GoodBox Investor Update Q1 2022

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Dear Investors,

We hope 2022 is treating you well.

As promised, please find below our quarterly update covering the period January 2022 - March 2022. Furthermore, we have provided important information with regards the current financing of the business.

Throughout Q1 GoodBox is pleased to have continued its mission as a tech for good company providing valuable technology to organisations that underpin our society; recent events have shown us how reliant and grateful we are to be supported by non-profit work and we could not be prouder to call these incredible organisations customers.

In addition, you may have noticed that GoodBox is currently suspended from secondary market trading on Seedrs; we trust this update provides you with the insight and context required. Please be aware that confidentiality is still required on several topics and we hope to provide additional detail when eligible to do so. If you have not yet had a chance to review this post from Seedrs please do as it provides helpful context with regards suspension of secondary market trading.

Thank you for your continued support.

Best wishes

David White (CEO) & Francesca Hodgson (COO)

GoodBox at London Science Museum

Business Performance 📈

Building on from our last update in January, we are pleased to report that performance of GoodBox remains broadly on plan and slightly ahead in terms of an EBITDA position.

Please find below key KPI's for January 2022 - March 2022:

- **Achieved growth** in our customer base to **2,201 clients**.
- Grew the number of devices deployed to **7,416** devices; **deploying an additional 552 devices** (January – March).
- Donation levels continued to rise with significant growth in the period vs. previous years (please see graph below).
- EBITDA is £4,320 ahead of plan.
- Customer Lifetime Value remains at **£1,172,** a 100% increase on the PY.
- Customer Acquisition Costs remain stable at **£350.**
- CLTV/CAC ratio is **4x** up from 3x in 2021.

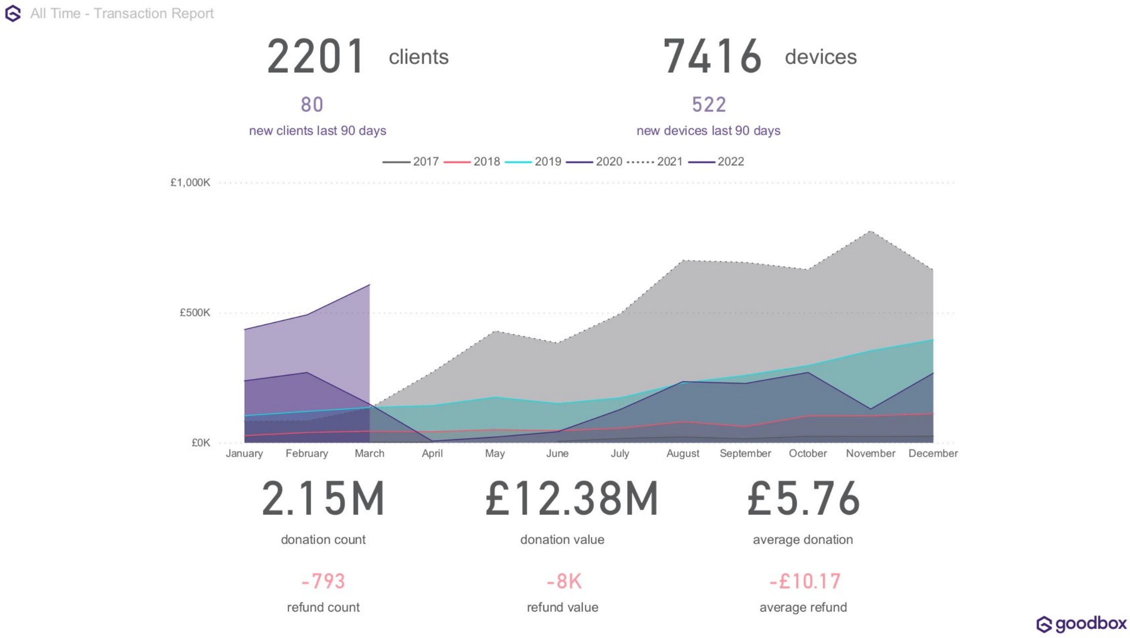
goodbox

DASHBOARD - MARCH 2022

KPI's L6M

	Actual Oct-21	Actual Nov-21	Actual Dec-21	Actual Jan-22	Actual Feb-22	Actual Mar-22
Donations	£660,796	£811,389	£660,169	£431,352	£487,681	£602,365
Recurring Revenue	£57,062	£61,539	£65,886	£51,961	£51,289	£66,185
Number of Devices (deployed)	6,258	6,573	6,852	7,003	7,187	7,423
Devices Active %	42%	42%	40%	32%	33%	36%
Number of transactions	111,245	101,551	113,626	80,476	88,188	103,499
Average Donation Value	£5.94	£7.99	£5.81	£5.36	£5.53	£5.82
Daily donation per unit (deployed)	£5.28	£6.17	£4.82	£3.08	£3.39	£4.06
Daily donation per unit (active)	£12.57	£14.70	£12.04	£9.62	£10.28	£11.27
Number of customers	1,969	2,038	2,106	2,137	2,164	2,201
Customers Active %	68%	69%	68%	59%	62%	64%

3 months to March 22	YTD ACTUAL	YTD BUDGET	YTD Variance
One off revenue	101,750	95,669	6,081
Recurring revenue	169,435	209,970	(40,535)
Total Revenue	271,185	305,639	(34,454)
EBITDA	(428,505)	(432,825)	4,320
Number of Customers	2,201	2,205	(4)
Number of Devices Deployed	7,423	7,215	208
Runway	0.2M	0.6M	-0.4M
Cash out date	May 22	N/A	



Business Operations

The last 2 years have been a challenging time with COVID-19 impacting every element of business operations. To secure GoodBox's future, several key actions took place:

- Leveraging the government's furlough scheme
- Reducing operational costs
- Increasing our commercial pricing
- Securing emerging financing via equity through pre-emption. See www.seedrs.com/goodbox2
- Accessing debt financing via the Government's Future Fund. See www.seedrs.com/goodbox3

Without a doubt, we value all the support received from our shareholders during this time. The Future Fund round of £9.1m put us in a position, based on our revised business plan, to achieve a sufficient cash balance to procure the necessary stock and see us through to profitability (£3.9m). In addition it allowed us to obtain key payment software (£5.2m) to strengthen our IP and unlock international expansion opportunities at a faster pace in a more cost efficient manner.

Recovery of revenues has however fallen significantly short of expectations. As a reference point, in 2019 on an annualised basis post launch (we launched late March) we achieved revenues of £1.27m with strong MoM growth into the end of the year and a healthy pipeline of opportunities. This compares to £951k in calendar year 2021. Whilst revenue is starting to recover to pre-covid levels, our cashflow was impacted significantly by the requirement to replace faulty stock as highlighted in previous updates.

The finance secured in the past 2 years was done at a significantly reduced valuation and it was necessary to slow the growth of our ambitions at a time of great uncertainty. We made the strategic decision to reduce operational costs, increase pricing of our products and services and remain focused on delivering a premium hardware + software & service proposition to the market. The combined result was that we were able to remain a going concern and stay on plan from an EBITDA perspective.

Please note that the payment software, which is eligible for R&D tax reclaims (more detail on this provided below), is still undergoing stringent due diligence and will only be accepted once it has been fully vetted and verified.

Board Activity

The board of GoodBox remains committed to the delivery of our original business plan which positions GoodBox as a consolidated provider of digital fundraising tools.

We recognise that there have been new entrants into the market and new technologies to consider. We acknowledge the strength of GoodBox as a brand in the market and are presently revisiting our strategy, talking with our customers, and making any required strategy amends with a view to launch a much larger fundraise c.£10 million at the optimum time.

In addition, GoodBox is exploring various financing solutions as outlined below. This is in conjunction with reviewing a heads of terms for an acquisition of the company.

It is essential to GoodBox that we take the time required to ensure we are working strategically and diligently through the options available to us. Furthermore, we are undertaking robust verification of the payment platform licenced to ensure it represents the value and scope of the agreement. Our board is currently speaking on a weekly basis to ensure the most stringent of governance.

Options actively being explored at this time:

As previously communicated to direct investors and the Seedrs team, GoodBox had been exploring a funding round at £8.50 per share (vs the last priced round in Q1 2020 of £3.47 per share). Given uncertainty relating to the implications of the Future Fund Convertible Loan Note we were unsuccessful in securing a critical mass of commitments to enable us to close the funding. We subsequently explored further options including debt financing and further reductions in the share price. While we did initially receive sufficient commitments at a reduced share price, we were unable to secure shareholder majority support to progress with this round, primarily due to an acquisition offer and potential R&D tax credits (further detail on both below). It is for this reason that investors via Seedrs would not have been previously informed of these financing explorations. This interim uncertainty has placed significant pressure on the cash position of GoodBox, which has necessitated cost reductions and further austerity measures to maintain solvency.

Head of Terms

The board of directors has recently received a Heads of Terms for an acquisition of the company. It is for this reason that GoodBox is currently suspended from trading on the Seedrs secondary market. The board is extensively reviewing this proposal to ascertain whether the proposal is a) viable and in the best interest of the shareholders, and b) feasible from a timings perspective before seeking shareholder consent. We will provide further details at the right time should this be something the company actively wishes to pursue.

Debt or equity finance in conjunction with R&D tax credits

GoodBox is currently pursuing R&D tax credits estimated to be worth in excess of c.£0.5m.

Whilst interim finance may be required during the period in which we asses the Heads of Terms and explore the R&D tax credits, it is likely that we can access the resources we need temporarily to prepare for a larger finance round. We anticipate the process of evaluation for the requirement of interim finance to conclude in the next 2-3 weeks. Should we find ourselves in a position where additional equity or debt finance is required we will be in touch immediately. In the interim, and as highlighted above, we have actively reduced operational costs in the past quarter to extend runway and we continue to review austerity measures at this time. To be clear, this is a challenging interim period for GoodBox; the board and the management team are doing everything they can to address these challenges and achieve clarity on the opportunities highlighted above.

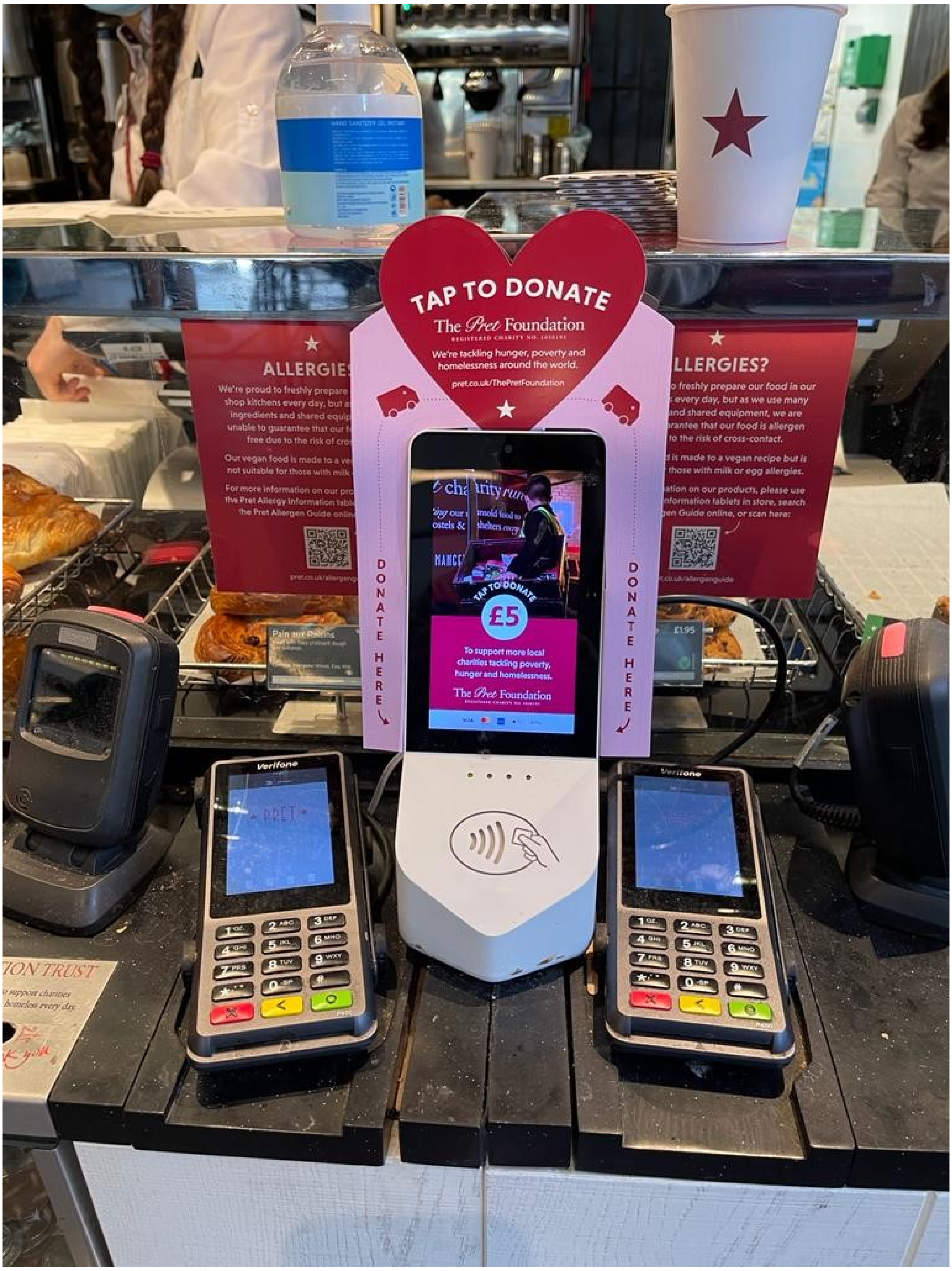
What's next:

In addition to our current product offerings, an extension to our current strategy is being defined; we recognise the importance in availing of new technologies to expand GoodBox solutions and further our vision in the consolidation of digital fundraising solutions for charities. We also recognise the importance of leveraging insight from our 2,000+ customers; we are keen to ensure our solutions continue to solve the most pressing fundraising problems as we slowly progress to levels of social interaction that we were accustomed to pre-pandemic.

GoodBox is a brand poised for growth. Founded in 2016, GoodBox recognises the trend towards a cashless society and provides our valuable non-profits with vital cashless fundraising solutions. The pandemic, whilst challenging, has only highlighted the need for cashless solutions and has left many debating the pros and cons of a cashless society. Here at GoodBox we always believe in consumer choice and data consistently shows contactless donations to be a new revenue stream for our clients.
Recently we are proud to have been invited to join the Association of Scottish Visitor Attractions (ASVA). According to ASVA (2022)

'We recognise how vitally important it is for our members to maximise income and data shows us that contactless donations are providing organisations with the opportunity to yield much needed additional revenue.' – CEO, ASVA

ASVA along with a steady stream of inbound opportunity, and growth in adoption from existing clients, provides encouraging signs of more prosperous times ahead for both GoodBox and society at large. We are proud to continue to service incredible organisations and brands with their fundraising. As an example, our work with Pret-a-Manger and the Pret Foundation continues with a combined ambition to be in all stores by the close of 2022.



GoodBox at Pret-a-Manger

In the coming months we will begin vital moves to restructure the business for growth and bring the company forward to a place of profitability.

Our next quarterly update is scheduled to be out before the end of July, however we plan to communicate an interim update within the next 2-3 weeks as we appriciate it is likely that our investors will have questions that we continue to seek clarity on.

Thank you again for your support and we look forward to updating you soon.

Best wishes

GoodBox

GoodBox at St.James's Park, London