A connections, up 153% from $6.7 million in 2022, following increasing adoption these payment methods by Boku's key merchants
- Adjusted EBITDA* of $25.8 million up $5.6 million (FY22: $20.2 million restated) at almost 32% adjusted EBITDA margin even after allowing for continued investment in Boku's global LPM network and management's decision to pay one-time non-contractual bonuses totalling $0.9 million to reward all staff for the Company's exceptional growth in FY23.
- Profit before tax from continuing operations up 178% to $11.4 million (FY22: $4.1 million)
- Net profit after tax of $10.1 million (FY22: $4.3 million, which excluded the profit after tax from discontinued operations of $24.6m)
- Total Group cash was $150.9 million at 31 December 2023, up from $113.9 million at 30 June 2023 and $116.5 million at 31 December 2022. The Group is debt free. In FY23 Boku spent £7.9 million repurchasing 5,512,079 of its own shares under the share buyback scheme
- The average daily cash balance*, a measure that smooths out the effect of carrier and merchant payments, was $131.7 million in December 2023, up from $105.8 million in June 2023 and $98.8m in December 2022
- Cash generated from operations before working capital movements during the year was $23.4 million (FY22: $22.0 million)
- Interest income increased to $1.9 million (FY22: $0.2 million) as interest rates increased and more funds were moved to longer term deposits

Following the disposal of Boku's Identity division on 28 February 2022, the comparative results shown are for the continuing Payments division only.

Non-Financial KPIs

- 67.4 million Monthly Active Users ("MAUs") of the Boku platform in December 2023 (December 2022: 52.3 million), a 29% increase
- 66.1 million new consumers made their first payment or bundling transaction with Boku during 2023
- Total Payment Volume ("TPV") of $10.5 billion in 2023, up 18% from $8.9 billion in 2022. On a constant currency basis*, TPV was 23% higher than 2022
- Particularly strong growth in digital wallets and A2A connections:
  - 76% increase in MAUs of digital wallets and A2A connections, to 6.7 million in December 2023 compared to 3.8 million in December 2022
  - New users of digital wallets and A2A connections increased 64% to 13.8 million in 2023 (2022: 8.4 million)
- Take rate increased to 0.79% in 2023 (2022: 0.72%) as a result of higher take rates from digital wallets and A2A connections, with H2 take rate of 0.81% (2022 H2: 0.74%)
- In 2023 Boku completed approximately 125 new payment launches with existing and new merchants including Google, Meta, Microsoft, Amazon, Disney, Netflix, Spotify, Samsung, Sky and EA Games, through Boku's expanded global network of localised solutions. Of these launches, around half were for digital wallets and A2A connections.

*These represent alternative performance measures ("APMs") for the Group. Refer to the Non-IFRS financial information section of Boku's 2023 Annual Report for a glossary of the Group's APMs, their definition, the criteria for how adjusted EBITDA is considered, together with definitions of abbreviations.

Stuart Neal, Chief Executive of Boku, commented.*"These results demonstrate that Boku is in strong financial shape and poised to fulfil its potential to grow significantly in the world of Local Payment Methods, which now represent two thirds of all global online payment volumes. It is testament to our focus on delivering for our customers, combined with a clear long-term strategy, that we are expanding the relationships with all of our key global merchants, beyond our Direct Carrier Billing ('DCB') product, to now incorporate Digital Wallets and Account to Account ('A2A') schemes across the globe. 2024 has started strongly and with deals that are already in place, we have the ability to double the business over the mid-term, as previously stated, with additional value to be created from expansion into new verticals. I am beyond excited at the potential for growth in this business as we create the global network for localised payment solutions."*

Investor Presentation

The Company will provide a live investor presentation relating to the results via Zoom at 5.30 p.m. GMT today. The presentation is open to all existing and potential shareholders. Those wishing to attend should register via the following link:

https://us02web.zoom.us/webinar/register/WN_OccPOHOWQFCCVKfehEFuVQ

There will be the opportunity for participants to ask questions at the end of the presentation. Questions can also be emailed to boku@investor-focus.co.uk ahead of the presentation.

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Note to Editors:

Boku Inc. (AIM: BOKU) is a leading global network of localised payment solutions. Boku's mobile-first payments network, including digital wallets, direct carrier billing, and A2A (account to account)/real-time payments schemes, reaching over 7.5 billion mobile payment accounts through a single integration.

Customers that trust Boku to simplify sign-up, acquire new paying users and prevent fraud include global leaders such as Amazon, Meta Platforms, Google, Microsoft, Netflix, Sony, Spotify and Tencent.

Boku Inc. was incorporated in 2008 and is headquartered in London, UK, with offices in the US, India, Brazil, China, Estonia, France, Germany, Indonesia, Japan, Singapore, Spain, Taiwan and Vietnam.

To learn more about Boku Inc., please visit: https://www.boku.com

Chair's Statement

Boku has seen significant change since the last Annual Report setting us up well for sustainable future growth.

Our revenue growth has accelerated considerably thanks to broadening our range of local payment methods. As a result of our strong operational gearing, we are thus seeing strong adjusted EBITDA growth and increasing cash balances. I am very proud of the team effort that has achieved this.

We expect this growth to continue so we have embraced important changes in our organisation and how we present ourselves to the world. As a result, we are confident we are in great shape to deliver the next phase of our growth.

Now I would like to comment on some of the changes. First, I would like to thank Jon Prideaux, who retired as CEO at the end of 2023, for his enormous contribution to Boku's development. He was responsible for overseeing its growth over the past decade. Under his leadership, the Company has become an increasingly important player in the specialised payments world and he has built a team who perform with great skill and commitment and which has a culture to be admired.

When Jon shared his intention to retire it is fair to say the Board was very cognisant of the high regard staff and shareholders have for him in shaping our future plans. However, we were very fortunate to persuade Stuart Neal to return as CEO. He had been the CFO at the time of Boku's flotation in 2017 and then migrated internally to run our Identity division. With his help, that division was sold in 2022 and Stuart went with it. Fortunately for us, he left Twilio Inc, the new owner, early in 2023 which meant we could invite him back. Not only do the Board, staff and many investors hold Stuart in high regard, but this meant we avoided the risk of hiring someone unfamiliar with Boku. To make for a smooth transition, Jon, as CEO, and Stuart, as CEO designate worked together for the second half of 2023 and we are delighted that we have achieved a smooth and seamless transition and pleased that Jon is remaining on the Board as a Non-Executive Director.

We are also about to see the retirement of Stewart Roberts at the AGM as Senior Independent Director and Audit Committee Chair. I would like to thank him for his support and willingness to challenge our approach and decisions. That and his deep financial knowledge and experience of the payments industry will be missed, and I would like to wish him the very best in the future.

Again, we had the good fortune to be able to fill Stewart's roles from within our ranks. I am pleased that Charlotte

Again, we had the good fortune to be able to fill Stewart's roles from within our ranks. I am pleased that Charlotta Ginman, an existing Independent Non-Executive Director, has agreed to take on both of Stewart's roles for which she is well qualified.

Turning to the overall Board composition, after the AGM we shall have eight Directors in total, two Executives and six Non-Executives, four of which (myself included) are independent. I am proud of the wide range of experience of our Non-Executive team which includes the payments industry, telecoms, internet, Far East operations, accounting, HR, customer experience, ESG and public company board exposure. This depth of experience is complemented by a wide range of personal backgrounds from different countries and cultures.

As well as handling changes in the internal Boku team, we have also changed our auditors to PwC and appointed Investec as our NOMAD with Peel Hunt staying in place as one of our two brokers. I am pleased to welcome the new advisers to our support team and to thank Peel Hunt for agreeing to continue with us.

Revenue and profit growth are crucial to Boku's existence. However, we shall continue to pay close attention to each of the following:

- **Relevance and resilience**: Boku prides itself on its ability to satisfy customers' demanding requirements to support their growth. As our merchants include many of the major western digital companies, with some of the largest platforms on earth, they demand the highest standards.
- **Compliance and service**: As a payments company, we are proud of our ability to comply with regulatory requirements in the more than 50 countries where we operate. Compliance with regulations and high standards of customer service are central to our culture and are two of the secrets of our success.
- **Our people**: We value all our staff and treat them with the respect and consideration they deserve. We have, and intend to retain, high levels of staff loyalty and diversity. The Boku culture is, in my opinion, one of the most attractive features of this business.

We also welcome the recently revised QCA Code with which we shall comply. In particular, the Board has determined that all the Directors should be subject to an annual re-election starting this year at our AGM in 2024. To facilitate this, as a US incorporated company, we need to modify our constitution and the resolution for this will be put to shareholders at this year's AGM.

In conclusion, we are a company with the highest standards of technical skills, customer service and integrity. This underlines why we continue to supply payment services to the world's largest digital companies. Alongside this we have a culture which makes Boku an attractive place to work and allows us to hire and retain the very best staff wherever they may be based and whatever their backgrounds are.

In my opinion the outlook for Boku is extremely exciting. We have demonstrated through our impressive customer list that we have the skills to exploit changing opportunities in the payments world where demanding merchants are selling products to people in many countries with a wide range of regulations to adhere to. I expect to see our current rapid growth continuing, but I acknowledge the challenge of growing our staff at the pace we shall need. That is one reason our culture is so important to our future.

I remain extremely proud to be a member of the Boku team and would like to thank all my colleagues, Executive and Non-executive, for their continuing commitment to our exciting journey.

Richard Hargreaves
Non-Executive Chair
19 March 2024

Chief Executive Officer's Report

I am delighted to present my first set of financial results as CEO of Boku, in a year where the business achieved significant momentum, as demonstrated by growth in monthly active users, total processed volume, revenue, EBITDA and cash balances. But the financial results are an output measure delivered as a consequence of a clear strategy and lots of hard work by Boku colleagues around the world.

Picking up the baton - A smooth transition

I wish to formally recognise the significant contribution made by Jon Prideaux, Boku's CEO from 2014 to 2023, to these impressive results. It is true that financial results are a lagging indicator of strategic decisions and operational execution that happened in the past, and this is certainly the case with regards to our 2023 financial results.

The seeds of our current growth, specifically the ramp in Local Payment Method ("LPM") revenues, were sown way back in 2018, when, post a solid IPO, Boku began to search for routes to longer term strategic diversification. The ongoing themes covered in this report began life some time ago and are now beginning to bear fruit. When Jon took charge of Boku, the

Company had just over 100 staff, with revenues that were less than $20m annually and falling. It is testament to Jon's belief, drive and undying optimism that the Company posted 2023 revenues of over $82m, which equates to growth of 30% between 2022 and 2023.

Taking up the baton from Jon was always going to be challenging. After all, for the past ten years, Jon and Boku have been synonymous. Fortunately, however, my previous stints in senior leadership roles at Boku, including my time as CFO, have given me a deep appreciation and sensitivity to what makes the Company great, the embedded culture, the drivers of success and the heritage in carrier billing…more on this later.

It was with the thoughts of a winning relay team in mind that Jon has taken great care to ensure the Boku baton has been placed firmly in my palm so that I can take the Company on to the next phase in our growth story. My appointment as CEO comes after a six-month transition period, during which time I had the pleasure of being able to spend time with many of the 416 incredibly talented Boku colleagues from all over the world, hear from our global merchants about what's important to them and speak to many of our investors, including those who have been with us since IPO.

What I hear consistently from many of our key stakeholders is that they are excited about the future of Boku and the opportunity in front of us to establish ourselves as the number one global payment network for LPMs. Global-localisation will be the driver of growth in the payments industry over the coming years!

A Values Based Company

At the heart of our success are our incredibly talented people, who drive the business forward by embracing the company values - putting merchants first (with their end customers at front of mind), being ambitious, always collaborating and showing flexibility in how we operate. The Boku values are the cornerstone of how we do things, how we work with merchants to deliver world-class solutions and how we operate effectively as a globally distributed organisation. We are where our merchants need us to be.

We have strong momentum and proven product-market fit for our LPM payment network, which now incorporates both DCB and acceptance of local digital wallets and bank oriented A2A schemes. The challenge for Boku going forward is to ensure that we effectively scale the operations of the business in line with the size of the commercial opportunities that we have created for ourselves.

The acid test for LPMs - will DCB lead to Digital Wallets which will lead to A2A?

The question we asked ourselves was - can we take what we have learned from winning in the Direct Carrier Billing (DCB) world and win in the materially bigger 'pond' of cross-border payments? In addition to this, can we broaden our reach beyond digital products and make our network relevant to more merchants, more use cases, more segments?

The answer to both of the above questions has been a resounding YES. During the course of 2023, we broadened our partnership with ALL of our key global merchants beyond DCB and into LPMs. We have expanded our use cases from digital and gaming and into advertising, with broader e-commerce scheduled for mid-2024 launch.

We also witnessed significant inbound demand for marketing style services, that have seen Boku power consumer acquisition (bundling) programmes for the likes of Amazon Prime and more recently ComCast/Peacock's NFL streaming campaign for the 2023/4 SuperBowl playoffs. Supporting the biggest live streaming event in the history of the internet, demonstrates the resilience and scale of our platform.

We have the proof points that we need to have every confidence in our mid-term strategy.

The Network effect

Success for any payments company comes from building a virtuous circle - adding more payment methods brings more connected consumers which attracts more global merchants which attracts more payment methods, and so on…

During 2023 we added 27 new connections to our network, which now totals around 300 LPMs. We also enabled 125 new payment launches for our merchants during the year.

Across our network, monthly active users ("MAUs") continued to grow strongly by 29%, reaching 67.4 million in December, which included 6.7 million users from LPMs alone, growth of 78%.

The culmination of all of the above increases in activity across our network, led to Total Payment Volume ("TPV") processed growing to $10.5 billion, an increase of 19% compared with 2022. This includes TPV in relation to DCB which grew by 19% and other LPMs (digital wallets and A2A) which grew by more than 250% over the period.

Our financial performance is predicated on more people using our network, combined with our ability to generate margin by being increasingly useful to our merchants. The fact that we have simultaneously grown TPV and margins in 2023 is especially pleasing as it tells me that, right now, we continue to add value for our merchants.

Outlook - Steady as she goes, the strategy is working

I am delighted to be taking up the reins of a company that I truly believe in, with the incredible momentum we are currently experiencing.

The future of Boku will be one of evolution and not revolution. 2024 will see the Company continue along its current path - helping our merchants to grow cross-border, bringing them more users by adding more local payment connectivity. To ensure that we can continue to provide best in class service to our global merchants, with growing volumes and growing complexity across our platform, we will be investing in back-office processing and automation capabilities, incorporating a focus on continuous enhancement of our banking, treasury and settlement capabilities, making life easier for many of our merchants when it comes to doing business globally.

We will continue to invest in those core capabilities that will provide enablers to achieving long term sustainable growth and ensuring success in the Big Pond of cross-border payments, an exponentially bigger market than where we came from.

As we expand and grow, we will continue to respect and value the culture that got us to this point and allowed us to win at DCB. It is those very DCB genes that have equipped us to successfully add digital wallets and A2A to our network of LPMs. Being creative, collaborative and ambitious enough to turn messy, complex and dis-aggregated technologies into harmonised engines for growth.

I would like to reaffirm my belief in the previously stated ambitions to double the business in the mid-term. If we get this right, Boku can be a rocket ship and to quote a Pixar classic "to infinity and beyond!!"

Stuart Neal
Chief Executive Officer
19 March 2024

Chief Financial Officer's Report

Strong revenue and EBITDA growth driven by growth in Local Payments Methods

Group results

2023 was a highly successful year for Boku as we saw a 30% increase in revenues of $18.9 million to $82.7 million (FY22: $63.8 million). The primary driver of that success was growth of our connections to Local Payment Methods ("LPMs") for our global merchant base but we also saw good growth from Direct Carrier Billing ("DCB") merchant base but we also saw good growth from Direct Carrier Billing ("DCB").

Adjusted EBITDA* also grew strongly to $25.8 million (FY22 restated: $20.2 million[1]), in line with revenue growth, and this was net of one-off non-contractual bonuses to all of our staff in recognition of the highly successful year, together with a significant increase in contractual executive bonuses related to overperformance against both budget and market consensus expectations at the beginning of 2023. It's worth recalling that as we headed into 2023, market consensus expectations were revenues of $69.2 million and adjusted EBITDA of $22.9 million, so the actual over performance in 2023 was substantial. Group profit before tax from continuing operations for 2023 increased to $11.4 million (FY22: $4.1 million). Year-end cash balances increased considerably to $150.9 million (FY22: $116.5 million) even though we purchased £7.9 million of our own shares as part of our continuing share buyback programme.

Consolidated Statement of Comprehensive Income

Payments division (continuing operations)

Following the disposal of Boku's Identity division on 28 February 2022 Boku now only has one division - Payments.

Boku's Payments business was founded on Direct Carrier Billing ("DCB") which enables end user customers of Boku's merchants to charge payments to their phone bills, but our payments network has expanded in recent years to offer connections to offer other Local Payment Methods ("LPMs") such as digital wallets and real time Account to Account ("A2A") payments through its 'mobile-first' payments platform. These services are provided to many of the world's largest digital entertainment merchants including Amazon, Netflix, Meta/Facebook, Google, Spotify, Microsoft and Sony.

In 2023 the Company performed strongly with revenues increasing to $82.7 million (FY22: $63.8 million) an increase of 30% and 33% on a constant currency basis, which in turn delivered increased adjusted EBITDA of $25.8 million (FY22 restated: $20.2 million[1]). Growth comes from both the existing merchant base and from adding new carrier and LPM connections to new and existing merchants.

Total Payments Volume ("TPV") increased to $10.5 billion (FY22: $8.9 billion) while Monthly Active Users ("MAUs") grew by 29% to 67.4 million (FY22: 52.3 million) and 66.1 million new users made their first payment or bundling transaction with Boku during 2023 (FY22: 56.7 million).

We saw particularly strong growth in digital wallets and real time A2A payments: R evenues of $16.5m up 152% from $6.7m in 2022 following increasing adoption of these products by our key merchants; a 154% increase in volumes processed, compared to 2022; a 76% increase in MAUs of LPMs, to 6.7 million in December 2023 compared to 3.8 million in December 2022, while new users of LPMs increased 64% to 13.8 million in FY23 (FY22: 8.4 million).

[1] Right-of-use assets were restated to prepayments in the year ended 31 December 2022, see note 2 for further details.

In 2023 Boku completed approximately 125 new payment launches with existing and new merchants including Google, Meta, Microsoft, Amazon, Disney, Netflix, Spotify, Samsung, Sky and EA Games, through Boku's expanded mobile-first payments network. Of these launches, around half were for LPMs.

Our take rate increased to 0.79% in 2023, with H2 take rate of 0.81%, as a result of higher take rates from digital wallets which are all settlement model where we handle the cash and so charge higher fees. (FY22: take rate 0.72% with H2 at 0.74%).

We continued to invest in Boku's mobile-first payments platform in 2023 as we further expanded our LPM capabilities and continued our investment in Boku's regulated payment capabilities which now cover more than 60 markets where Boku is able to process regulated payments either directly or indirectly.

Adjusted Operating Expenses (continuing operations)

Adjusted operating expenses* for the continuing Payments business increased to $54.9 million (FY22: $41.8 million).

		restated[1]
	Year ended	Year ended
	31 Dec	31 Dec
	2023	2022
	$'000	$'000
Gross profit	80,670	61,993
Adjusted EBITDA	(25,799)	(20,238)
Adjusted Operating Expenses	**54,871**	**41,755**

[1] Right-of-use assets were restated to prepayments in the year ended 31 December 2022, see note 2 for further details.

This was due to a number of factors including significant payroll increases due to high wage inflation in all locations and additional headcount as we continued to invest in building out Boku's 'mobile-first' payments network globally. We also added capabilities in digital wallets and real time A2A payments globally, including a further expansion of our regulatory footprint by adding new licences and legal entities. These regulated payment capabilities now cover more than 60 markets.

The Group capitalised $5.4 million of internally generated intangible assets during the year compared with $4.9 million in 2022.

Discontinued operations (Identity division)

Following the disposal of Boku's Identity division to Twilio on 28 February 2022 the prior year comparatives included in the consolidated statement of comprehensive income include the results relating only to the continuing Payments business. The Identity results are shown separately under "discontinued operations". The final payment from Twilio was received in full on 9 September 2023. There was no gain or loss on disposal in 2023.

[1] Right-of-use assets were restated to prepayments in the year ended 31 December 2022, see note 2 for further details.

Adjusted EBITDA

Adjusted EBITDA for the full year 2023 was up 28% to $25.8 million (FY22 restated: $20.2 million[1]). This includes a one-time non-contractual bonus payment to all staff to recognise the considerable over achievement against budget and market expectations as well as contractual over performance bonuses to senior executives. In total these over-performance bonuses totalled approximately $2.0 million, which directly impacted EBITDA.

We continued our investment into expanding Boku's mobile-first network but still managed to achieve adjusted EBITDA margins of almost 32%. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, non-recurring other income, share-based payments expense, forex gains/losses and exceptional items.

Profit before tax from continuing operations

Profit before tax from continuing operations for 2023 was $11.4 million (FY22: $4.1 million). This can be broken down as follows:

- Gross margin increased to $80.7 million/98% (FY22: $62.0 million/97%).
- Share Based Payments expense increased to $7.6 million from $5.2 million in 2022 as we grew our headcount. The Share Based Payments expense comprises the IFRS 2 charge and related National Insurance expense. Boku continued with its policy of offering all staff share based awards annually. RSU and stock option charges are spread over three and four years respectively, and in line with their vesting conditions, from the date of grant. Of the $7.6 million booked in 2023, $0.6 million was paid out cash (FY22: $0.3 million) (relating to NI), the remainder was non-cash. All comparatives are for the continuing Payments business only.
- Depreciation and amortisation charges increased to $7.6 million (FY22 restated: $5.4 million[1])
- Foreign exchange movements resulted in a loss of $1.0 million (FY22: $0.8 million loss) mainly unrealised differences on the currency balances we hold.
- No amounts relating to intangibles were impaired in the year (FY22: $1.3 million related to impairment of the Fortumo domain and 'brand' which was discontinued). See also intangibles section below.
- Charitable donations were similar to 2022 at $0.3 million (FY22: $0.3 million).
- Financing expenses fell to $0.3 million in FY23 (FY22: $0.7 million). These costs relate to interest and set up fees on leases and bank loans/overdraft facility.
- Interest income increased significantly to $1.9 million (FY22: $0.2 million) as interest rates improved and we were able to move more funds onto longer term deposits.
- A fair value adjustment credit of $0.1 million (FY22: charge of $3.47 million) in relation to warrants granted in September 2022 to a subsidiary of Amazon Inc, Amazon.com NV Investment Holdings LLC (see note 3).
- Other income of $0.1 million (FY22: $0.8 million) related to income from Boku providing ongoing accounting services to Twilio following the sale of the Identity business to enable a smooth transition (also in FY22). This amount has been excluded from adjusted EBITDA as a non-trading, non-recurring item. These services to Twilio have now ceased.
- Tax charge of $1.3 million in the year (FY22: $0.2 million credit). Please see Note 7 for details.

[1] Right-of-use assets were restated to prepayments in the year ended 31 December 2022, see note 2 for further details.

Profit from discontinued operations, net of tax (comparative)

The 2022 comparative for profit from the discontinued Identity business of $24.6 million included a $25.2 million profit on disposal of Boku's Identity business to Twilio on 28 February 2022 net of disposal costs and offset by the Identity trading loss for the two months to the end of February 2022 (see note 8).

Profit after tax

The Group reported a net profit after tax of $10.1 million for the period (FY22: $28.9 million, primarily driven by profit from the disposal of the discontinued Identity division of $24.6 million, excluding this profit on disposal, profit after tax was $4.3 million).

Consolidated Statement of Financial Position

- Closing cash balances were $150.9 million at the end of 2023 (including restricted cash balances of $33.5 million) up from $116.5 million on 31 December 2022 (including restricted cash of $17.0 million). Boku also has a Revolving Credit Facility ("RCF") of £10.0 million with Citibank. At year end the RCF facility remained undrawn.
- The average daily cash balance, a measure which smooths out the effect of carrier, digital wallet and merchant payments, was $131.7 million in December 2023, up from $105.8 million in June 2023 and $98.8 million in December 2022.
- Deferred tax assets of $15.3 million were recognised at 31st December 2023 (FY22 restated: $15.5 million[2]). This restatement reflected an error in the usability of certain tax losses and future transaction volumes through its US and UK incorporated entities) and deferred tax liabilities of $182 thousand were recognised (FY22: $Nil).
- From a working capital perspective, current assets exceeded current liabilities at 31 December 2023 by $64.6 million compared with $55.1 million[1] at the 2022 year end.
- Intangible assets were $56.6 million as at 31 December 2023, compared to $56.2 million at 31 December 2022 due to year end revaluation into USD. The Payments CGU (cash generating unit) was assessed using discounted cashflows and determined that no impairment was required at 31 December 2023. Following the disposal of the Identity CGU in 2022 only the Payments CGU remains.
- Goodwill and other intangibles were assessed for impairment and it was determined no impairment was required as at 31 December 2023.
- Intangible assets are broken down as follows

	31-Dec 2023 $'000	31-Dec 2022 $'000
Goodwill	42,183	41,733
Other intangibles	14,437	14,497
Intangible assets	**56,620**	**56,230**

[1] Right-of-use assets were restated to prepayments in the year ended 31 December 2022, see note 2 for further details.

[2] Deferred tax in the year ended 31 December 2022 was restated, see note 2 for further details

Consolidated Statement of Cashflows

During the year there was a net increase in the cash and cash equivalents of $33.4 million (FY22: $59.6 million), excluding the effect of foreign currency translations.

Cash from operations before working capital changes was $23.1 million broadly in line with prior year at $22.0 million, however we saw large increases in trade and other payables of $70.9 million (FY22: increase of $40.3 million) due to timing of payables to merchants as daily settlement to merchants of funds received from digital wallets was delayed over the Christmas shut down at the merchants' request. This was largely offset by an increase in receivables of $53.0 million (FY22: increase of $12.3 million) for similar reasons as receipts from carriers and wallets were delayed. This situation largely reversed after year end when Boku paid funds delayed over Christmas to merchants and received the delayed funds from carriers and wallets.

We purchased £7.9 million (FY22: £1.6 million) of our own shares in 2023 to cover employee RSU awards and Amazon warrants, per notes 20 and 23.

Amazon contract and warrants

On 16 September 2022, an Amazon Inc. subsidiary, Amazon.com NV Investment Holdings LLC ("Amazon"), signed a multi-year agreement with Boku to connect to new Local Payment Methods in multiple geographies which validated Boku's move into offering the new Local Payments Methods including digital wallets and real-time A2A payments via our expanded mobile-first network. In conjunction with the agreement, Boku entered into a stock warrant agreement with Amazon allowing them to acquire up to 3.75% (11,215,142 shares) of Boku common stock at 81.20p per share based on Amazon spend with Boku over a seven-year period. 747,676 shares of common stock vested immediately on the signing of the warrant agreement on 16 September 2022.

The warrant valuation resulted in recognition of a warrant contract asset of $2.0 million (FY22: $1.7 million) and a $5.5 million (FY22: $5.2 million) contract liability as at 31 December 2023. Please refer to Note 23 for full details.

Looking Ahead

In 2023 revenues grew $18.9 million to $82.7 million compared to growth of $1.0 million in 2022. That 2023 revenue growth was a significant achievement and we rightfully rewarded all of our staff with a one-off bonus to reflect the significant over-performance against our internal budget and external market consensus expectations at the start of 2023. This revenue success has seen similar percentage growth in EBITDA despite Boku also continuing to invest in its mobile-first platform in order to take advantage of the opportunities in Local Payment Methods worldwide, in particular Account to Account, as well as investment to allow Boku to scale to meet the significant transaction and cash processing volumes we expect to see over the next few years. In our Capital Markets Day in February 2023, I outlined how we believed Boku could double its revenues in the medium term and that in turn would result in an expansion of adjusted EBITDA margins once the heaviest investment phase was over - and with 30% revenue growth in 2023 we remain confident that goal is achievable and quicker than we imagined back in February.

We are pleased with the 2023 financial results and the substantial progress we have made and believe the Company is well positioned for 2024 to exploit the substantial opportunities it has. We look forward to the future with confidence.

Keith Butcher
Chief Financial Officer
19 March 2024

Strategic Report

Boku - Enabling businesses to unlock growth by freeing their customers to pay the way they want, wherever they are in the world

The world of payments is changing before our eyes.

Ever since the mobile revolution of the 1990s and the introduction of smartphones in the 2000s, across the world, consumers are choosing increasingly to manage their lives via apps (or 'Super Apps') on their mobile devices …and that, importantly, also includes how they choose to pay for goods and services. After 50 years of standardisation in payments, driven by global card networks, who offered a harmonised user experience aimed initially at face-to-face transactions via point-of-sale devices, the modern consumer is seeking something different: Payment choice and the familiarity of their local brands.

Enter the Local Payment Method ("LPM") revolution

LPM is a broad term to capture a preferred domestic (or perhaps regional) payment type that is popular among consumers, but is not part of a globally harmonised payment brand, such as Visa or MasterCard. Included within this definition (but not exhaustively) are digital wallets, domestic Bank-run Account to Account ("A2A") (real time payments) schemes and Direct Carrier Billing ("DCB").

In a world now dominated by mobile commerce, the use of plastic cards seems a somewhat old-fashioned concept when it comes to completing a transaction, and relying on them excludes many people around the world from participating in global digital platforms. Payments are becoming an embedded part of the way in which companies attract, onboard, service and retain consumers. Global organisations are acutely aware of the need to offer payment choice as a means of accessing and retaining the largest pool of consumers in each individual country they choose to operate within. That's where Boku comes in.

The problem for such large global merchants is how to access what are disparate and non-standardised LPMs. After all, the beauty of the card networks is that everything works the same, wherever you happen to be in the world. Standardisation is the key.

However, **no two LPMs are the same**; have the same technology; same way of operating; same APIs; same underlying commercial framework. To solve this, Boku has created a platform which connects to over 300 funding sources, creating a global network of LPMs to help many of the world's largest digital merchants grow in territories where connecting to card networks simply isn't enough. The Boku network offers merchants one simple API connection that provides a slick, tokenised payments experience for an end customer that allows for repeat transactions and subscriptions, irrespective of the underlying funding source. Put simply, Boku deals with the complexity of LPMs and harmonises connectivity for our global merchants and their customers.

Importantly, the shift toward LPMs is not just a developing markets phenomenon. Whilst it is true that, in certain countries, the emergence of LPMs has been to leapfrog the investment in card-based technology, driven by the need for respective governments to drive financial inclusion through rapid deployment of new payment technologies (India for example). In many developed markets (Italy, Sweden, Switzerland, Spain, China, Korea, to name a few) the rise of the digital wallet has been driven by demographic preference, the 'Gen Z' effect, whereby an entire generation is growing up with no affinity to plastic cards, but a high expectation when it comes to user experience and convenience. It is also reasonable to say that technology and regulation have been equally influential in instigating the rapid emergence of direct A2A banking payments, which allow for a wallet-style mobile experience, but with a direct link to a user's bank account (ref UPI in India, PIX in Brazil, PromptPay in Thailand, Open Banking in the EU).

Why our merchants choose Boku - The bundle of services

At Boku, we see ourselves as a growth partner to our large global merchants and not merely a supplier of payment services. This tying of our own success to the success of our merchants ensures that our goals are mutual and clearly linked.

It may not be immediately obvious, even to those who study the payments landscape closely, but there is a subtle but important difference between the role of Boku and that played by more mainstream card (payment) processors. Over the past 20 years, the goal of the global payment processor has been to generate economies of scale through large M&A combinations and standardisation of product and processes, hinged around well-established protocols issued by the card networks (e.g. Visa and MasterCard). Boku, to the contrary, has been aggregating disparate local payment methods (and bank operated schemes) globally, creating a network that adds value by dealing with complexity and tailoring our offering to each of our large global merchants. In this arena, Boku's focus is on customisation and specialisation.

Over the same 20-year period, LPMs have grown in popularity to now comprise over two-thirds of global online payment volume. *(source: Worldpay]*

The role of Boku is therefore threefold:

1) 'Before a transaction'

To help our merchants to commercialise in places where customer payment choice is key to commercial success. Offering better payment choice also brings with it the opportunity for consumer acquisition. During 2023, Boku helped our merchants to add over 66 million new paying consumers through a number of targeted bundling and user acquisition programmes.

2) 'During a transaction'

To create 'effective simplicity' by connecting to popular local payment methods around the world and then working with our merchants to build APIs that provide a frictionless user experience and consequently have the highest possible user conversion rate (payment success).

3) 'After a transaction'

To move money, convert currencies and remit funds in multiple countries. Allowing consumers to pay in local currencies and enabling merchants to receive funds in whichever currency they wish.

At the heart of our momentum is the incredible set of assets that have been created by Boku. Boku's network now spans more than 70 countries and connects to around 300 LPMs, including over 240 Mobile Network Operators plus 52 digital wallets & local Banking (A2A) schemes. Supporting this technical infrastructure are licences to move money in over 60 countries worldwide, underpinned by banking facilities covering 34 currencies via 190 distinct bank accounts.

The Next Stages of Growth:

To capitalise on the significant foundations and momentum that we have created, the Company has identified a number of key strategic focus areas to ensure success over the coming years.

- Continued development of the LPM network
  - Our heritage in delivering complex connectivity to mobile operator billing capability globally has created an expertise in-house that places the business in a unique position to be successful when it comes to connecting to local digital wallets and domestic bank schemes. We will continue to grow our global reach in line with demands of our merchants.
- Deliver Account to Account (A2A) payments for mobile commerce
  - Banks around the world are investing $millions in developing 'open banking' style real time networks that are increasingly being used to power commerce - reference UPI in India or PIX in Brazil. This new style of payment methods comes with some added nuances - such as real time cleared funds and the requirement for direct scheme participation.
- Marketing via LPMs
  - This may be the world's fastest growing marketing channel. Boku's network can now connect to seven billion standalone consumer accounts. That equates to a lot of eyeballs and a significant opportunity for our merchants to market services using Boku's network.
- Expand Banking and settlement capabilities - moving the money
  - To fully capitalise on the opportunity generated by the LPM network, Boku will be adding increasing value to our merchants by continuing to invest in our ability to process, reconcile, convert and settle funds globally.

'You're going to need a bigger boat!'

Of course, executing on all of the above is not straightforward or easy. There is a reason that many of the most successful payments companies in the world are themselves giant global organisations. Servicing a global payments network for large global companies requires scale itself, to efficiently connect demand and supply, authenticate, secure and process a material value of commerce through one centralised platform takes enormous corporate muscle.

To ensure that we continue to win in Direct Carrier Billing ("DCB") and digital wallets, but also to press our advantage in emerging A2A commerce, Boku will be making strategic investments for long term growth in core back-end processing capabilities, driving automation in the back office, introducing sophisticated tooling for our engineers (including early exploration of AI), adding bench strength in our finance operations, governance and compliance teams whilst layering on dedicated customer success capabilities.

To get ourselves ready for the next period of expansion - it's not sufficient to simply reach the 'Big Pond' of global cross-border payments - we have to win in the Big Pond! Boku is no longer a start-up, we are scaling up. To access the material opportunity provided by the world of local payments, the company is increasing scalability across all facets of the organisation - from sales & product, through to engineering, legal/regulatory & finance.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	Year ended 31 December 2023 $'000	restated* Year ended 31 December 2022 $'000
Continuing operations			
Revenue	3	82,720	63,764
Cost of sales		(2,050)	(1,771)
Gross profit		80,670	61,993
Administrative expenses	4	(71,057)	(54,742)
Other Income		103	755
Operating profit		9,716	8,006
Fair value gain/ (loss) on warrants	3, 23	53	(3,470)

Finance income	6	1,887	201
Finance expense	6	(249)	(675)
Profit before tax from continuing operations		11,407	4,062
Taxation	7	(1,321)	237
Profit from continuing operations		10,086	4,299
Profit from discontinued operations	8	-	24,605
Total profit for the year		10,086	28,904
Other comprehensive income/ expense net of tax			
Items that will or may be reclassified to profit or loss:			
Foreign currency gain/(loss) on translation of foreign operations		1,572	(3,576)
Total other comprehensive income/ (expense) for the year		1,572	(3,576)
Total comprehensive income for the year attributable to equity holders of the parent company		11,658	25,328
Earnings per share	9		
Total			
Basic EPS ($)		0.0339	0.0969
Diluted EPS ($)		0.0322	0.0934
from continuing operations			
Basic EPS ($)		0.0339	0.0144
Diluted EPS ($)		0.0322	0.0139
Alternative performance measures			restated*
Adjusted EBITDA[1]		25,799	20,238

*The prior year has been restated to exclude the fair value loss on warrants from administrative expenses, further details can be found in note 2.

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

[1] Adjusted EBITDA is a non-IFRS measure defined as earnings before interest, tax, depreciation, amortisation, non-recurring income, share based payment expense, foreign exchange gains/(losses) and exceptional items.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

			Restated*	restated*
		31 December	31 December	1 January
		2023	2022	2022
	Note(s)	$'000	$'000	$'000
Non-current assets				
Property, plant and equipment	10	758	696	669
Right-of-use assets	10	2,784	3,233	4,661
Intangible assets	11	56,620	56,230	63,117
Warrant contract asset	3, 23	1,840	1,519	-
Deferred tax assets	7	15,306	15,518	15,981
Total non-current assets		77,308	77,196	84,428
Current assets				
Trade and other receivables	13	148,522	90,509	82,897
Warrant contract asset	3, 23	122	192	-
Financial asset at fair value through profit or loss		-	5,600	-
Cash and cash equivalents	14	150,859	116,513	62,440
Total current assets		299,503	212,814	145,337
Total assets		376,811	290,010	229,765
Current liabilities				
Trade and other payables	15	233,049	156,263	119,641
Current tax payable		509	222	-
Bank loans and overdrafts	17	-	-	1,125
Current lease liabilities	16	1,370	1,277	1,335
Total current liabilities		234,928	157,762	122,101
Non-current liabilities				
Other payables	15	979	1,194	1,700
Warrant liabilities	3, 23	5,511	5,206	-
Deferred tax liabilities	7	182	-	456
Bank loans		-	-	6,688
Non-current lease liabilities	16	1,682	2,272	3,498
Total non-current liabilities		8,354	8,672	12,342
Total liabilities		243,282	166,434	134,443
Net assets		133,529	123,576	95,322
Equity attributable to equity holders of the company				
Share capital	18	29	29	29

Other reserves	19	255,249	252,385	246,883
Foreign exchange reserve	19	(4,718)	(6,290)	(2,714)
Treasury shares	19	(6,628)	(1,835)	-
Retained losses		(110,403)	(120,713)	(148,876)
Total equity		133,529	123,576	95,322

*Deferred tax positions and right-of-use assets in the year ended 31 December 2022 and opening balances as at 1 January 2022 have been restated, further details can be found in note 2.

The financial statements were approved by the Board for issue on 19 March 2024

Stuart Neal
Chief Executive Officer

Keith Butcher
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note(s)	Share capital $'000	Other reserves $'000	Foreign exchange reserve $'000	Treasury shares $'000	Accumulated losses $'000	Total Equity $'000
Equity as at 1 January 2022		29	246,883	(2,714)	-	(161,752)	82,446
Correction of error		-	-	-	-	12,876	12,876
Equity as at 1 January 2022 (restated*)		29	246,883	(2,714)	-	(148,876)	95,322
Comprehensive income/ (expense)							
Profit for the year		-	-	-	-	28,904	28,904
Other comprehensive income/ (expense)		-	-	(3,576)	-	-	(3,576)
Total comprehensive income for the year attributable to equity holders of the parent company		**-**	**-**	**(3,576)**	**-**	**28,904**	**25,328**
Transactions with owners in their capacity as owners							
Issue of share capital upon exercise of stock options and RSUs		-	470	-	-	-	470
Taxation adjustment on share-based payment*		-	-	-	-	(741)	(741)
Share-based payments expense	20	-	5,032	-	-	-	5,032
Purchase of treasury shares		-	-	-	(1,835)	-	(1,835)
Equity as at 31 December 2022 (correction of error*)		**29**	**252,385**	**(6,290)**	**(1,835)**	**(120,713)**	**123,576**
Comprehensive income							
Profit for the year		-	-	-	-	10,086	10,086
Other comprehensive income		-	-	1,572	-	-	1,572
Total comprehensive income for the year attributable to equity holders of the parent company		**-**	**-**	**1,572**	**-**	**10,086**	**11,658**
Transactions with owners in their capacity as owners							
Issue of share capital upon exercise of stock options and RSUs		-	406	-	-	-	406
Share-based payment expense	20	-	7,467	-	-	-	7,467
Taxation adjustment on share-based payment		-	-	-	-	224	224
Purchase 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**

*Deferred tax positions in the prior years ended 31 December 2022 and opening balances as at 1 January 2022 have been restated, further details can be found in note 2.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note(s)	**Year ended 31 December 2023 $'000**	Year ended 31 December 2022 $'000
Operating activities			
Cash generated from operations	22	**40,935**	49,966
Income taxes paid		(338)	(314)
Net cash from operating activities		**40,597**	**49,652**
Investing activities			
Purchase of property, plant and equipment	10	(434)	(470)
Payments for internally developed software	11	(5,430)	(4,866)
Proceeds from discontinued operations (net of cash disposed)	8	5,600	26,545
Proceeds from sale of assets		-	1
Interest received	6	1,887	201
Net cash (used in)/ from investing activities		**1,623**	**21,411**
Financing activities			
Principal elements of lease payments	16	(1,478)	(1,556)
Interest paid on leases	16	(171)	(235)
Issue of share capital on exercise of options and RSUs		406	470
Purchase of treasury shares		(9,802)	(1,835)
Cash received on sale of treasury shares		2,333	-
Interest paid on loan	6	(78)	(127)
Loan settlement costs		-	(25)
Repayment of bank loan		-	(8,125)
Net cash used in financing activities		**(8,790)**	**(11,433)**
Net increase in cash and cash equivalents		**33,430**	59,630
Effect of foreign currency translation on cash and cash equivalent		**916**	(5,557)
Cash and cash equivalents at beginning of year		**116,513**	62,440
Cash and cash equivalents at end of year	14	**150,859**	**116,513**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

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

These consolidated financial statements comprise the Company (Boku, Inc.) and its subsidiaries (together referred to as the "Group").

The principal business of the Group is the provision of local payment solutions for its merchants.

Boku's payments network provides multiple mobile payment methods, including via digital mobile wallets, direct carrier billing and real-time account to account payment schemes.

Going concern
The consolidated financial statements have been prepared on a going concern basis. The Group meets its day-to-day working capital requirements through its cash balances and also has a revolving credit facility that it can use. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to be able to operate within the level of its current cash resources and bank facilities. Further information on the Group's borrowings and available facilities is given in Note 17 to these consolidated financial statements.

The Directors have prepared cash-flow forecasts covering a period of at least 12 months from the date of approval of the financial statements to December 2024, to which they foresee that the Group will be able to operate within its existing facilities.

Furthermore, in carrying out the going concern assessment, the Directors considered a number of scenarios, including revenue falling between 29% and 9% over the forecast, which would bring profit before tax in 2024 to break-even. This is a severe but plausible scenario and it was concluded that the business would still have adequate resources to continue in operational existence for at least 12 months from the approval of the accounts. Management also has the ability to identify cost savings, if necessary, to help mitigate any impact on cash outflows.

The ongoing Russia/Ukraine conflict has not had a material impact on Group revenues.

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 at least the next 12 months from the date of signing these financial statements. Accordingly, these financial statements are prepared on a going concern basis.

2. Accounting policies

Basis of preparation
The financial information has been prepared using the historical cost convention, except for derivative financial liabilities recognised, as stated in the accounting policies below. These policies have been consistently applied to all years presented, unless otherwise stated.

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

The consolidated financial statements have been prepared on a going concern basis. These financial statements have been prepared for a 12-month calendar year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated financial statements are disclosed below in, "critical accounting estimates, assumptions and judgements". There are deemed to be no new standards, amendments and interpretations to existing standards, which have been adopted by the Group, that have had a material impact on the financial statements effective from 1st January 2023.

The Group's consolidated financial statements are presented in US Dollars, rounded to the nearest thousands (expressed as $'000) unless otherwise indicated. The main functional currencies for the Company's subsidiaries are US Dollar, Euro and Pounds Sterling.

Basis of consolidation

The consolidated financial statements presents the results of the Company and its entities controlled by the Company ("the Group") made up to 31 December 2023.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are achieved: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Intercompany transactions and balances between Group companies are eliminated in full on consolidation.

The consolidated financial information incorporates the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. A list of the subsidiary undertakings is given in Note 12 of the financial information.

There were no business transaction costs accounted for as a deduction from equity in the current or prior year.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Costs related to acquisitions, other than those directly attributable to the issue of debt or equity, are expensed as incurred.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the profit or loss.

Restatement

During the change in auditors, an error in application of deferred tax recognition was identified relating to the look forward period for future taxable profits. As a result, it was identified, that the Group had under-recognised deferred tax assets from prior years. Accordingly, the opening consolidated statement of financial position as at 1 January 2022 and year ended 31 December 2022 has been restated. The opening balances at 1 January 2022 had increased deferred tax assets recognised from $3,105k to $15,981k and the year ended 31 December 2022 had increased deferred tax assets recognised from $3,383k to $15,518k. The net deferred tax asset recognised as at the 31 December 2023 balance sheet date is $15,124k (FY22: $15,518k).

The consolidated statement of comprehensive income in the year end 31 December 2022 has been restated to move the fair value gain/(loss) on warrants from administrative expenses to a separate line below operating profit, to more appropriately reflect the accounting judgement.

Additionally, for the year ended 31 December 2022 and opening balances as at 1 January 2022 amounts previously accounted for under IFRS 16 as right-of-use assets of $429k and $340k respectively, were restated to prepayments in the consolidated statement of financial position. In 2022, notes 4, 10 and 13 have also been restated to reflect the movement to prepayments and the reduction in depreciation of $226k.

None of these adjustments have had any impact on the consolidated statement of cash flows.

Deferred tax

	As originally reported	Effect of restatement	Group restated amounts
1 January 2022	**$'000**	**$'000**	**$'000**
Consolidated statement of Financial Position (extract)			
Deferred tax asset	3,105	12,876	15,981
Accumulated losses	161,752	(12,876)	148,876
Consolidated Statement of Changes in Equity (extract)			
Total equity	**82,446**	**12,876**	**95,322**
Deferred Tax			
Net opening position	**253**	**-**	**253**
Net recognition in the year	**2,396**	**12,876**	**15,272**
P&L	2,359	-	2,359
Equity	-	12,876	12,876
Foreign exchange revaluation	37	-	37
Net closing position	**2,649**	**12,876**	**15,525**

A deferred tax asset (liability) has not been recognised for the following (Gross):			
Non-deductible Reserves	39	(39)	-
Accrued Compensation	84	(84)	-
Stock Based Compensation	1,819	227	2,046
Other temporary and deductible differences	527	(527)	-
Unused tax credits	189	(189)	-
Unused tax losses	27,952	94,840	122,792
Total deferred tax assets (not recognised)	**30,610**	**94,228**	**124,838**

31 December 2022	As originally reported $'000	Effect of restatement $'000	Group restated amounts $'000
Consolidated Statement of Financial Position (extract)			
Deferred tax asset	3,383	12,135	15,518
Accumulated losses	132,848	(12,135)	120,713
Consolidated Statement of Changes in Equity (extract)			
Opening balance (Total equity)	**82,446**	**12,876**	**95,322**
Profit for the year	28,904	-	28,904
Other comprehensive loss	(3,576)	-	(3,576)
Correction of error	3,667	(741)	2,926
Closing balance (Total equity)	**111,441**	**12,135**	**123,576**
Deferred Tax			
Net opening position	**2,649**	**12,876**	**15,525**
Net recognition in the year	**734**	**(741)**	**(7)**
P&L	733	-	733
Equity	-	(741)	(741)
Foreign exchange revaluation	1	-	1
Net closing position	**3,383**	**12,135**	**15,518**
A deferred tax asset (liability) has not been recognised for the following (Gross):			
Non-deductible Reserves	60	(60)	-
Accrued Compensation	56	(56)	-
Stock Based Compensation	1,939	(1,698)	241
Other temporary and deductible differences	321	(321)	-
Unused tax credits	189	(189)	-
Unused tax losses	11,082	17,976	29,058
Total deferred tax assets (not recognised)	**13,647**	**15,652**	**29,299**

Fair value gain or loss on warrants

The prior year consolidated statement of comprehensive Income has been restated to exclude fair value loss on warrants of $3,470k from administrative expenses. The impact on operating profit is detailed below:

31 December 2022	As originally reported $'000	Effect of restatement $'000	Group restated amounts $'000
Consolidated Statement of Comprehensive Income (extract)			
Gross profit	61,993	-	61,993
Administrative expenses	(58,212)	3,470	(54,742)
Other Income	755	-	755
Operating profit	4,536	3,470	8,006
Fair value loss on warrants	-	(3,470)	(3,470)
Finance income	201	-	201
Finance expense	(675)	-	(675)
Profit before tax from continuing operations	4,062	-	4,062

Right-of-use assets

31 December 2022	As originally reported (after restatement from FV g/l warrants)* $'000	Effect of restatement $'000	Group restated amounts $'000
Consolidated Statement of Financial Position (extract)			
Non-current assets			
Right-of-use assets	3,662	(429)	3,233
Current assets			
Trade and other receivables	90,080	429	90,509

Alternative performance measures (extract)

Alternative performance measures (extract)			
Adjusted EBITDA	20,464	(226)	20,238

1 January 2022	**As originally reported** **$'000**	**Effect of restatement** **$'000**	**Group restated amounts** **$'000**
Consolidated Statement of Financial Position (extract)			
Non-current assets			
Right-of-use assets	5,001	(340)	4,661
Current assets			
Trade and other receivables	82,557	340	82,897

Adoption of new and revised standards

New and amended standards that are effective for the current year

A number of new or amended standards became applicable from 1 January 2023 and as a result the Group has applied the following standards:

- Amendments to IFRS 16: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IFRS 3: Reference to Conceptual Framework
- Amendments to IAS 1: Presentation of Financial Statements - Classification of Liabilities
- Amendments to IAS 37: Onerous Contracts - Cost

The above requirements did not have a material impact on the consolidated financial statements. There are no other new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2023 that would be expected to have a material impact on the Group.

New standards, interpretations and amendments not yet effective

Name	Description	Effective date
IAS 1 (amendments)	Non-current liabilities with covenants	1 January 2024

The Directors do not expect the adoption of these standards and amendments to have a material impact on the consolidated financial statements.

Critical accounting estimates, assumptions and judgements

In preparing these consolidated financial statements, the Group has made its best estimates and judgements of certain amounts, giving due consideration to materiality. Actual results may differ from those reported.

The Group regularly reviews these estimates and judgements and updates them as required. Unless otherwise indicated, the Group does not believe that there is a significant risk of a material change to the carrying value of assets and liabilities within the next financial year related to the accounting judgements and assumptions described below.

The Group considers the following to be a description of the most significant estimates and judgements, which require the Group to make subjective and complex judgements related to matters that are inherently uncertain.

Judgements

Goodwill, Intangible assets acquired in a business combination

The useful economic lives of intangible assets (other than goodwill) acquired in a business combination are estimated in order to calculate the appropriate amortisation charge. Goodwill is subject to an annual impairment review which is performed by comparing the balance value with the recoverable amount of the asset or CGU.

Annually for Goodwill, or where an indication of impairment exists, value in use calculations are performed to determine the appropriate carrying value of the asset. The value in use calculation requires the estimations of the future cash flows expected to arise for the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. See note 11 for specific judgements and assumptions used to calculate the value in use of the CGU.

It is necessary to consider the forecasted cashflow of the Group when comparing against the carrying value and why it has been considered that there is only one payments CGU. This is since the contracts in place with a merchant, regardless of whether they have been acquired will generally follow the same cashflow for that specific merchant.

Discontinued operations

The Identity business was sold on 28th February 2022 and the result of the sale is presented in Note 8 Discontinued operations.

Capitalised internally generated intangible assets

Other intangible assets include acquired merchant relationships, IT Platforms and Domain names as well as internally developed intangibles (capitalised development costs). Acquired intangible assets are recognised at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful lives. Initial capitalisation cost for internally generated intangibles is based on the developer estimate of the time spent on development projects.

Deferred tax

In recognising income and deferred tax assets, management makes judgements of the likely outcome of future taxable profits for certain jurisdictions. Judgements are also made regarding the probability of these forecasts.

Critical accounting Estimates

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Where such a model is required, the Group uses the Black Scholes model to calculate its share-based payments expense (please refer to Note 20 for full details).

Taxation

Taxation
In recognising income and deferred tax assets, management makes estimates of the likely outcome of future taxable profits for certain jurisdictions. Where the outcome of such matters is different or expected to be different from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the period in which such a determination is made.

Fair value measurement - Amazon warrants

The Group's accounting for warrants issued to Amazon is determined in accordance with accounting standards for financial instruments and revenue recognition. The initial fair value of the warrants issued were recognised as a contract asset and liability respectively (see note 3 for more details). The contract asset is amortised to revenue (reducing revenue) over the 7-year vesting period based on Amazon revenue earned to date as a proportion of total estimated Amazon revenue 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 recorded as gains or losses in profit or loss. The determination of fair values involves assumptions and estimates of revenue and share price volatility, risk-free rate, and future Amazon revenues. Due to the long-term nature of the warrants, such estimates involve significant estimation uncertainty.

Revenue from contracts with customers
Boku builds custom digital payment connections between many payment methods (LPMs) and merchants.

The merchant's end users will make an online purchase via a LPM, Boku will provide the reconciliation, connection and often transfer of these funds from the LPM to the Merchant. Revenue generated is the service fee from this connection. In this regard, Boku acts as the agent between the merchant and LPMs.

For each connection with a merchant, a contract is agreed. It is determined that there is one performance obligation for each contract, being the facilitation of the payment connection between the merchant and their end users. This service fee is recognised at a point in time as the obligation is fulfilled when the transaction occurs, since the risks and rewards have been transferred on completion of the transaction. Therefore, there is no deferred revenue recognised in the current or prior year.

Revenue is initially recorded as accrued income prior to receiving a statement of information from the LPMs. Accrued income is recognised as a contract asset within trade and other receivables.

Collection of service fees will vary depending on the nature and agreement between each merchant.

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

i. Settlement
For each purchase a merchant's end user makes, Boku will collect the funds from the LPM, deduct a service fee and pass the net funds on to the merchant. On initial receipt of a statement of information from the LPM, accrued revenue is recognised as a percentage of the underlying transaction and a corresponding payable is recognised as a contract liability within trade and other payables, representing the amount owed from the LPM.

Amounts become due to the merchant on receipt of funds from the LPM and are settled in the original currency of the transaction.

Additional settlement fees may arise under the following circumstances:

a) Foreign currency translation fees
An additional foreign exchange fee is charged when settlement is required by the merchant in another currency.

b) Advanced payment service fees
An additional fee is charged when the merchant requires early settlement, prior to Boku receiving funds from the LPM.

ii. Transactional
Boku will provide the connection between the merchant and their end user and the LPM will pay the funds directly to the merchant. A service fee is then due from the merchant to Boku.

Identity Revenue (discontinued)
On 28 February 2022, the Group sold its entire Identity business (Boku Identity Inc. and its 100% subsidiary Boku Mobile Solution Ireland Ltd) to Twilio (see Note 8 for full details).

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
• represents a separate major line of business or geographical area of operations;
• is part of a single co ordinated plan to dispose of a separate major line of business or geographical area of operations; or
• is a subsidiary acquired exclusively with a view to resale.
Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale (see Note 8 for details).

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re presented as if the operation had been discontinued from the start of the comparative year.

Cost of sales
Cost of sales is primarily related to the monthly fees and some service charges from MNOs and other providers, customer services fees, some marketing expenses and bad debt.

Operating Segments
The Group determines and presents operating segments-based information provided internally to the Group's operating decision makers, defined in the Group as the General Management Committee ("GMC").

The Board considers that the Group's provision of a payment platform for the payment processing of virtual goods and digital goods purchases constitutes one operating and one reporting segment (*Payments segment*). Management reviews the performance of the Group by reference to total results of a segment against budget on a monthly basis.

Retirement Benefits: Defined contribution schemes
The Group operates various pension schemes in various jurisdictions, all being defined contribution schemes (pension plans). A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

In the United States, the Group has a 401(k) plan, a type of defined contribution scheme in which all United States employees can participate after meeting eligibility requirements. Participants may elect to have a portion of their salary deferred and contributed to the scheme up to the limit allowed by applicable income tax regulations. The Company has made a matching contribution to the scheme for the years ended 31 December 2023 and 31 December 2022.

Contributions to defined contribution schemes are charged to the consolidated statement of comprehensive income in the year to

Contributions to defined contribution schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Intangible assets and Goodwill

Goodwill
Goodwill arising on consolidation represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired from the business combination, at the date of acquisition. Costs directly attributable to the acquisition are expensed in the period. Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

An impairment in carrying value is charged to the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed.

For the purposes of impairment testing, Goodwill is allocated to the Group's cash generating unit (CGU). Goodwill is not amortised but is tested annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The major assumptions are disclosed in note 11.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Intangible assets acquired as part of a business combination
Intangible assets acquired in a business combination are identified, valued and recognised separately from goodwill where they satisfy the definition of an intangible asset. All intangible assets acquired through business combinations are amortised over their useful lives.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired.

Externally acquired intangible assets
Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Internally generated intangible assets (development costs)

Expenditure on internally developed software products and substantial enhancements to existing software product is recognised as intangible assets only when the following criteria are met:

1. it is technically feasible to develop the product to be used or sold;
2. there is an intention to complete and use or sell the product;
3. the Group is able to use or sell the product;
4. use or sale of the product will generate future economic benefits;
5. adequate resources are available to complete the development; and
6. expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready to use. The costs include external direct costs of materials and services consumed in developing and obtaining internal-use computer software, and payroll and payroll-related costs for employees who are directly associated with and who devote time to developing the internal-use software. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of comprehensive income as incurred.

Amortisation rates
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the statement of comprehensive income within administrative expenses. Goodwill is not amortised.

The significant intangibles recognised by the Group and their 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

Trademarks do not expire after a period of time (unlike patents and copyrights). They exist as long as the owner continues to use the trademark. Therefore, trademarks are considered to have an indefinite life, and are not amortised, as trademarks can retain their value forever, and contribute to net cash inflows indefinitely. Trademarks will not be amortised as their useful life is determined to be infinite.

Property, plant and equipment
Property, plant and equipment are held under the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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 the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value 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
Right-of-use assets	Shorter of useful life of the asset or lease term

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the consolidated statement of comprehensive income.

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.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, Restricted Cash (see below and note 14) and other short term highly liquid investments with original maturities of three months or less.

Restricted cash
The Group holds merchants' cash in transit and in segregated accounts of some of its regulated subsidiaries and discloses restricted cash separately from own cash. Other funds not available to the Group are also classified as restricted and presented as restricted cash.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets are classified on initial recognition at fair value and then subsequently measured at amortised costs, fair value through other comprehensive income and fair value through profit or loss.

i. Financial assets at amortised cost
The Group's financial assets mainly comprise of cash, trade and other receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (trade receivables), but also incorporate other types of contractual monetary asset.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less provisions for impairment based upon an expected credit loss methodology. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance matrix for all trade receivables (including accrued receivables). A provision of the lifetime expected credit loss is established upon initial recognition of the underlying asset and is calculated using historical account payment profiles along with historical credit losses experienced. The loss allowance is adjusted for forward looking factors specific to the debtor and the economic environment. The amount of the provision is recognised in the consolidated statement of comprehensive income.

ii. Financial assets at fair value through profit and loss
The holdback receivable asset outstanding from the sale of the Identity business in the prior year and the Amazon warrant contract asset are held at fair value through profit and loss.

Financial liabilities
The Group classifies its financial liabilities into two categories, depending on the purpose for which the liability was acquired.

Fair value through profit and loss ("FVTPL"):
The warrant liability is classified as a financial liability at FVTPL and valued using a combination of the Black-Scholes Model and Monte Carlo simulation. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement (due to changes in the fair value of the warrant) recognised in profit or loss.

Financial liabilities at amortised cost:
The Group includes in this category loans, trade and other payables and liabilities to related parties.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument.

Trade and other payables (excluding other taxes, social security costs and deferred income) and other short-term monetary liabilities, are initially measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. These financial liabilities are subsequently carried at amortised cost.

Bank borrowings and other interest-bearing liabilities are initially recognised at fair value net any of transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost ensuring the interest element of the borrowing is expensed over the repayment period at a constant rate.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

The gain or loss for fair value changes should be classified based on the classification of the underlying instruments. As the fair value changes of the Amazon warrant liability are highly dependent on the share price of Boku, Inc. rather than the business performance in the reporting year these gains and losses have been classified as exceptional items and this policy will be applied consistently going forward.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision for employer taxes on future employee share instruments are not discounted as it is not considered material.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Break clauses may be provided in the lease agreements, calculations are prepared up to the end of the

lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Incremental borrowing rate

IFRS 16 Leases requires that all the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead.

The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee '*would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment*.' In applying the concept of 'similar security', a lessee uses the right-of-use asset granted by the lease and not the fair value of the underlying asset. This is because the rate should represent the amount that would be charged to acquire an asset of similar value for a similar period.

In practice, judgement may be needed to estimate an incremental borrowing rate in the context of a right-of-use asset, especially when the value of the underlying asset differs significantly from the value of the right-of-use asset.

The discount rate will be revised, in line with IFRS 16, and the lease liability remeasured only when:

- there is a change in the lease term,
- a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or
- a change in floating interest rates, resulting in a change in the future lease payments (this approach is consistent with IFRS 9's requirement for the measurement of a floating rate financial liabilities subsequently measured at amortised cost)

A lessee is not required to reassess the discount rate when there is a change in future lease payments due to a change in an index. -

e.g. the consumer price index.

Share Capital
Ordinary shares are classified as equity and are stated at the proceeds received net of direct issue costs.

Share buyback
On 7th July 2022 the Group announced the 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 purpose of the Buyback Programme is to hold the Common Stock in treasury for the purpose of satisfying future obligations in relation to the staff equity remuneration programme.

The Buyback Programme will operate within certain pre-set parameters, including that the maximum price paid per Common Stock shall be 105 per cent of the trailing 5-day average mid-market price, and in accordance with the authority granted by the Company's Board.

The Buyback Programme became effective from 7th July 2022 with an expiry date of 30 June 2023, or earlier, if either the maximum aggregate number of Common Stock have been purchased or the maximum aggregate consideration had been reached. On 8 June 2023 it was announced that the Buyback Programme was to be extended for a further 12 months (the "Extended Buyback Programme") and will expire on 30 June 2024, or earlier, if either the maximum aggregate number of Common Stock have been purchased or the maximum aggregate consideration has been reached. The extended programme will involve the repurchasing of common stock with par value of $0.0001 per share in the capital of the Company ("Common Stock") up to an additional maximum aggregate consideration of £10.5 million and up to an additional maximum of 5.25 million Common Stock.

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 in force in the UK and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019 and the Financial Services Act 2021).

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.

Share-based payments
Where equity settled share options and Restricted Stock Units ('RSUs') are awarded to employees, the fair value of the options or RSUs at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options or RSUs that eventually vest.

Where the terms and conditions of options or RSUs are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining 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.

Where options are cancelled within the vesting period, the remaining cost of the options is accelerated and charged to the statement of comprehensive income in the year. When an employee leaves the Group, unvested grants are forfeited and the cumulative share-based payment expense is reversed on the leaving date. Unvested RSUs are forfeited on leaving the Group for any reason including as part of discontinued operations.

The Group's scheme, which awards shares in the parent entity, includes recipients who are employees in the parent company and subsidiaries. In the consolidated financial statements, the transaction is treated as an equity-settled share-based payment, as the subsidiary has received services in consideration for Boku, Inc's equity instruments. An expense is recognised in the consolidated Group Income statement for the fair value of share-based payment over the vesting year, with a credit recognised in equity. In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting period, with a credit recognised in equity. The credit is treated as a capital contribution, as the parent company is compensating the subsidiaries' employees with no cost to the subsidiaries where there is no expectation to recharge the cost. In the parent Company's financial statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the parent company recognising an increase in the investment in the subsidiaries as a capital contribution from the parent and a credit to equity.

RSU's issued in connection with business combinations as replacements for instruments held by employees are treated as part of the consideration transferred to the extent that the Company is obliged to issue the replacement awards and that they compensate for service that has been provided pre-combination. To the extent awards are voluntary or that they relate to the provision of future services they are treated as a post-combination expense.

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.

Taxation

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 2023, 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 PPE. 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.

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.

Presentational currency

The presentational currency for the Group is US dollars, as the company is incorporated in the USA which is the currency of its primary economic environment in line with IAS 21. Boku Group has its main contracts, assets, intellectual property.

Functional currency

The functional currency for subsidiaries is the local currency of the entity's country of incorporation. Items included in the financial statement of each of the Group's entities are measured in the functional currency of each entity.

Foreign currency

Foreign currency transactions and balances

i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

iii) 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.

iv) Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

v) Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within administrative expenses.

vi) Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments (including purchased intangible assets) to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Consolidation of foreign entities

On consolidation, the results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

i) Assets and liabilities for each Consolidated statement of financial position presented are translated at the closing rate at the date of that Consolidated statement of financial position.

ii) Income and expenses for each Consolidated statement of comprehensive income item are translated at average exchange rates; and

iii) All resulting exchange differences are recognised as a separate component of equity.

Exchange differences are recycled to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

Exchange differences are recycled to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

3. Revenue from contracts with customers and other segmental disclosures

The Group's revenue is principally service fees earned from merchants. All revenue is earned at the time the transactions is processed and as a result, all revenue is recognised at one point in time. Therefore, at 31 December 2023 and 31 December 2022, the Group does not have deferred revenue on the Consolidated statement of financial position.

Fees are calculated as a percentage of the value of transaction. Additional fees are also earned when a merchant requires settlement in a foreign currency from the currency received, or before the funds are received from LPMs:

	2023	2022
	$'000	$'000
Revenue	**82,720**	63,764

The geographical analysis of the revenue by location of the users is presented below:

Group Revenue by Region	**Continuing Operations Payments**	
'$ 000 USD	**2023**	%
Americas	3,204	3.9%
APAC	47,230	57.1%
EMEA	32,286	39.0%
Grand Total	**82,720**	100.0%

Group Revenue by Region	**Continuing Operations Payments**	
' $000 USD	**2022**	%
Americas	628	1.0%
APAC	36,167	56.7%
EMEA	26,969	42.3%
Grand Total	**63,764**	100.0%

An analysis of non-current assets by geographical market is given below:

		restated*
	2023	2022
	$'000	$'000
United States of America (continuing operations)	50,240	48,502
Europe	11,504	12,724
Rest of the World	258	452
Total	**62,002**	61,678

*Right-of-use assets in the prior year were restated to prepayments, see note 2 for further details.

In FY23 there were four customers (FY22: one customer), with revenue amounting to more than 10% of the payments segment revenue, contributing $57.6m (FY22: $30.9m).

Amazon warrants

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

Under the agreement, the Group issued warrants to Amazon allowing them to purchase common stock that will vest incrementally, based on the amount of revenue earned by the Group 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 Group's total common stock as at the inception of the warrant agreement). 747,676 shares 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 $1 million of revenue generated by the Group under its service level agreement with Amazon over a 7-year vesting period ending 15 September 2029. No further warrants will vest if $50 million 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.

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

The Group 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 recorded 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 were 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 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 recorded as gains or losses in profit or loss within operating profit.

The initial fair value of the warrants at inception was $1,755,640, based on a fair value of 1 warrant of $0.348 and a total number of warrants expected to vest over the 7-year vesting period of 5,049,288. As at 31 December 2022, the total number of warrants expected to vest decreased to 4,992,086, resulting in a decrease to the contract asset and financial liability of $19,862, and the fair value of 1 warrant increased to $1.043, resulting in a loss of $3,470,333. As at 31 December 2023, the total number of warrants expected to vest increased to 5,333,781, resulting in an increase to the contract asset and financial liability of $358,774, and the fair value of 1 warrant decreased to $1.033, resulting in a gain of $53,476. The fair value of the warrants was determined using a combination of Monte Carlo Simulation and Black-Scholes Model valuation methods and are classified within Level 3 of the fair value hierarchy, see Note 23 for further details.

Amounts recognised from amortisation of the warrant contract assets in the year were as follows:

	31-Dec-23	31-Dec-22
	$'000	$'000
Amortisation to revenue	108	25

On 28 February 2022, the Group sold the entire Identity business segment. As a result, from 1st March 2022, the Group reported its financial statements on a single segment basis: "Payments segment". The Identity segment results for the two months of 2022 are presented below under 'discontinued operations'. The Group operated with only one operating segment through financial year 2023, the Payments Segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer and the Chief Financial Officer. The Group CEO and CFO review the monthly management reports for both segments before sending the results to the Board.

4. Administrative expenses

Operating profit from continuing operations is stated after charging:

	2023	restated* 2022
	$'000	$'000
Staff costs (excluding share-based payments expense - Note 5)	**39,981**	30,946
Depreciation of property, plant and equipment (Note 10)	**385**	395
Right-of-use asset depreciation (Note 10)	**1,430**	1,411
Amortisation of intangible assets (Note 11)	**5,742**	3,631
Impairment of intangible assets (Note 11)	**-**	1,264
Share-based payments expense (Note 20)	**7,595**	5,165
Foreign exchange loss	**1,034**	796

*Right-of-use assets in the prior year were restated to prepayments, see note 2 for further details.

5. Employee information

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

	2023	2022
Payroll costs	**$'000**	$'000
Salaries	32,536	24,805
Short-term benefits	1,767	1,390
Social security costs	4,293	3,339
Pension costs	249	236
Other staff costs	1,136	1,176
Staff costs excluding share-based payments	**39,981**	**30,946**
Share-based payments	7,595	5,165
Total staff costs	**47,576**	**36,111**

Key management personnel compensation was made up as follows:

	2023	2022
	$'000	$'000
Salaries	5,104	3,847
Short-term benefits	101	95
Social security costs	1,108	497
Share-based payments	3,402	2,952
Long-term employee benefits	18	16
Total compensation	**9,733**	**7,407**

6. Finance income and expense

	2023	2022
	$'000	$'000
Finance income		
Interest income from bank deposits	**(1,887)**	(201)
Total finance income	**(1,887)**	**(201)**
Finance expenses		
Interest on bank loans	76	121

Other interest payables	2	6
Interest on operating leases	171	235
Amortisation of debt discount	-	313
Total finance expenses	**249**	**675**
Net finance (income)/ expense	**(1,638)**	**474**

7. Taxation

	2023	2022
	$'000	$'000
Current tax		
Current tax on profits for the year	427	239
Foreign tax	903	257
Adjustments in respect of prior years	(7)	-
Total current tax	**1,323**	**496**
Deferred tax		
Origination and reversal of temporary differences	355	(1,870)
Adjustments in respect of prior years	(357)	1,137
Total deferred tax	**(2)**	**(733)**
Total tax expense/(credit)	**1,321**	**(237)**

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

	2023	2022 (restated)*
	$'000	$'000
Profit before tax	**11,407**	**4,062**
Tax rate (US income tax rate)	21%	21%
Profit before tax multiplied by the applicable rate of tax:	2,395	853
Variance in overseas tax rates	28	1,182
Impact of change in tax rates	(204)	-
Impact of difference between CT & DT rate	1,010	-
Expenses not deductible for tax purposes	1,003	1,143
Utilisation of tax losses	(3,532)	(6,429)
Non qualifying depreciation	7	-
Adjustments in respect of prior years	(364)	1,137
Foreign tax	249	77
Other differences	288	-
US state taxes/ Withholding taxes	441	1,800
Total tax (credit)/ expense	**1,321**	**(237)**

*Deferred tax positions in the prior years ended 31 December 2022 and opening balances as at 1 January 2022 have been restated, further details can be found in note 2.

Deferred Tax	**2023** **$'000**	2022 (restated)* $'000
Net opening position	**15,518**	**15,525**
Net recognition in the year	**(394)**	**(7)**
P&L	2	733
Equity	(396)	(741)
Foreign exchange revaluation	-	1
Net closing position	**15,124**	**15,518**

*Deferred tax positions in the prior years ended 31 December 2022 and opening balances as at 1 January 2022 have been restated, further details can be found in note 2.

The net closing position is made up of:

- The deferred tax liability at 31 December 2023 is $182k (2022: $NIL Restated). The current year deferred tax liability relates to tax positions connected with the Boku, Inc. UK fixed temporary differences.
- The deferred asset of $15,306k (2022: $15,518k restated) relates primarily to the recognition of the US and UK available losses which management believe can be utilised within the next eight years. Each year management assess the usability of the deferred assets

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

	2023	2022 (restated)*
	$'000	$'000
Stock Based Compensation	-	241
Other temporary and deductible differences	(7,925)	-
Unused tax losses	6,197	29,058
Total deferred tax assets	**(1,728)**	**29,299**

*Deferred tax positions in the prior years ended 31 December 2022 and opening balances as at 1 January 2022 have been restated, further details can be found in note 2.

The Group has carried forward losses and accelerated timing differences at the reporting date as shown below. 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. All net operating loss carry forwards incurred after 31 December 2017 can be carried forward and offset against US taxable income indefinitely. Utilisation of 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.

The unused tax losses must be utilised by various dates. U.S. federal tax losses expire in various dates through to 2037.

At the reporting date, undistributed reserves on non-US subsidiaries $7,115k which would attract withholding tax and $810k undistributed Estonian subsidiary profits for which deferred tax liabilities have not been recognised. No liability has been recognised in respect of these differences because the timing of any distribution is under the Group's control and no distribution which gives rise to taxation is contemplated.

UK corporation tax rates increased from 19% to 25% with effect from 1 April 2023, in accordance with the Finance Act 2021. Current taxes have been calculated using a blended rate, while deferred taxes have been computed at 25%, aligning with the substantively enacted rate as of 31 December 2023. 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.

8. Discontinued operations

On 28 February 2022, the Group sold its entire Identity business (Boku Identity Inc and its 100% subsidiary Boku Mobile Solutions Ireland Ltd).

As required, at 31 December 2022, discontinued operations were excluded from the results of continuing operations and were presented as a single entry in the Income Statement as 'Profit from discontinued operations' in the income statement.

The financial results related to the discontinued operations for the period to the date of disposal are presented below:

	2022 (2 months)
	$'000
Fee Revenue	1,153
Cost of sales	(719)
Gross Profit	**434**
Administrative Expenses	(1,541)
Operating loss analysed as:	
Adjusted EBITDA	**(652)**
Depreciation and amortisation	(238)
Share based payments expense	(163)
Foreign exchange losses	(54)
Operating loss	**(1,107)**
Profit on disposal	26,614
Disposal costs	(1,408)
Share based payments expense reversed	506
Total Profit before tax on disposal of Identity business	**24,605**
Tax	-
Net profit for the period attributable to equity holders of the parent company	**24,605**

The net cashflows used in the Identity business disposed in the prior period are as follows:

	31-Dec 2022
	$'000
Net cash used in operating activities	(1,106)
Net cash used in investing activities	(178)
Net cash from financing activities	570
Net cash used in discontinued operations	**(714)**

Reconciliation of consideration received with the total profit and loss from discontinued operations:

	31 Dec 2022
	$'000
Total consideration received in the prior year	26,761
Financial asset through profit and loss - holdback receivable	5,600
Working capital adjustment	156
Total consideration	**32,517**

The holdback receivable of $5.6m was received during the year.

Assets and liabilities of disposal
The assets and liabilities relating to the Identity business were reclassified as held for sale at 31 December 2021. As at 31 December 2022, these values were nil as the sale completed in February 2022.

9. Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding shares purchased by the Company (Note 18). As at 31 December 2023 there were 4,007,868 shares held in treasury (FY22: 1,500,000).

Diluted EPS represents the basic EPS, adjusted for the effect of the dilutive shares issuable on exercise from employee share options

Diluted EPS represents the basic EPS, adjusted for the effect of the dilutive shares issuable on exercise from employee share options under the Group's share-based payment schemes, weighted for the relevant period.

The weighted average number of shares in issue during the year was as follows:

	2023	2022
Weighted average number of shares in issue	**297,942,357**	298,275,521
Effect of dilutive share options, RSU's and warrants	**15,337,750**	11,254,745
Diluted weighted average number of shares in issue	**313,280,107**	309,530,266

Total		
Profit for the year attributable to shareholders of the Company ($,000)	**10,086**	28,904
Basic earnings per share ($)	0.0339	0.0969
Diluted earnings per share ($)	0.0322	0.0934

From continuing operations		
Profit for the year attributable to shareholders of the Company ($,000)	**10,086**	4,299
Basic earnings per share ($)	0.0339	0.0144
Diluted earnings per share ($)	0.0322	0.0139

From discontinuing operations		
Profit for the year attributable to shareholders of the Company ($,000)	-	24,605
Basic earnings per share ($)	-	0.0825
Diluted earnings per share ($)	-	0.0795

The Amazon Warrants increase the number of diluted shares reported, which has an effect on our fully diluted earnings per share. Further, the Amazon Warrants are presented as an asset and derivative financial liability in the audited consolidated statement of financial position The liability is subject to fair value measurement adjustments during the periods that it is outstanding. Accordingly, future fluctuations in the fair value of the Amazon Warrant could adversely impact our results of operations. If Amazon exercises its right to acquire Boku common shares pursuant to the Amazon Warrant, it will dilute the ownership interests of then-existing shareholders and reduce earnings per share.

10. Property, plant and equipment

	Computer equipment & software	Office equipment and fixtures and fittings	Leasehold improvement	**Property, plant and equipment Total**	***restated** **Right-of-use assets**
	$'000	$'000	$'000	**$'000**	**$'000**
Cost					
At 1 January 2022	1,214	276	255	**1,745**	**6,789**
Restatement of right-of-use asset	-	-	-	-	**(305)**
At 1 January 2022 (restated*)	1,214	276	255	**1,745**	**6,484**
Additions (restated*)	422	48	-	**470**	**129**
Disposals	(41)	(16)	-	**(57)**	**(144)**
Exchange adjustment	(49)	(22)	(27)	**(98)**	**(291)**
At 31 December 2022 (restated*)	1,546	286	228	**2,060**	**6,178**
Additions	372	62	-	**434**	**957**
Disposals	(37)	(4)	-	**(41)**	**(975)**
Exchange adjustment	20	12	9	**41**	**89**
At 31 December 2023	1,901	356	237	**2,494**	**6,249**
Accumulated depreciation					
At 1 January 2022	744	216	116	**1,076**	**1,788**
Restatement of right-of-use assets	-	-	-	**-**	**35**
At 1 January 2022 (restated*)	744	216	116	**1,076**	**1,823**
Charge for period (restated*)	313	41	41	**395**	**1,411**
Disposals	(34)	(16)	-	**(50)**	**(144)**
Exchange adjustment	(31)	(14)	(12)	**(57)**	**(145)**
At 31 December 2022	992	227	145	**1,364**	**2,945**
Charge for period	305	38	42	**385**	**1,430**
Disposals	-	-	-	**-**	**(971)**
Exchange adjustment	(25)	6	6	**(13)**	**61**
At 31 December 2023	1,272	271	193	**1,736**	**3,465**
Net book value					
At 1 January 2022 (restated*)	470	60	139	**669**	**4,661**
At 31 December 2022 (restated*)	554	59	83	**696**	**3,233**
At 31 December 2023	**629**	**85**	**44**	**758**	**2,784**

*Right-of-use assets in the prior year were restated to prepayments, see note 2 for further details.

The additions related to the renewal of the Estonia office, together with the 1-year renewal of the office lease for Ireland, Germany, Japan and Singapore. Additions in the prior year (FY22) related to the 1-year renewal of the office lease for Ireland and Singapore. The Group had no contractual commitments for the acquisition of property, plant and equipment in the current or prior year.

Impairment of Property and Equipment
The carrying amounts of the Group's assets including right-of-use assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to the profit and loss in other operating expenses. During the years ended 31 December 2023 and 2022, no impairments have been recorded.

11. 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 2022	1,836	8,001	15,750	110	45,379	14,621	85,697
Additions	-	-	-	-	-	4,866	4,866
Disposals	(1,562)	(19)	-	-	-	(3)	(1,584)
Disposals (discontinued operations)	-	(1,918)	-	-	(2,784)	(2,996)	(7,698)
Exchange adjustment	(134)	(271)	(851)	-	(862)	(87)	(2,205)
At 31 December 2022	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**
Accumulated amortisation							
At 1 January 2022	395	3,600	10,111	-	-	8,474	22,580
Charge for period	81	494	616	-	-	2,677	3,868
Impairment	1,264	-	-	-	-	-	1,264
Disposals	(1,562)	-	-	-	-	-	(1,562)
Disposals (discontinued operations)	-	(1,217)	-	-	-	(1,419)	(2,636)
Exchange adjustment	(38)	(60)	(523)	-	-	(47)	(668)
At 31 December 2022	140	2,817	10,204	-	-	9,685	22,846
Charge for period	-	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**
Net book value							
At 31 December 2021	1,441	4,401	5,639	110	45,379	6,147	63,117
At 31 December 2022	-	2,976	4,695	110	41,733	6,716	56,230
At 31 December 2023	**-**	**1,706**	**4,250**	**110**	**42,183**	**8,371**	**56,620**

The amortisation charge of intangible assets is recognised in administrative expenses in the consolidated statement of comprehensive income.

Goodwill

Goodwill acquired in a business combination is allocated to the cash generating units ("CGU's") that expect to benefit from that business combination.

Goodwill mainly consists of the assets from the acquisition of Mopay AG ("Mopay") in October 2014 and Fortumo Holdings Inc. on 1st July 2020, absorbed into the payment CGU.

Goodwill is reviewed annually for impairment and at the year-end an impairment test was undertaken by comparing the carrying value with the recoverable amount of the Group's CGU. The recoverable amount of the cash generating unit is based on value-in-use calculations. These calculations have been calculated using pre-tax discounted cash flow projections based on financial budgets and forecasts approved the Board of Directors. The projections cover a five-year period and a calculation of the terminal value, for the period following these projections.

The recoverable amount of the Payments CGU was calculated to be in excess of the carrying value, indicating there is no impairment required. The key underlying assumptions used in the calculations are those regarding projected cash flows, growth rates, increases in costs and discount rates.

Growth rates consider historic experience and current market trends:

- Revenue growth ranges from 19.2% to 24.9% (FY22: 15.4% to 23.8%)

- Revenue growth ranges from 19.2% to 24.9% (FY22: 15.4% to 25.8%).
- Take rate growth rate of 0.1% (FY22: 0.1%)
- Gross profit ranging from 97% to 99% (FY22: 97% to 99%)

The pre-tax discount rate was calculated at 15% (FY22: 15.5%). This is based on the Group's assessment of risk-free interest rates and the risks specific to the CGU. The terminal value calculation for 2023 was based on growth rate of post-tax free cashflow of 2% (FY22: 2%) for the CGU.

Sensitivity analysis has been performed and the net present value of the cashflows would need to fall by a factor of 9.5 to equal the carrying value of the CGU (FY22: 3.4).

Fortumo domain name

During the prior year management decided to discontinue the Fortumo domain name and to rebrand all the Fortumo products and rename the acquired entities of Fortumo group to Boku's name. As a result, the Fortumo domain which was separately valued as part of the PPA work at the time of the acquisition of Fortumo in July 2020 and included in intangibles, was impaired in full by $1.26 million ($1.44 million at 31 December 2021 less amortisation $0.18 million) as the Fortumo domain name is no longer being used internally or externally.

The Group had no contractual commitments for the acquisition of intangible assets in the current or prior year.

Developed technology

During the year it was agreed to begin a project to migrate the merchants purchased under the Fortumo acquisition from the Fortumo platform to the Boku platform, after which the Fortumo platform would become obsolete. The project is expected to complete in 2025 and as a result the amortisation has been accelerated to align with the expected remaining useful life of the platform.

12. 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.	Mobile 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.	Mobile payment solutions	Brazil
Boku Network Services GmbH	100% owned by Boku, Inc.	Mobile payment solutions	Germany
Boku Network Services UK Ltd	100% owned by Boku Network Services, Inc.	Mobile payment solutions	United Kingdom
Boku Network Services AU Pty Ltd	100% owned by Boku Network Services, Inc.	Mobile payment solutions	Australia
Boku Network Services IN Pvt. Ltd.	100% owned by Boku Network Services, Inc.	Mobile payment solutions	India
Boku Network Services SG Pte. Ltd.	100% owned by Boku Network Services, Inc.	Mobile payment solutions	Singapore
Boku Network Services HK Limited	100% owned by Boku Network Services, Inc.	Mobile payment solutions	Hong Kong
Boku Network Services Taiwan Branch Office	100% owned by Boku Network Services, Inc.	Mobile payment solutions	Taiwan
Boku Network Services Japan Branch Office	100% owned by Boku Network Services, Inc.	Mobile payment solutions	Japan
Mopay AG Beijing Representative Branch	100% owned by Boku Network Services AG (Germany)	Mobile payment solutions	China
Boku Network Services IE Limited	100% owned by Boku Network Services, Inc.	Mobile payment solutions	Ireland
Boku Network Services MY Sdn. Bhd.	100% owned by Boku Network Services, Inc.	Mobile 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.	100% owned by Boku Network Services, Inc.	Dormant	Thailand
Boku Network Services PH, Inc.	100% owned by Boku Network Services, Inc.	Mobile 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.	Mobile payment solutions	Estonia

Boku Network Services ES S.L.	100% owned by Boku Network Services Estonia OÜ	Mobile payment solutions	Spain
Fortumo Mobile Services Pvt. Ltd.	100% owned by Boku Network Services Estonia OÜ	Mobile payment solutions	India
Fortumo Singapore Pte. Ltd.	100% owned by Boku Network Services Estonia OÜ	Mobile 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.	Dormant	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

13. Trade and other receivables

	31 December 2023 $'000	restated* 31 December 2022 $'000
Trade receivables	53,117	27,898
Accrued income	92,527	59,550
Accounts receivable	**145,644**	**87,448**
Less: provision for impairment	(2,047)	(1,238)
Net accounts receivable	**143,597**	**86,210**
Other receivables	281	100
Deposits held	448	426
Sales taxes receivable	1,011	938
Prepayments (restated*)	3,185	2,835
Total current trade and other receivables	**148,522**	**90,509**
Financial assets at fair value through profit and loss	-	5,600

*Right-of-use assets in the prior year were restated to prepayments, see note 2 for further details.

Accrued income relates to expected revenue generated from settlement and transaction fees. On receipt of statements from carriers and eWallets the accrued income is reversed, and actual receivable balances are recognised accordingly.

$5.6m was received in the current year relating to the final settlement from the sale of the Identity business. See note 8 for further details.

Provision for receivables:

	31 December 2023 $'000	31 December 2022 $'000
Opening balance	1,238	756
Utilised during the period	(208)	(19)
Increase/(decrease) during the period	1,017	501
Closing balance	**2,047**	1,238

In accordance with IFRS9, the Group reviews the amount of credit loss associated with its trade receivables based on forward looking estimates that take into account and forecast credit conditions as opposed to relaying on past default rates. The Group has applied the Simplified Approach, applying a provision matrix based on the number of days past due to measure lifetime expected credit losses and after taking into account customer sectors with different credit risk profiles and current and forecast trading conditions.

14. Cash and cash equivalents and restricted cash

	31 December 2023 $'000	31 December 2022 $'000
Cash and cash equivalents	117,360	99,551
Restricted cash	33,499	16,962
	150,859	116,513

The restricted cash primarily includes segregated client funds and other client money received but not yet paid to merchants (in transit) for Boku's licenced entities, cash held at bank to secure a lease agreement for the Company's San Francisco office and monies held at a financial institution to collateralise Company credit cards.

15. Trade and other payables

15. Trade and other payables

Current	31 December 2023 $'000	31 December 2022 $'000
Trade payables	182,397	118,829
Accruals	48,678	35,550
Total financial liabilities classified as financial liabilities	231,075	154,379
Other taxes and social security costs	1,386	1,024
Provision for social security costs on issued stock options	588	860
Total current trade and other payables	**233,049**	**156,263**
Non-current		
Accrued taxes on issued stock options	979	1,194
Total non-current trade and other payables	**979**	**1,194**

The carrying values of trade and other payables and accruals approximate to fair values.

16. Lease liabilities

The table below shows a reconciliation for discounted lease liabilities included in the statement of financial position:

	Property (office leases) $'000	IT Equipment $'000	Total $'000
Lease liabilities as at 1 January 2022	**4,833**	**-**	**4,833**
Additions	129	315	444
Interest expense	235	-	235
Payments to lease creditors	(1,476)	(315)	(1,791)
Exchange adjustment	(172)	-	(172)
Lease liabilities as at 31 December 2022	**3,549**	**-**	**3,549**
Additions	937	-	937
Interest expense	171	-	171
Payments to lease creditors	(1,649)	-	(1,649)
Exchange adjustment	44	-	44
Lease liabilities as at 31 December 2023	**3,052**	**-**	**3,052**

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

	2023 £'000	2022 £'000
Less than one year	1,294	1,427
One to five years	1,768	2,407
Total undiscounted lease liabilities as at 31 December 2023	**3,062**	**3,834**

There are no leases with a term of more than 5 years.

Lease liabilities included in the statement of financial position:

	2023 £'000	2022 £'000
Current	**1,370**	1,277
Non-current	**1,682**	2,272

The following represents the lease expenses and depreciation of right-of-use assets in relation to leases charged to the Consolidated statement of comprehensive income:

	2023 £'000	restated* 2022 £'000
Interest on lease liabilities	**171**	235
Expenses related to short term leases	**329**	238
Depreciation of right-of-use assets (Note 10) (restated*)	**1,430**	1,411

*Right-of-use assets in the prior year were restated to prepayments, see note 2 for further details.

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

	2023 £'000	2022 £'000
Payment of principal	1,478	1,556
Payment of interest	171	235
Total cash outflows	**1,649**	**1,791**

17. Loans and borrowings

On 26 June 2020 the Group entered into a loan agreement with its bankers for $20.0m to part finance the acquisition of Fortumo Holdings Inc, and its subsidiaries on 1st July 2020. The loan was structured as a $10.0m term loan repayable in 4 years and $10.0m revolving facility. Associated costs of $500k were incurred and are amortised over the life of the loan.

On the sale of the Identity division, the outstanding term loan with Citibank of $8.125m was repaid from the consideration. As at 31 December 2023 the Group has no bank loans (FY22: Nil). The Group retains the $10m revolver facility (RCF) which is currently not drawn upon (FY22: $10m facility, $nil drawn upon). This revolver facility expires on 1 July 2024.

	2022	Cash flows	Non-cash changes: Borrowing costs expensed in the year	Non-cash changes: Foreign Exchange Movement	Non-cash changes: Lease Liabilities (IFRS 16)	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Short-term lease liabilities	1,277	(1,649)	-	44	1,698	1,370
Long-term lease liabilities	2,272	-	-	-	(590)	1,682
Total liabilities from financial activities	**3,549**	(1,649)	-	44	1,108	**3,052**

	2021	Cash flows	Non-cash changes: Borrowing costs expensed in the year	Non-cash changes: Foreign Exchange Movement	Non-cash changes: Lease Liabilities (IFRS 16)	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Short-term borrowings	1,125	(1,125)	-	-	-	-
Long-term borrowings	6,688	(7,000)	312	-	-	-
Short-term lease liabilities	1,335	(1,791)	-	(129)	1,862	1,277
Long-term lease liabilities	3,498	-	-	(43)	(1,183)	2,272
Total liabilities from financial activities	**12,646**	(9,916)	312	(172)	679	**3,549**

18. Share capital

The Company's issued share capital is summarised in the table below:

Common shares of $0.0001 each	**31 December 2023 Number of shares issued and fully paid**		31 December 2022 Number of shares issued and fully paid	
	'000	**$'000**	'000	$'000
Opening balance	**299,270**	**29**	295,876	29
Exercise of options and RSUs	**1,797**	**-**	3,394	-
Closing balance	**301,067**	**29**	**299,270**	**29**

Common Shares

At 31 December 2023, the Company had 301,066,914 (FY22: 299,270,021) common shares issued and fully paid. The Company has only one class of shares with par value of $0.0001 each. The authorised share capital is 500,000,000 shares. The Company holds 4,007,868 shares in treasury (FY22: 1,500,000 shares held in treasury).

19. Reserves

The other reserves disclosed in the consolidated statement of financial position includes share premium representing the difference between the issue price and nominal value of the shares issued by the Company. It includes all stock options expenses reserves.

Retained losses are the cumulative net profits / (losses) in the consolidated income statement.

Foreign exchange reserve stores the foreign exchange translation gains and losses on the translation of the financial statements from the functional to the presentation currency.

Movements on these reserves are set out in the consolidated statement of changes in equity.

Treasury reserve relates to the amounts paid to buy back shares in Boku, Inc. from the market.

20. Share-based payment

The Group operates the following equity-settled share-based remuneration schemes for employees, Directors and non-employees:

1. 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 2023 or 2022. There are 2,218k options vested but not exercised under this plan as at 31 December 2023 (FY22: 3,771k).

2. 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. The activity under this plan is presented separately from the rest of the plans, as explained below. There are 836k options (FY22: 837k) and 11,597k (FY22: 10,069k) RSUs outstanding as at 31 December 2023.

2009 Equity Incentive Plan

The options activity under the 2009 Plan (including RSUs) are as follows:

	2009 Plan (Options)	
	Number of options '000	WAEP[1]
At 1 January 2022	**4,736**	**$0.34**
Exercised	(965)	$0.34
At 31 December 2022	**3,771**	**$0.34**
Exercised	(1,513)	$0.31
Cancelled	(40)	$0.28
At 31 December 2023	**2,218**	**$0.30**

[1]WAEP - weighted average exercise price

A summary of other information related to the options granted under this plan is presented in the table below:

2009 Plan	**December 2023**	December 2022
Outstanding options at reporting end date:		
- total number of options	**2,218**	3,771
- weighted average remaining contractual life excluding RSUs (years)	**2.43**	2.49
Vested and exercisable ('000):	**2,218**	3,771
- weighted average exercise price	**$0.30**	$0.44
Weighted average share price exercised during the period (excluding RSUs)	**$0.31**	$0.34
Share-based payment expense for the period ('000)	**-**	-

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 (2017: 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).

2017 Equity Incentive Plan

Options were granted under the 2017 Equity Incentive 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 a graded quarterly vesting takes place, where each instalment of vesting is treated as a separate stock option grant.

RSUs under the 2017 Plan may be 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. Options under the 2017 Plan may be outstanding for periods of up to ten years from the grant date.

Performance-based restricted stock units (RSUs)

Performance-based RSUs vest on the completion of a specified service period and the achievement of certain performance targets, which may include individual performance measures as well as Company measures, and are converted into common stock upon vesting.

Share based payments expense for RSUs is based on the fair value of the shares underlying the awards on the grant date and reflects the estimated probability that the performance and service conditions will be met; specifically, where the restricted stock units are nil-cost awards with a non-market performance condition, so they are valued at the share price as at the day of grant. The share-based payments expense is adjusted in future periods for subsequent changes in the expected outcome of the performance related conditions until the vesting date. Performance-based RSUs vest after three years of issue, in one vesting event, if the performance conditions are met, however these may also vest at the discretion of the Board in the event that underlying performance conditions are not met.

The activity under the 2017 Plan for both options and RSU are as follows:

	Available[1] '000	**Options** '000	**WAEP**	**RSUs** '000	**WAEP[2]**	**Total** '000
At 1 January 2022	**35,228**	**969**	**$1.205**	**10,663**	**-**	**11,632**
Authorised	12,565	-	-	-	-	-
Granted	(3,914)	-	-	3,914	-	3,914
Exercised	-	(132)	$1.205	(2,292)	-	(2,424)
Cancelled	2,216	-	$1.205	(2,216)	-	(2,216)
At 31 December 2022	**46,095**	**837**	**$1.205**	**10,069**	**-**	**10,906**
Authorised	12,982	-	-	-	-	-
Granted	(5,832)	-	-	5,832	-	5,832
Exercised	-	(1)	$1.205	(3,290)	-	(3,291)
Cancelled	1,014	-	-	(1,014)	-	(1,014)
At 31 December 2023	**54,259**	**836**	**$1.205**	**11,597**	**-**	**12,433**

1- The number of available RSUs available for future use in the plan.

2- RSUs are issued with a zero-exercise price and therefore the WAEP is Nil.

A summary of other information related to the options and RSUs granted under this plan is presented in the table below:

2017 Plan	**31 December 2023**	31 December 2022
Outstanding options at reporting end date:		
- total number of options (excluding RSUs) ('000)	**836**	837
- weighted average remaining contractual life (years)	**4.0**	5.0

(excluding RSUs) (years)		
Vested and exercisable ('000):		
- weighted average exercise price	$1.205	$1.205
Weighted average fair value of options granted during the period (excluding RSU)	$0.44	$0.44
Total number of RSUs outstanding	**11,597**	10,069
Vested and exercisable - Options	**836**	837
Share-based payment expense for the period ('000)	**$7,595**	$5,165

Reconciliation of share-based payment expense (continuing operations)

	December 2023 $'000	December 2022 $'000
2009 Plan		
Options	-	-
2017 Plan		
Options	-	-
RSUs	7,467	5,553
Total share-based expense (excluding national insurance)	**7,467**	**5,553**
National insurance reversal accrued	(435)	(639)
National insurance paid in the year (see Note 4)	563	251
Total share-based payment charge	**7,595**	**5,165**

21. Dividends

No dividends were declared or paid in the current year (FY22: Nil).

22. Cash generated from operations

	Year-ended 31 December 2023 $'000	Year-ended 31 December 2022 $'000
Profit after tax	**10,086**	**28,904**
Add back:		
Tax charge/ (credit)	1,321	(237)
Amortisation of intangible assets	5,742	3,868
Depreciation of property, plant and equipment	1,815	2,032
Gain on discontinued operations after tax	-	(26,614)
Loss on disposal of property, plant and equipment	1	6
Loss on disposal of intangible assets	-	22
Finance income	(1,887)	(201)
Finance expense (includes interest on lease liabilities)	249	675
Foreign exchange loss (unrealised)	(1,352)	4,407
Employer taxes on stock option and restricted stock units (accrual) charge	(435)	(639)
Fair value adjustment on warrants valuation	(53)	3,470
Amortisation of warrant asset	108	25
Impairment of intangible asset	-	1,264
Share based payment expense	7,467	5,045
Cash from operations before working capital changes	**23,062**	**22,027**
Increase in trade and other receivables	**(53,004)**	**(12,328)**
Increase in trade and other payables	**70,877**	**40,267**
Cash generated from operations	**40,935**	**49,966**

The share-based payment expense has been split between the charge using the Black Scholes method for the period $7,467k (FY22: $5,553k) and the change in the accrual for employer taxes on stock option and restricted stock units $-435k (FY22: -$639k). The total share-based payment expense in the consolidated statement of comprehensive income includes $563k (FY22: $251k) employer taxes paid via payroll to tax authorities.

The impairment of intangible assets in 2022 relates to the full impairment of the Fortumo domain name which was discontinued in the comparative period.

23. Financial Risk Management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in US$. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does not issue or use financial instruments of a speculative nature.

The Group is exposed to the following financial risks:

- Market risk (Interest rate risk & Foreign Exchange risk)
- Credit risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents and restricted cash
- Trade and other payables
- Bank loans

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

• Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities

• Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

• Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. The Group has classified the warrant liabilities in this category.

The following tables present the Group's assets and liabilities that are measured at fair value by the level in the fair value hierarchy as at the reporting date:

Financial instruments by category

	31 December 2023	31 December 2022
Measurement level 1	**$'000**	$'000
Financial assets		
Cash and cash equivalents	117,360	99,551
Restricted cash	33,499	16,962
Total Cash	**150,859**	**116,513**
Other financial assets at amortised cost		
Net accounts receivable	143,597	86,210
Other receivables	729	526
Total other financial assets	144,326	86,736
Cash and other financial assets at amortised cost	**295,185**	**203,249**
Measurement level 3		
Financial assets at fair value through profit and loss		
Holdback receivable asset	-	**5,600**

	31 December 2023	31-Dec-22 2022
Measurement level 1	**$'000**	$'000
Financial liabilities		
Trade payables	182,397	118,829
Current tax payable	509	222
Total other financial liabilities	**182,906**	**119,051**
Lease liabilities	3,052	3,549
Financial liabilities at amortised cost	**185,958**	**122,600**
Measurement level 3		
Financial liabilities at fair value through profit or loss		
Derivative financial liability (Amazon warrant liability)	**5,511**	**5,206**

Amazon warrants

The fair value of the warrant obligations was $5,511k as at 31 December 2023, $5,206k as at 31 December 2022 and $1,756k at the inception of the warrants on 16 September 2022. The increase in fair value from inception to 31 December 2022 was primarily due to an increase in the spot price from $0.77 to $1.395. The increase in fair value from 31 December 2022 to 31 December 2023 was primarily due to an increase in the number of warrants expected to vest from 4,992k to 5,334k.

The warrants are classified as Level 3 derivative liabilities as there is no current market for the warrants, such that the determination of fair value requires significant judgment or estimation. The Group values the warrants using a combination of Monte Carlo

Simulation and Black-Scholes Model valuation methods.

Significant unobservable inputs as at the inception of the warrant agreement on 16 September 2022 included volatility of the Company's common stock of 40%, revenue volatility of 30%, a risk-free rate of 3.39%, and forecasted revenue from Amazon over the 7-year vesting period. Significant unobservable inputs as at 31 December 2022 and 31 December 2023 included volatility of the Company's common stock of 40%, revenue volatility of 30%, a risk-free rate of 3.81%, and forecasted revenue from Amazon over the 7-year vesting period.

A significant increase in volatilities in isolation would result in a significant change in fair value as at 31 December 2023. If equity volatility and revenue volatility were both to decrease by 5% to 35% and 25% respectively, the total fair value of warrants would decrease to $5,281k, representing a decrease in fair value of $230k. If equity volatility and revenue volatility were both to increase by 5% to 45% and 35% respectively, the total fair value of warrants would increase to $5,771k, representing an increase in fair value of $259k.

Movement of the contract asset for Amazon and warrant liabilities as at 16 September 2022 (inception) to 31 December 2023

Warrant contract asset	**$'000**
Initial recognition of warrant contract asset	1,756
Change in number of warrants expected to vest	(20)
Amortisation to revenue	(25)
Balance as at 31 December 2022	**1,711**
Change in number of warrants expected to vest	359
Amortisation to revenue	(108)
Balance as at 31 December 2023	**1,962**

Financial liability	**$'000**
Initial recognition of contract liability	(1,756)
Change in number of warrants expected to vest	20
Change in fair value of warrants	(3,470)
Balance as at 31 December 2022	**(5,206)**
Change in number of warrants expected to vest	(358)
Amortisation to revenue	53
Balance as at 31 December 2023	**(5,511)**

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. There is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk).

Interest rate risk

The Group has a $10m revolving facility, which can be used if needed (FY22: $10m). Interest rates for the current Boku revolving facility loan were based on LIBOR, however LIBOR was phased out by the end of 2021. Current rates are based on the Secured Overnight Financing Rate. The Group manages the interest rate risk centrally. The term loan taken out to part fund the acquisition of Fortumo in 2020 was repaid in full on 28th February 2022 following the disposal of the Identity division to Twilio. As at 31 December 2023 the Group has no loans (FY22: Nil). The Group's borrowings are disclosed in note 18.

During the year to 31 December 2023 interest rates increased in many jurisdictions as governments tried to control inflation. The Group has cash balances in many jurisdictions and the increase in interest rates had a positive effect on the Group cash position. The bank interest earned during 2023 was $1,887k (FY22: $189k).

Foreign currency risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business.

The Group serves many of our U.S. based clients with global operations using the Group subsidiaries in Singapore, Ireland, UK, Japan and Hong Kong. Although contracts with these clients are typically priced in U.S. dollars a substantial portion of client funds receivable and related costs and revenues are denominated in the local currency of the country where services are provided, resulting in foreign currency exposure which have an impact on our results of operations.

Our primary foreign currency exposures are in Japanese Yen, EURO, GBP, Turkish lira, Thai Baht, Korean Won, Taiwanese dollar and Philippines Peso. There can be no assurance that we can take actions to mitigate such exposure in the future, and if taken, that such actions will be successful or that future changes in currency exchange rates will not have a material adverse impact on our future operating results. A significant change in the value of the U.S. Dollar against the currency of any one or more of these currencies mentioned above may have a material adverse effect on our financial condition and results of operations. A 10% impact on foreign currency balances is detailed further in this note.

Foreign currency exchange risk arises mainly where receivables and payables exist in different currencies due to transactions entered into in foreign currencies. As such, management believe that the Group is exposed to the following foreign currency exchange risks:

a) Transaction foreign currency risk is the exchange risk associated with the time delay between entering into a contract and settling it. Greater time differences exacerbate transaction foreign currency risk, as there is more time for the two exchange rates to fluctuate. The Group manages this risk in various ways:

- by implementing procedures to receive funds faster (daily where possible) and settle the funds to merchants daily by shortening the settlement times.
- By implementing a mark-up fee to cover the FX fluctuations when the settlement currency is different from the transaction currency
- by contractual agreement to convert the funds at the foreign exchange rate received from the aggregators or other suppliers.
- by using foreign exchange contracts timely to the extent that any remaining impact on profit after tax is not material.

b) Translation foreign currency risk is the risk that the Group's non-U.S. Dollar assets and liabilities, revenues and costs will change in value as a result of exchange rate changes on converting them to US Dollars, which is the reporting currency of the Group. Monetary assets and liabilities are valued and translated into U.S. Dollars at the applicable exchange rate prevailing at the applicable date. Any adverse valuation moves due to exchange rate changes at such time are charged directly and could impact our financial position and results of operations.

For the purposes of preparing the consolidated financial statements, the Group convert subsidiaries' financial statements as follows:

Statements of financial position are translated into U.S. Dollars from local currencies at the period-end exchange rate, shareholders' equity is translated at historical exchange rates prevailing on the transaction date and income and cash flow statements are translated at average exchange rates for the period. The Group manages all treasury activities centrally, with the exception of the acquired Fortumo entities where treasury processes are in the process of being aligned with Group treasury policies and procedures.

As of 31 December 2023, the Group's gross exposure to foreign exchange risk was as follows:

31 December 2023	Euro $'000	GBP $'000	Other Currency $'000	Total $'000
Trade and other receivables	41,076	15,933	75,150	132,159
Cash and cash equivalents and restricted cash	25,220	8,379	37,631	71,230
Trade and other payables	(54,702)	(19,074)	(109,554)	(183,330)
Net financial assets	11,594	5,238	3,227	20,059
10 % impact +/-	**1,288**	**582**	**358**	**2,228**

As at 31 December 2022	Euro $'000	GBP $'000	Other Currency $'000	Total $'000
Trade and other receivables	23,113	12,242	46,900	82,255
Cash and cash equivalents	21,284	8,521	32,225	62,030
Trade and other payables	(49,100)	(16,877)	(68,917)	(134,894)
Net financial (liabilities)/ assets	(4,703)	3,886	10,208	9,391
10% impact +/-	**(523)**	**432**	**1,135**	**1,044**

The Group operates in 60 currencies (FY22: 48 currencies). We have identified Euro and GBP as the main affected currencies by fluctuations in exchange rates for 2023. In 2022 the main currencies were GBP and EUR. Other currencies are included in the 'Other' column. The impact of 10% movement in foreign exchange rate of US$ will result in an increase/decrease of total comprehensive profit/loss after tax and financial assets/(liabilities) of $2,228k for December 2023 (FY22: $1,044k).

c) 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 in respect of these balances such that, if one or more the aggregators, MNOs or wallet providers encounters financial difficulties, this could impact the Group's financial results. The Group mitigates its credit risk by assessing the credit rating of new customers and MNOs prior to entering into contracts, by entering contracts with customers with agreed credit terms and also primarily by limiting its liability contractually to its customers/merchants in the event of non-payment from wallet providers, MNOs or aggregators.

To minimise this credit risk, the Group endeavours only to deal with companies that are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding receivables amount from carriers/aggregators less the value of corresponding outstanding amounts payable to merchants, which equals the revenue amount recorded in the financial statements in respect of the uncollected funds. An APS fee is also charged to merchants for early settlement.

At the reporting date, the exposure was represented by the carrying value of trade and other receivables, against which $2,047k was provided at 31 December 2023 (FY22: $138k). The provision amounts represent an estimate of potential bad debt in respect of the year-end Group trade receivables. The Group's customers are concentrated to certain sectors, however the concentration of credit risk from trade receivables relating to carriers and aggregators is mitigated by a corresponding trade payable to merchants. Boku only settles merchant payable balances after corresponding funds are collected from carriers and wallets, mitigating credit risk.

A debt is considered to be bad when it is deemed irrecoverable, for example when the debtor goes into liquidation, or when a credit or partial credit is issued to the customer for goodwill or commercial reasons. The Group has applied the simplified approach applying a provision matrix based on number of days past due being greater than 150 days to measure expected credit losses and after taking into account customer sectors with different credit risk profiles, history of collections and current and forecast trading conditions.

The Group's receivable provision matrix is as follows:

31 December 2023	**<60 days**	**61-90 days**	**91-150 days**	**>150 days**	**Total**
Expected credit loss % range	0%	0.30%	0.72%	59.7%	
Gross carrier receipts ($'000)	130,844	7,395	4,066	3,339	145,644
Expected credit loss rate ($'000)	-	(22)	(30)	(1,995)	(2,047)

31 December 2022	**<60 days**	**61-90 days**	**91-150 days**	**>150 days**	**Total**
Expected credit loss % range	0%	0%	0%	95%-100%	
Gross carrier receipts ($'000)	84,792	1,384	34	1,238	87,448
Expected credit loss rate ($'000)	-	-	-	(1,238)	(1,238)

At 31 December 2023 the Group had a net provision for $1,712k (FY22: $138k) of which $1,574k was provided for in the year (FY22: $11k was reversed in the year). The Company revenue is recorded as the net between the amounts received from carriers and

aggregators less the amounts payable to merchants. This represents management's best estimate of the potential revenue loss for the Group if the $2,047k (FY22: $1,238k) old receivables were not received from carriers.

Other receivables are considered to be low risk. Management do not consider that there is any concentration of risk within other receivables. No other receivables have been impaired.

The maximum credit risk exposure is the amount of cash held with at the bank (cash and cash equivalents). To date, the Group has not experienced any losses on its cash and cash equivalent deposits. $122.4m (FY22: $89.6m) of cash and cash equivalents were held in A^{+} rated bank accounts.

d) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The statement of financial positions related to merchant funds flows are considered to be neutral from a liquidity perspective as these cash balances and related payables are interrelated from a liquidity perspective. This is due to the fact that Boku only settles merchant payables after cash is collected from carriers and wallets.

The table below analyses the Group's financial liabilities by contractual maturities (all amounts disclosed in the table are the undiscounted contractual cash flows):

31 December 2023	Within 1 year	2-5 years	More than 5 years	**Total**
	$'000	$'000	$'000	**$'000**
Trade and other payables	233,049	-	-	**233,049**
Financial liability (Amazon warrant liability)	-	-	5,511	**5,511**
Leases liabilities	1,294	1,768	-	**3,062**
Total*	**234,343**	**1,768**	**5,511**	**241,622**

*No material difference between discounted and undiscounted fair value.

31 December 2022	Within 1 year	2-5 years	More than 5 years	**Total**
	$'000	$'000	$'000	**$'000**
Trade and other payables	154,379	-	-	**154,379**
Financial liability (Amazon warrant liability)	-	-	5,206	**5,206**
Lease liabilities	1,427	2,407	-	**3,834**
Total*	**155,806**	**2,407**	**5,206**	**163,419**

*No material difference between discounted and undiscounted fair value.

The Board receives financial reports on a monthly basis as well as information regarding cash balances and investments. The liquidity risk of each group entity is managed by the Group treasury team at the entity level to meet any liquidity obligations. Where facilities of group entities need to be increased, approval must be sought by the entity's CFO. Where the amount of the facility is above a certain level, agreement of the Group CFO and the Board is needed.

Capital Management
The Group's capital is made up of share capital, other reserves, treasury shares, foreign exchange reserve and retained losses.

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowings.

The Group manages its capital structure and makes the necessary adjustments in the light of changes of economic circumstances, the risk characteristics of underlying assets and the projected cash needs of the current and prospective operational / financing / investment activities. The adequacy of the Group's capital structure will depend on many factors, including capital expenditures, market developments and any future acquisition.

24. Related party transactions

In 2023, the Group was remitted $119,711,637 in net payments from 2 suppliers who are shareholders of the Company (FY22: $132,800,653 - from 3 suppliers). At 31 December 2023, the Company had receivables of $23,853,885 (FY22: $13,594,020) due from these companies.

25. Ultimate controlling party

There is no ultimate controlling party of the Company.

26. Contingent liabilities

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. The Company 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, this consolidated financial information do not include a liability for any potential obligations at 31 December 2023 and 2022.

27. Events after the reporting date

Stuart Neal was appointed CFO on 1 January 2024 and appointed as a Director of the Company on 17 January 2024.

Stuart Neal was appointed CEO on 1 January 2024 and appointed as a Director of the Company on 17 January 2024.

NON-IFRS FINANCIAL INFORMATION

Management regularly uses adjusted financial measures internally to understand, manage and evaluate the business and make operating decisions. These adjusted measures are among the primary factors management uses in planning for and forecasting future periods.

Management present non-GAAP financial measures 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. These measures are used internally to establish forecasts, budgets and operational goals to manage and monitor the business, as well as evaluate underlying historical performance. It is believed these non-GAAP financial measures 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.

The primary adjusted financial measures are EBITDA, Adjusted EBITDA and Adjusted Operating expenses, which management considers are relevant in understanding the Group's financial performance. Management uses the adjusted financial measures 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 form part of the adjusted results, 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.

"EBITDA" is defined as net income / (loss) for the year, less discontinued operations gains, net of tax, before finance expenses (including finance costs related to lease liabilities), depreciation and amortisation (including depreciation of right-of-use assets), and income tax expense / (benefit).

"Adjusted EBITDA" is defined as earnings before interest, tax, depreciation and amortisation, non-recurring other income, share based-payments expense, foreign exchange losses and exceptional costs. 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. Adjusted EBITDA from continuing operations also disregards non-cash or non-recurring charges (exceptional costs) that we believe are not reflective of our long-term performance. 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"** is defined as Gross profit less Adjusted EBITDA.

Constant currency measures (Revenue only)

Constant currency revenues are calculated by applying the monthly average foreign exchange rates for each month of 2022 to the actual 2023 monthly results.

"Average daily cash" is the average cash balance for each day.

"Adjusted EBITDA margin" is gross profit less Adjusted EBITDA.

A reconciliation of Adjusted EBITDA to operating profit is as follows:

	Note	Year ended 31 December 2023 $'000	restated* Year ended 31 December 2022 $'000
Alternative performance measures			
Adjusted EBITDA		**25,799**	**20,238**
Other Income		103	755
Depreciation and amortisation (restated*)	10, 11	(7,557)	(5,437)
Share-based payments	20	(7,595)	(5,165)
Foreign exchange loss		(1,034)	(796)
Exceptional items		-	(1,589)
Operating profit		9,716	8,006

*Right-of-use assets in the prior year were restated to prepayments and depreciation was restated, see note 2 for further details.

Exceptional items are included in administrative expenses and include the following items:

Exceptional items	**Year ended 31 December 2023 $'000**	Year ended 31 December 2022 $'000
Impairment of intangible assets	-	(1,264)
Exceptional items	-	(317)
Professional costs	-	(8)
Total exceptional items	**-**	**(1,589)**

Charitable contributions of £Nil (FY22: $317k) were classified as exceptional. These represent monies donated to charities in aid of the Ukraine war.

Impairment of intangible assets of £Nil (FY22: $1,264k) was recognised, (further details can be found in note 11).

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. 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
ATV	The **Average Transaction value** is the TPV divided by the total number of successful transactions
Bundling	The distribution of a digital entertainment company's services through a 3rd party such as a Telco, TV company, Bank or retailer, typically as part of a new tariff (e.g. "Get 6 month's streaming music as part of your mobile phone service"). Boku's services link the distributor and the entertainment company's systems.
Carriers	Carriers are the consumers phone company where purchases can be charged to a phone bill, see DCB
Constant currency	Constant currency is calculated by applying the monthly average foreign exchange rates in 2022 to the actual 2023 results
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CGU	Cash generating unit
COO	Chief Operating Officer
CT	Corporation tax
DCB	**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
EPS	Earnings per share
eWallet/ digit wallet	An **eWallet** is a type of payment method that allows a user to undertake transactions online and, sometimes, offline. A user will link their eWallet 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, eWallets 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.
GMC	Global management committee
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 system 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, eWallet providers and A2A schemes.
LPMs	**Local Payment Methods** are those which typically operate in a single country. They embrace domestic card schemes, domestic voucher schemes, mobile network operators, eWallets, Account to Account based payment systems and Buy Now Pay Later operators. Local Payment schemes 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	The **merchant** is the party in the system who wishes to sell products or services to consumers and needs to support various payment methods in order to collect the money.
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 3rd 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 have built to connect Merchants and 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 fund
RSU	Restricted Stock 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
SMS aggregator	Company used by Boku used to purchase SMS messages in bulk
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 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 case this value is inferred from revenue.
Transaction model	The **Transaction Model** is when Boku provides solely technical connectivity services to a merchant who arranges for settlement directly with the issuer.
WACC	Weighted average cost of capital