

Bango FY2015 results presentation

Highlights

Financial review

Business update & outlook

15 March 2016

Ray Anderson CEO

Rachel Elias-Jones CFO



- EUS exiting FY2015 over 100% higher than FY2014
 - EUS strong growth in End User Spend (EUS) in line with expectations
 - Increase of 78% to £44.7m
- Stable cost base
 - Reduced in year due to operational efficiencies
 - Total gross profit stable at £1.3m
 - Cash balance of £12.1m
- Margin on EUS £0.8m (increase of £0.2m)
 - Margin 1.8% as larger/higher value markets offer lower margin

- 1h2015
 - First Google Play DCB launches in South America
 - All five app stores launched with du (UAE MNO) in under nine months
- Exit run rate: £42m/yr

- 2h2015
 - First Google Play DCB launch in Africa
 - Declared No.1 for app store carrier billing
 - Bango Boost technology deployed to MNOs - grew EUS from activated routes 20-70%
 - Microsoft relationship expanded to Windows 10
- Exit run rate: £67m/yr

Market expansion

- Smartphone penetration and adoption continuing to grow
 - More users will have access to content
- Growth in content sales from app stores with DCB becoming increasingly important
 - The range of app store content expanding

Activity through the platform

- Strong growth trajectory from existing activations
 - At least 100% increase in annualized EUS exit run rate expected for 2016
 - Bango Boost technology will increase EUS on active routes
- Additional growth from new activations
 - Healthy number of activations scheduled for launch in 2016
 - 2016 will see a greater contribution from emerging markets

Financial review FY2015

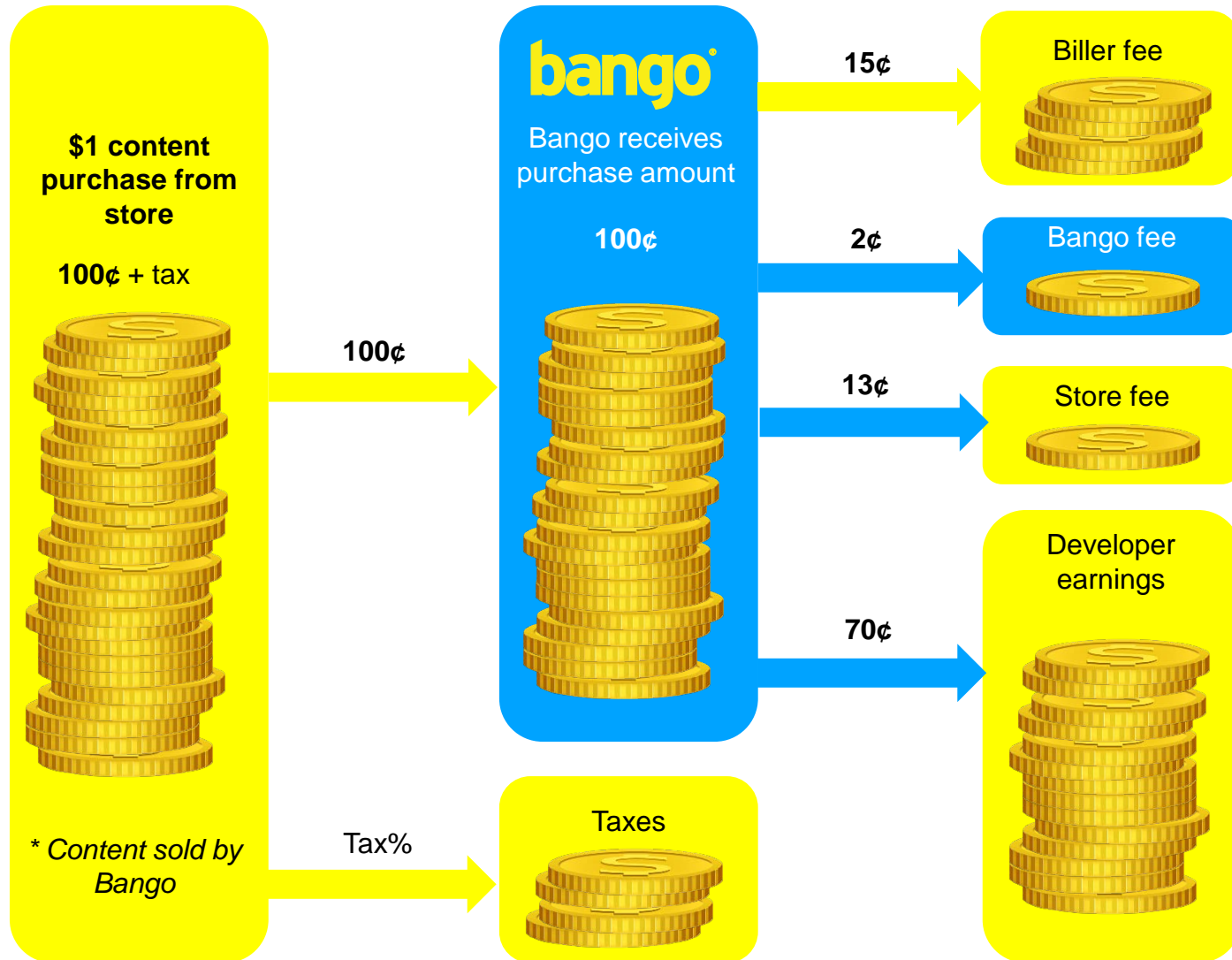
Rachel Elias-Jones, CFO

The Bango logo consists of the word "bango" in a bold, lowercase, sans-serif font. The letter "a" is a vibrant yellow, while the remaining letters "b", "n", "g", "o" are white. A registered trademark symbol (®) is positioned at the top right of the letter "o".

bango[®]

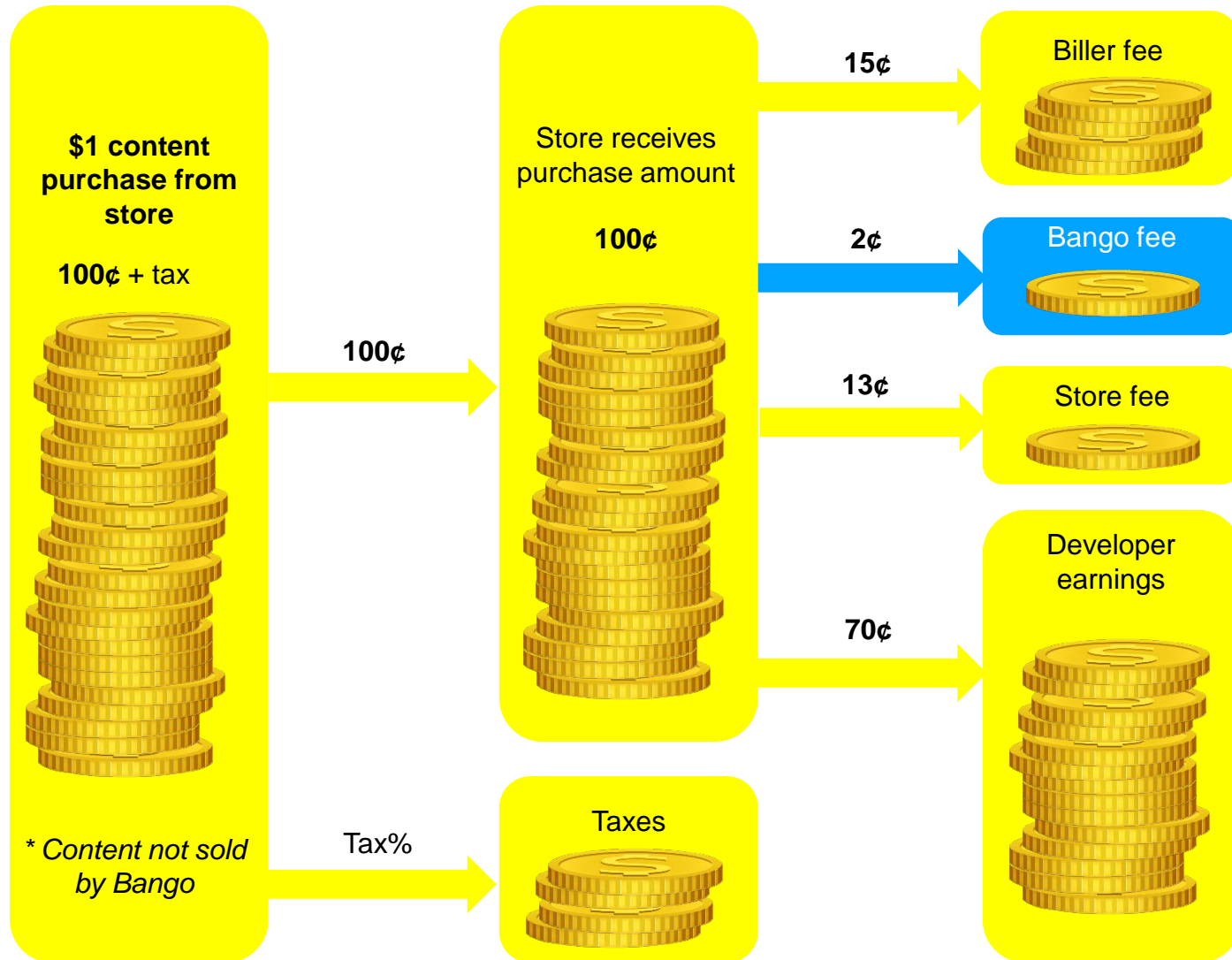
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- Bango agility enables app stores to select either agency or principal model



- Bango acts as content seller
- Bango collects entire EUS, net of tax
- Purchase amount equals turnover**
- Bango distributes fees to partners
- Bango retains transaction fee

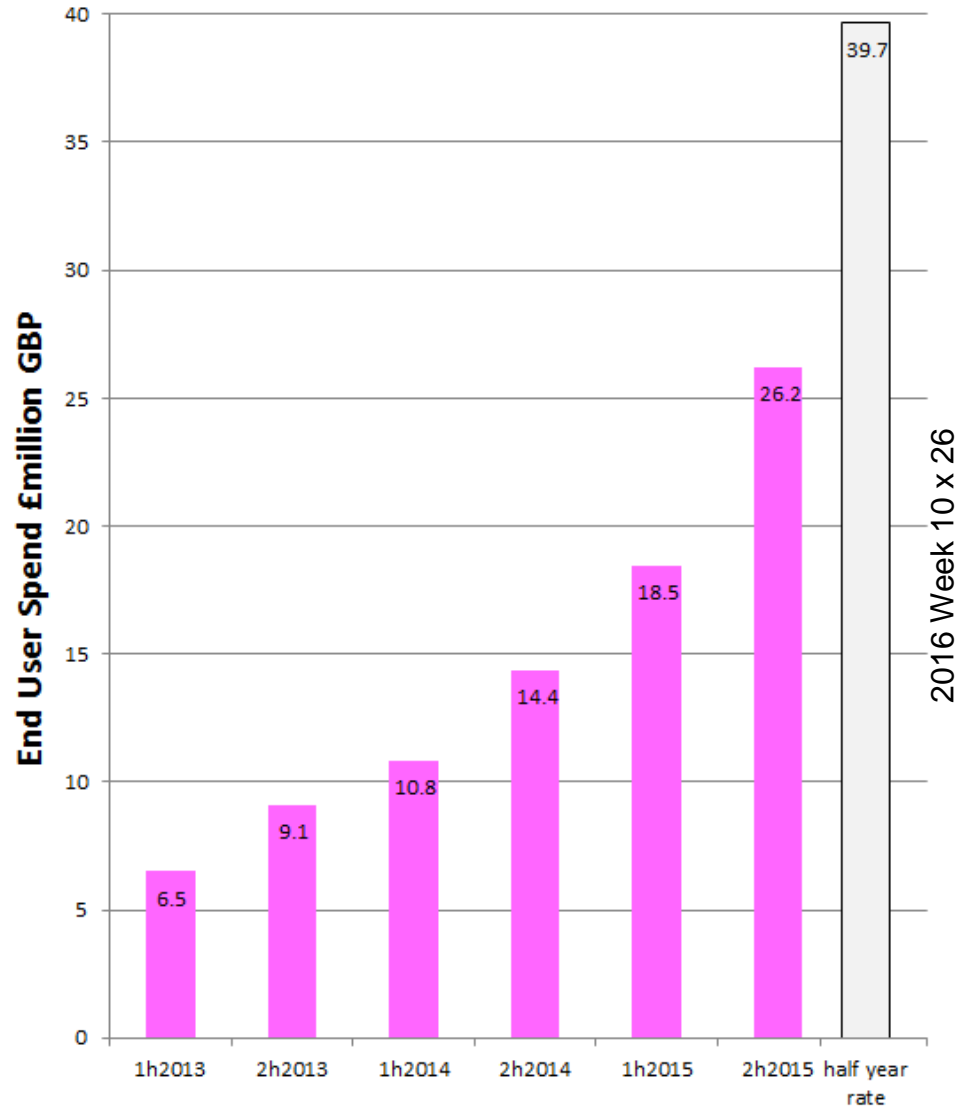
- Increasing percentage of agency EUS has led to decreasing turnover



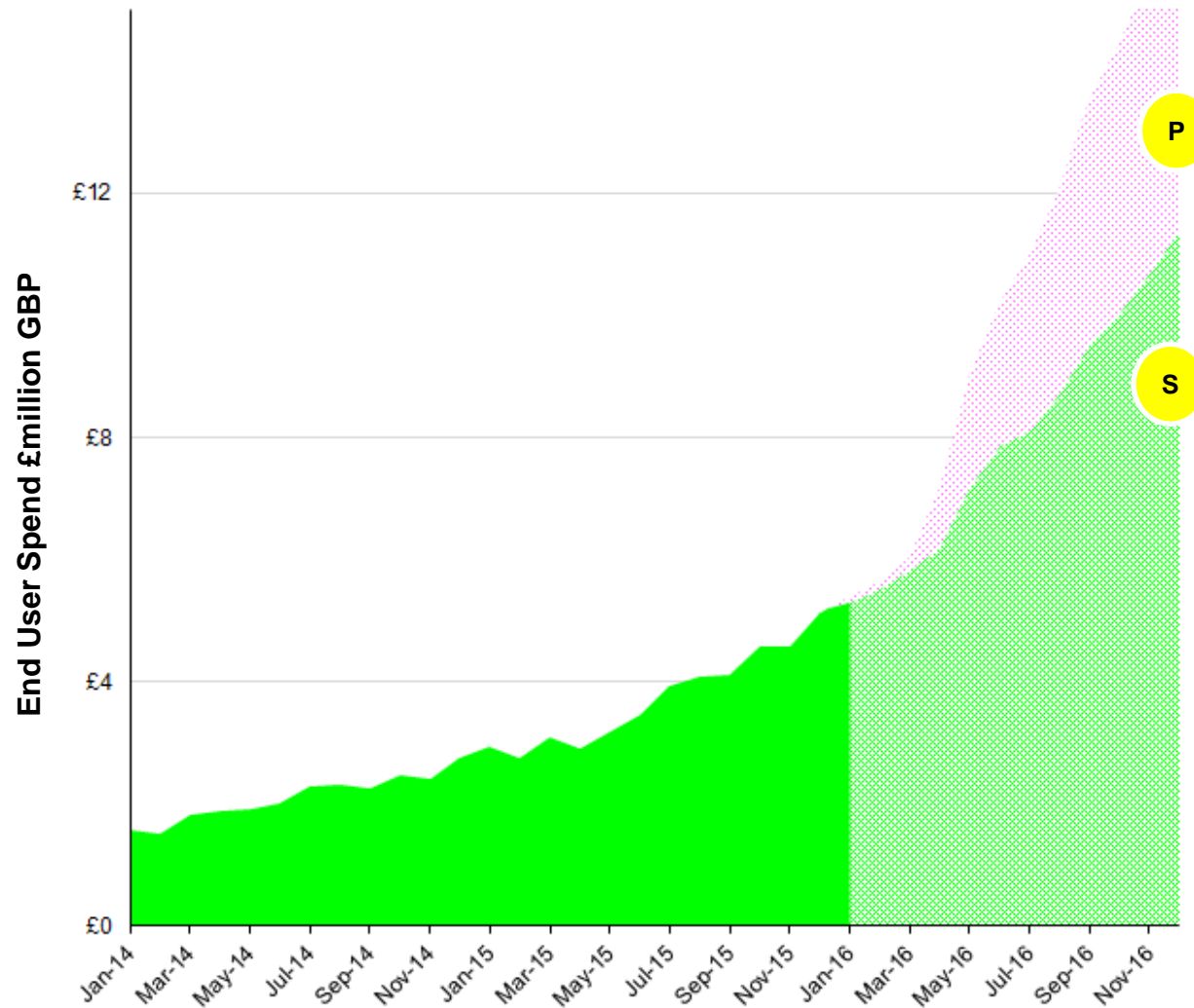
- Store acts as content seller
- Store receives EUS and distributes fees
- Bango receives transaction fee
- Bango fee equals turnover**

	FY2015 Audited	FY2014 Audited
	£m	£m
End user spend	44.68	25.17
Sources of Margin		
End user	0.80	0.60
Platform fees	0.46	0.73
Total Margin	1.26	1.33
End User Spend Margin %	1.80%	2.39%
Operating costs	(4.41)	(5.02)
Adjusted LBITDA	(3.14)	(3.68)
Depreciation & amortisation	1.45	1.34
Share based payment charge	0.43	0.39
Loss before tax	(5.03)	(5.42)
Loss after tax	(4.81)	(5.15)

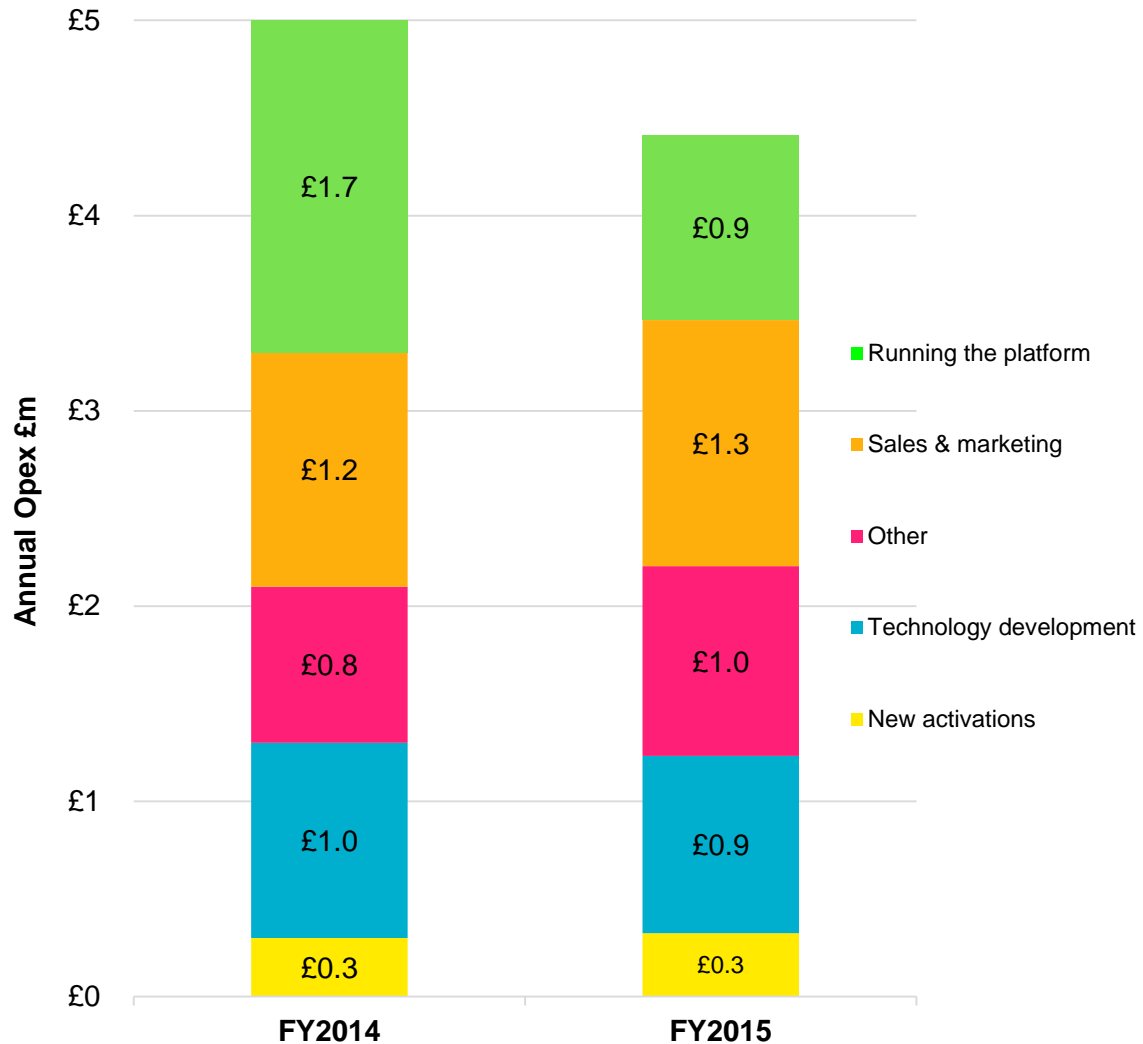
- EUS £44.7m
(FY2014: £25.2m) + 78% growth YoY
- Margin on EUS £0.81m (FY2014: £0.60m)
- Platform fees
 - Reduced to increase access to platform for faster scaling
- Stable cost base
 - Efficiencies from the platform realized
 - Increased spending on sales and development of the business in strategic markets



- Growth accelerating as expected
- 2h2015 EUS grew to £26.2m (1h2015: £18.5m)
- Half year rate equivalent EUS £40m (Week 10 x 26)



- Historic data to model the EUS from the activations live in Dec 2015
- Model predicts EUS from these activations will grow 100% by Dec 2016
- Too early to predict EUS from:
 - **S** >30 scheduled activations
 - **P** >200 more activations in pipeline
- New Google, Microsoft, Samsung and Amazon activations expected in FY2016
- Note: S and P areas on graph are diagrammatic and not intended to show forecast EUS



- Stable cost base - FY2015: £4.4m slightly lower than FY2014: £5m
 - service insourcing
 - cost reduction program
- 24/7 team educating MNOs on Bango Boost (shown as sales and marketing)
- Infrastructure capacity regularly tested to equivalent to £650m /\$1B pa
- Continued R&D
 - Enhance Bango Platform API & Bango Grid
 - Increased DCB payment flexibility

	FY2015	FY2014
	Audited	Audited
	£m	£m
Non-current assets	3.95	4.27
Trade and other receivables	1.13	1.11
R&D tax credits	0.22	0.24
Cash and cash equivalents	12.14	6.25
Total assets	17.44	11.87
Share capital and reserves	46.13	36.10
Accumulated losses	(30.22)	(26.28)
Trade and other payables	1.17	1.47
Short term finance leases	0.27	0.29
Long term finance leases	0.95	0.29
Total equity and liabilities	17.44	11.87

- Cash invested:
 - to support activity in India, Japan, Nigeria and Brazil
- Healthy cash balance following November 2015 fundraise
- Reduced levels of payables due to increased proportion of agency business
- Business model: Negative working capital

	FY2015	FY2014
	Audited	Audited
	£m	£m
Net cash used by operating activities	(3.25)	(3.18)
Net cash generated used by investing activities	(1.02)	(0.99)
Net cash generated from financing activities	10.16	5.83
Increase in cash and cash equivalents	5.89	1.15
Cash and cash equivalents at beginning of period	6.25	5.11
Cash and cash equivalents at end of period	12.14	6.25

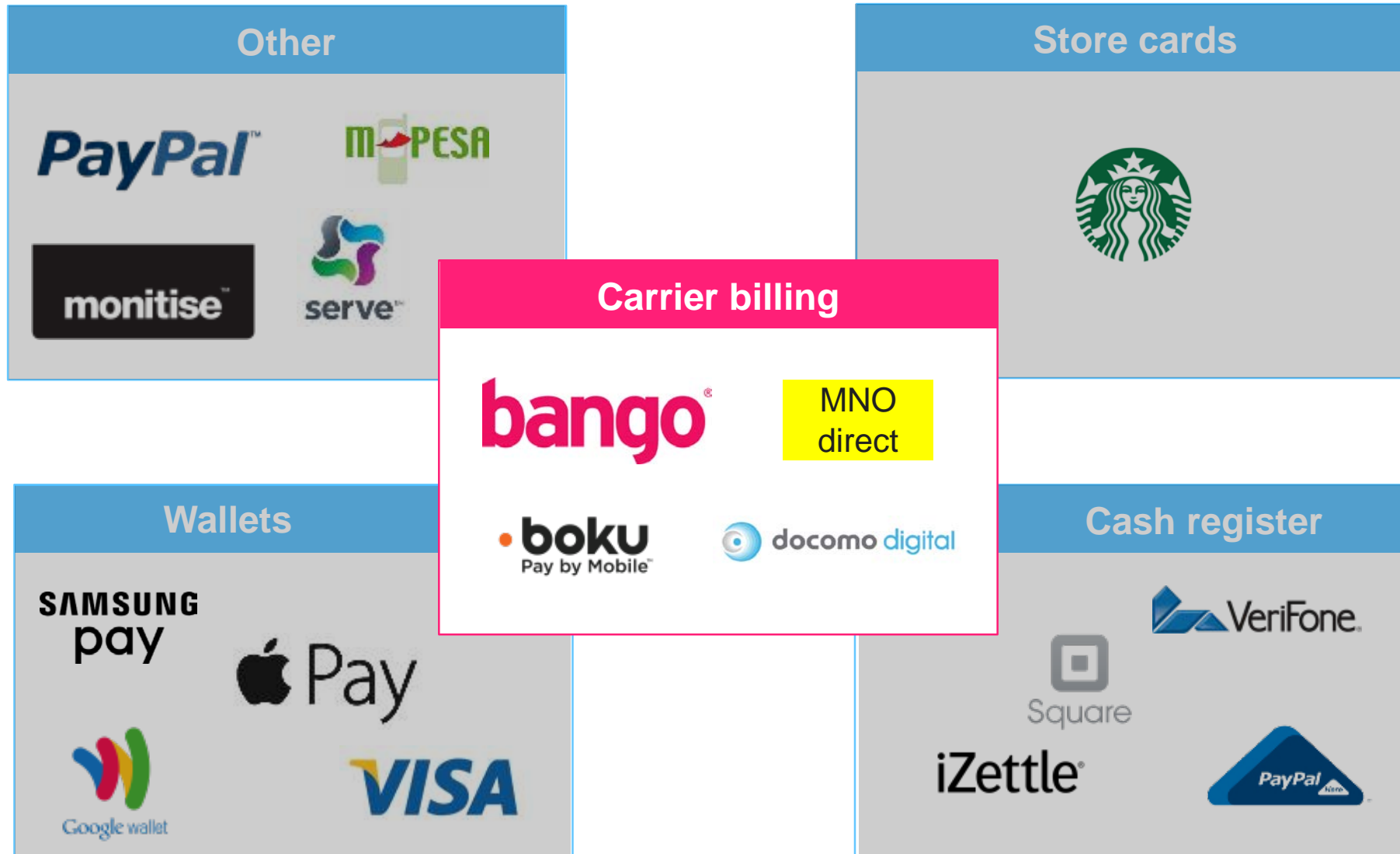
- Cash raised in November 2015 to strengthen the balance sheet
- £11m raised in placing with new and existing shareholders (£10.4m raised net of fees)
- Investment in technology and infrastructure to support growth in EUS
- Increased spending on sales and marketing to grow the business

Business update & outlook

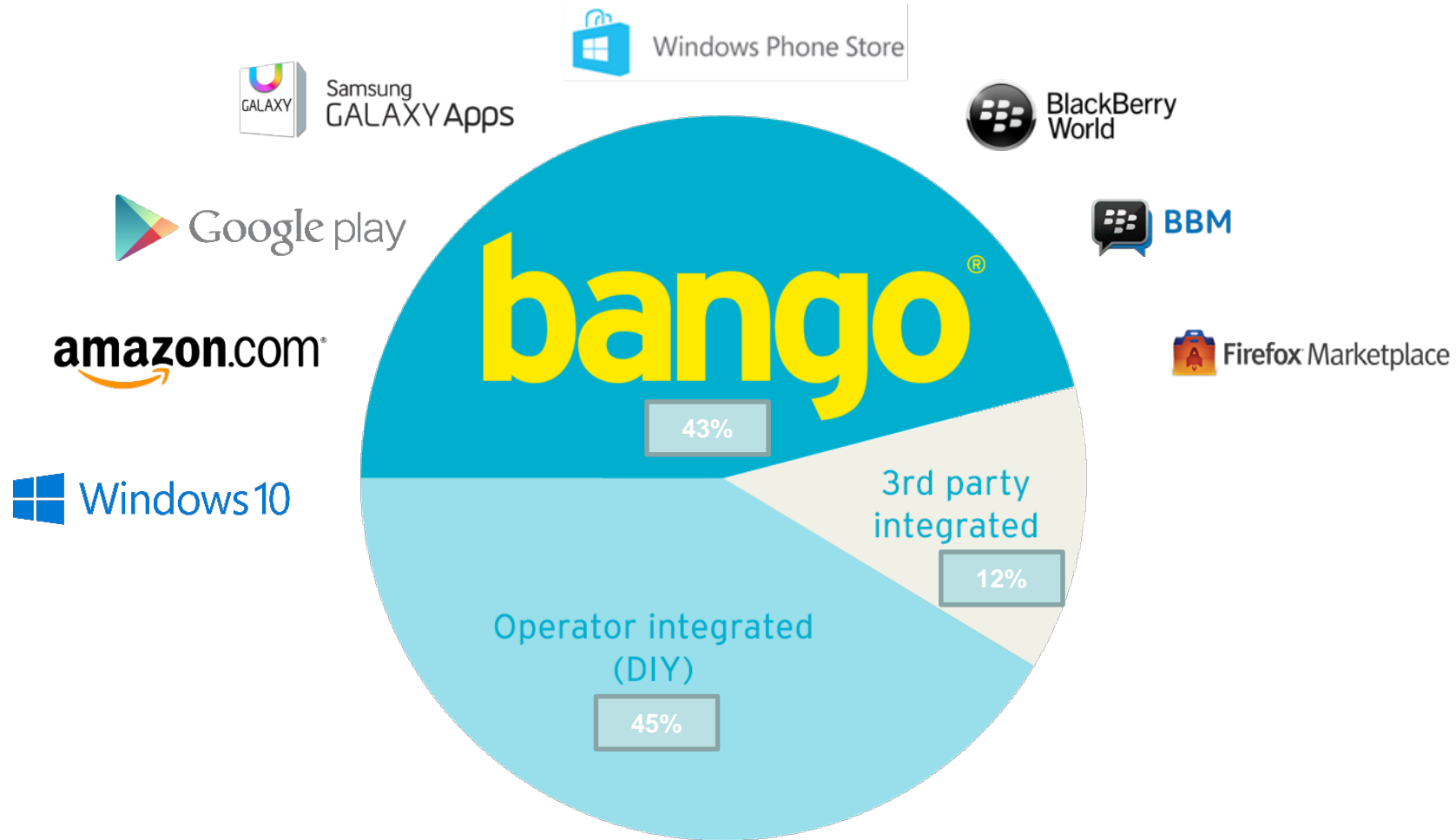
Ray Anderson, CEO

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Bango is #1 for app store carrier billing

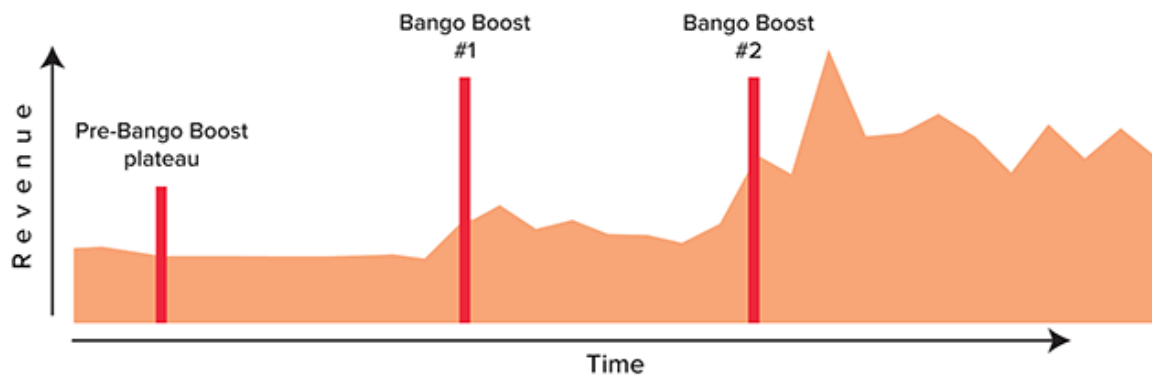


Total app store carrier billing activations

Source: Progressive Research September 2015

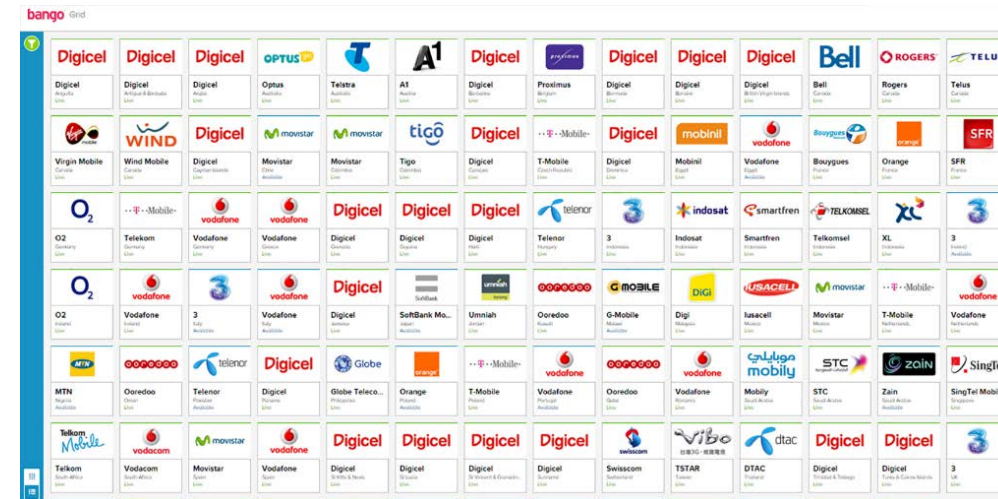
More revenue

Operators gain up to 70% growth in revenue from Bango Boost technology



More launches

App stores fast-track carrier billing activation using Bango Grid



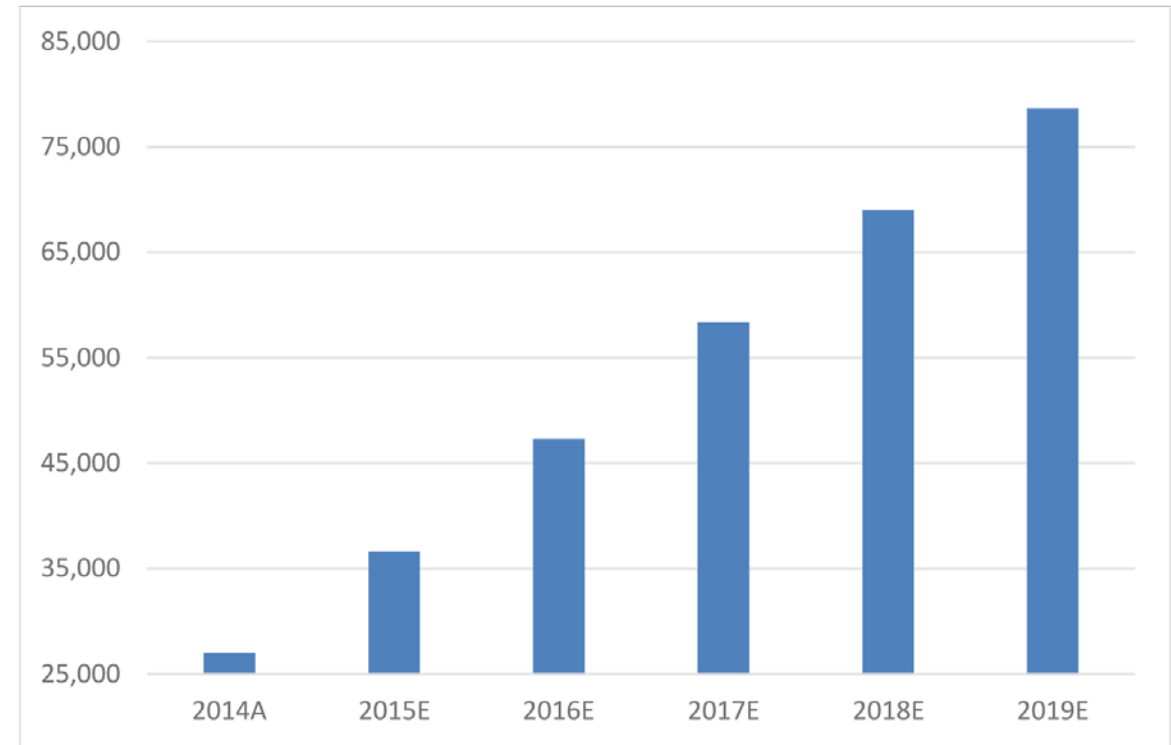
2014

- App download market US\$27bn
- 83bn apps downloaded
- 7% directly billed to mobile customers, global addressable DCB provider market \$1.3bn

2019 forecast

- Volume of app downloads to rise to 286bn
- Market will reach US\$79bn annually
- DCB segment will contribute \$11.8bn, CAGRs of 24% and 56% respectively

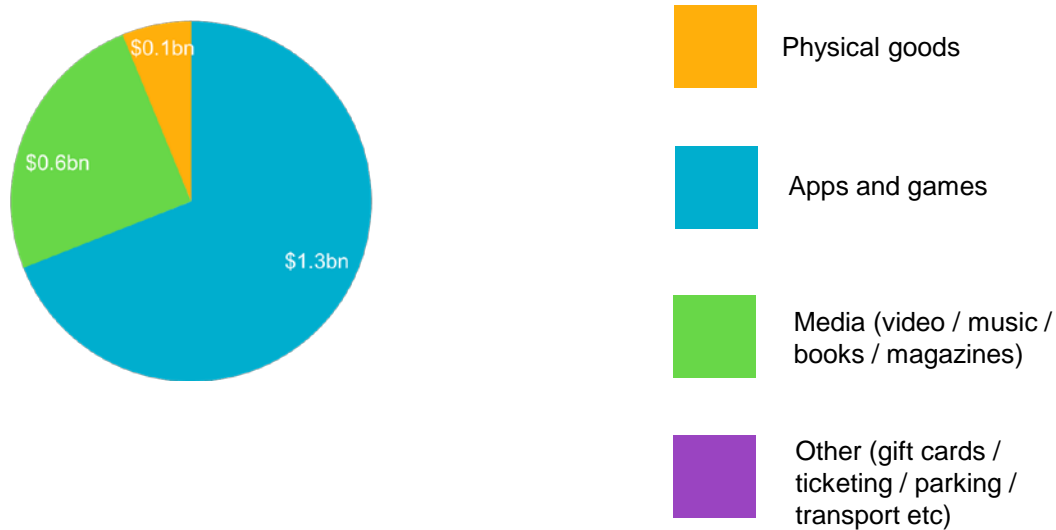
Global app download market by value* (US\$m) 2014-2019E



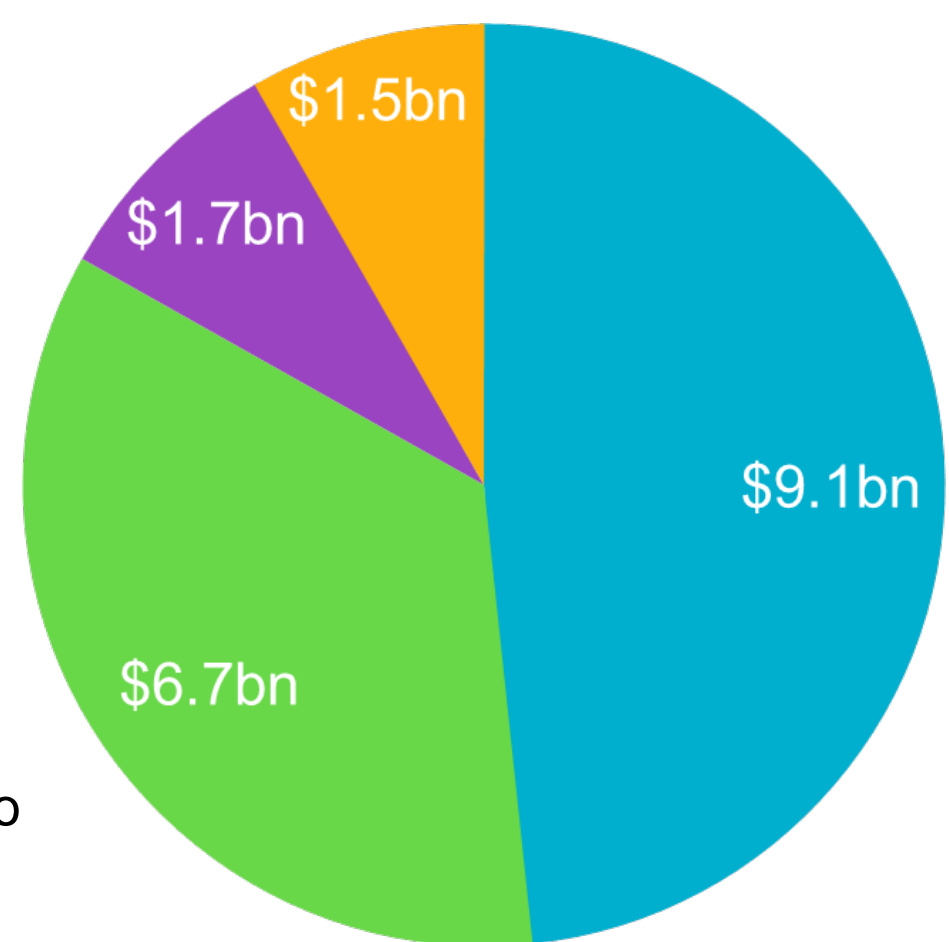
Source: Progressive Equity Research estimates

* Refers to the major global app stores

2014
Market value USD\$2bn



2019
Market value USD\$19bn

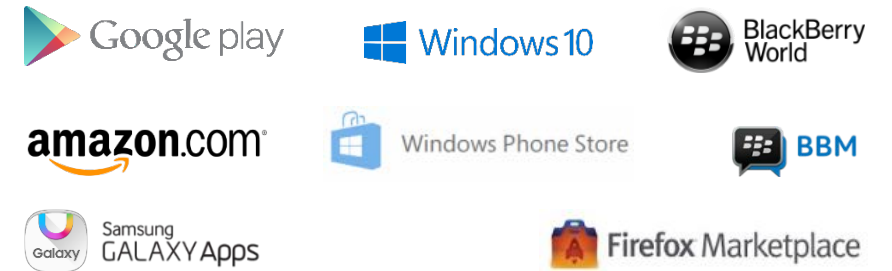


- Entertainment categories dominate the market
- Significant growth in media category driven by video

2015	2016
<ul style="list-style-type: none">• Increased market share• Doubled End User Spend run rate	<ul style="list-style-type: none">• Continue doubling of EUS run rate• Greater contribution from emerging markets
<ul style="list-style-type: none">• Cost base stable• Balance sheet strengthened	<ul style="list-style-type: none">• EUS growth on stable cost base• Maintain strong cash position
<ul style="list-style-type: none">• Trialed Bango Boost technology, 20% plus gains in EUS achieved	<ul style="list-style-type: none">• Broad deployment of Bango Boost technology• Integration of operator wallets

- Number 1 for app store carrier billing
- Founded in 1999 to enable effective collection of mobile payments
- Chosen by the worlds leading app stores and mobile operators
- Bango technology delivers a superior user experience and higher revenues
- London Stock Exchange since 2005 (AIM: BGO.L)
- Offices in Cambridge, New York, Palo Alto, Singapore, Lagos, Tokyo and Sao Paulo

Powering the major app stores:



Over 140 mobile operator relationships:



Award winning technology:

