

Bango 9m2012 Final Results

Nine months to 31 December 2012

Ray Anderson CEO
Gerry Tucker CFO
Anil Malhotra CMO

© 2013 Bango plc
www.bango.com

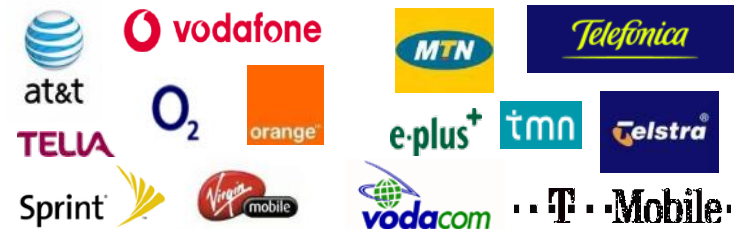


- Founded 1999 to enable effective payment for content and services by users of mobile internet devices
- World leader in mobile operator billing for smartphones
- Offices in Cambridge UK and New York USA
- 60 employees
- Listed on London Stock Exchange since 2005 (AIM: BGO.L)

Bango customers include:



90+ Operator relationships include:



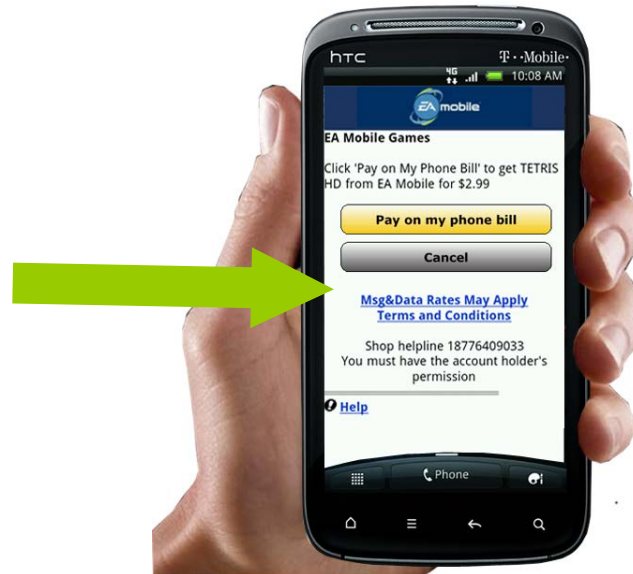
Award winning technology:



What Bango does



**Streamline
the user
payment
experience**



**One-click
payment
increases
sales**

For thousands of digital merchants



The smartphone opportunity...

(1) Smartphone base growing fast:

Global smart phone market

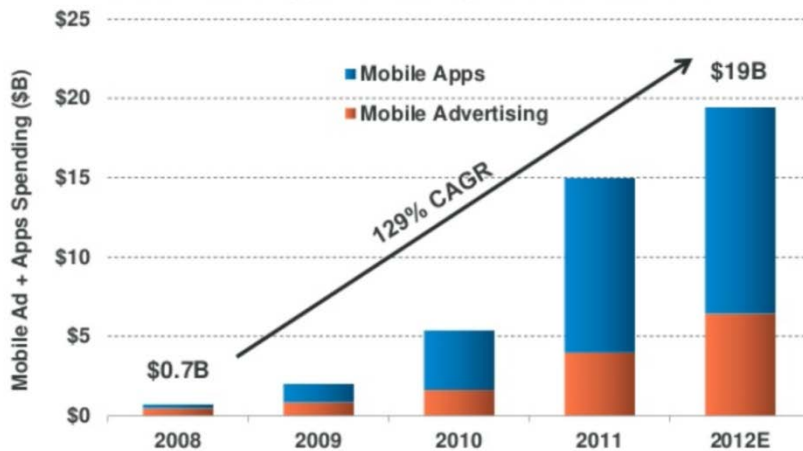
Shipments into the channel, split by platform, Q2 2012, Q2 2011

Platform	Q2 2012 shipments (million)	% share	Q2 2011 shipments (million)	% share	Growth Q2'12/Q2'11
Total	158.3	100.0%	107.7	100.0%	46.9%
Android	107.8	68.1%	51.2	47.6%	110.4%
iOS	26.0	16.4%	20.3	18.9%	28.0%
BlackBerry	8.5	5.4%	12.5	11.6%	-32.1%
Symbian	6.4	4.1%	18.1	16.8%	-64.6%
Windows Phone	5.1	3.2%	1.3	1.2%	277.3%
bada	3.3	2.1%	3.1	2.9%	5.1%
Others	1.2	0.8%	1.1	1.0%	15.2%

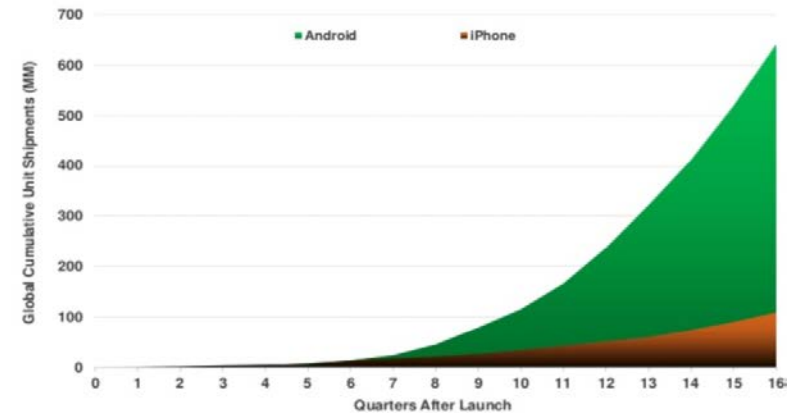
Source: Canals estimates, © Canals 2012

(2) Driving app and advertising revenues:

Global Mobile App + Advertising Revenue, 2008 vs. 2012E



First 16 Quarters Cumulative Global Android & iPhone Unit Shipments



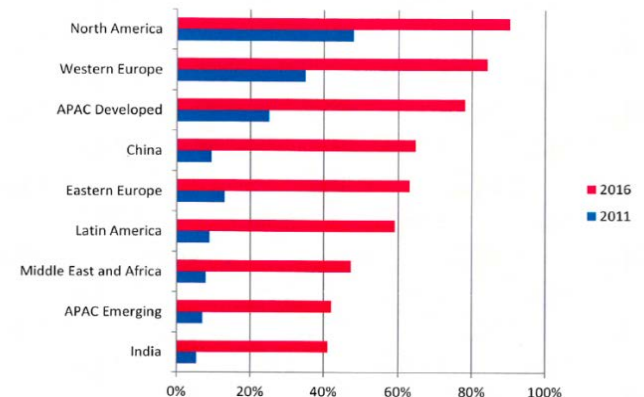
Source: Gartner, Morgan Stanley Research, as of Q3:12.

KPCB

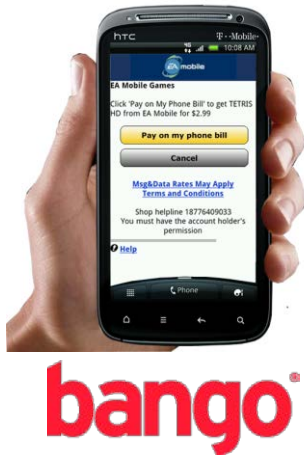
(3) With much more growth to come:

Growth of smartphone adoption over the next 3 years

Installed base of smartphones by region, % of total mobile phone base



Bango has a unique edge



Extensive direct operator billing connectivity gives 300% - 1,000% sales uplift.

Bango's **Common user identity** across multiple services / apps boosts that further by enabling one click - even on Wi-Fi

This “platform effect” drives sustained competitive advantage.

Bango Payment Platform

Single technical and commercial integration with 90+ billing systems

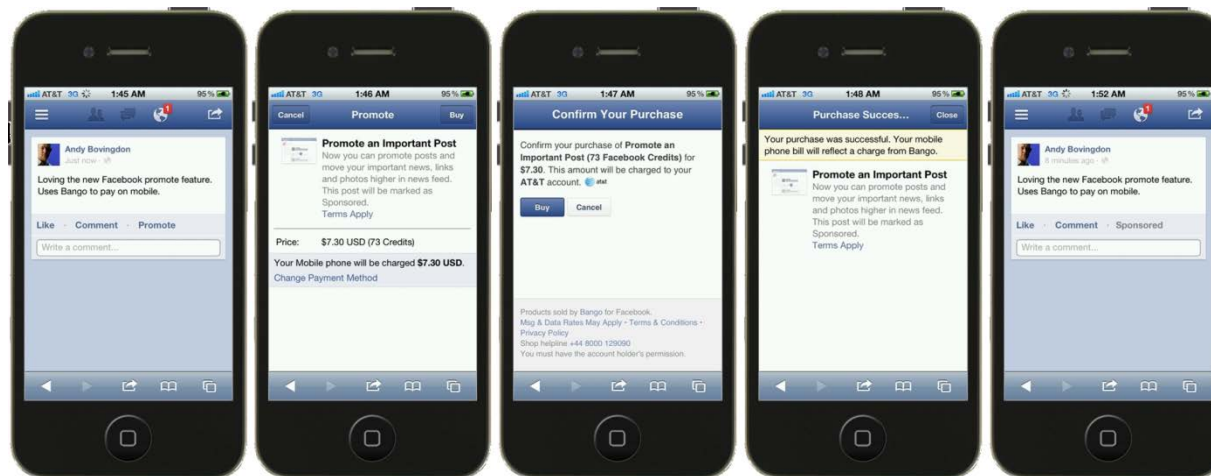
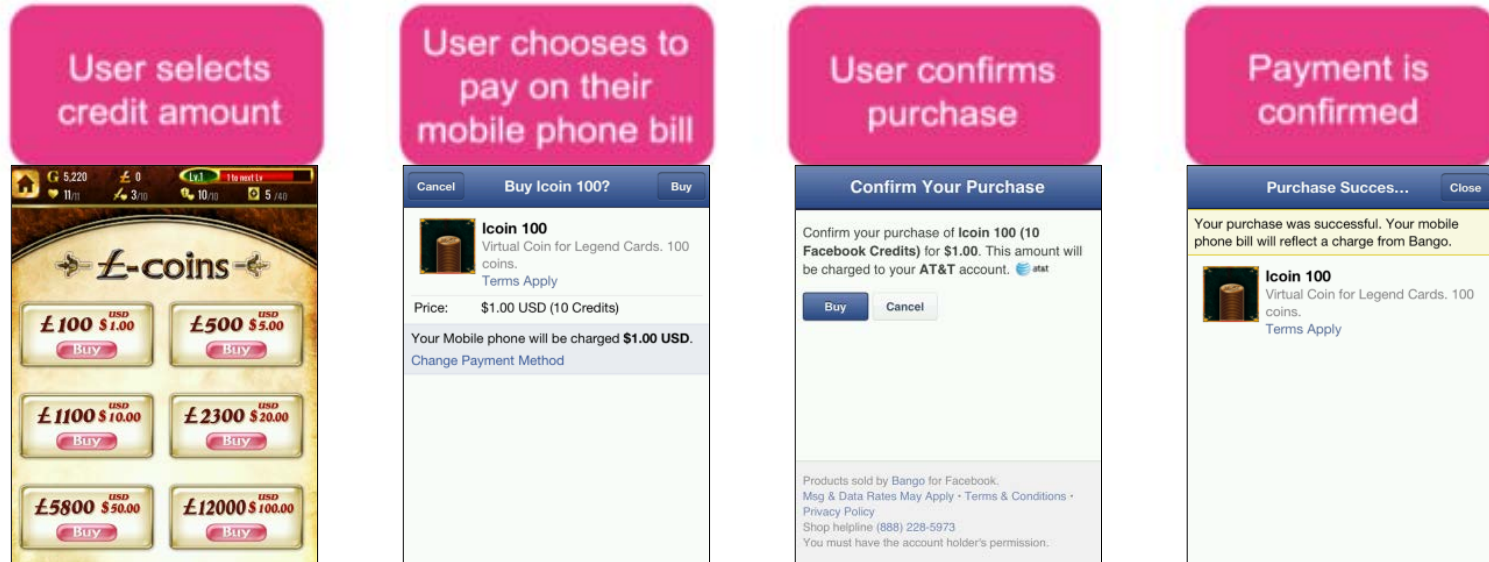


User identity:

Bango ID merges multiple identities using cross-site & app history

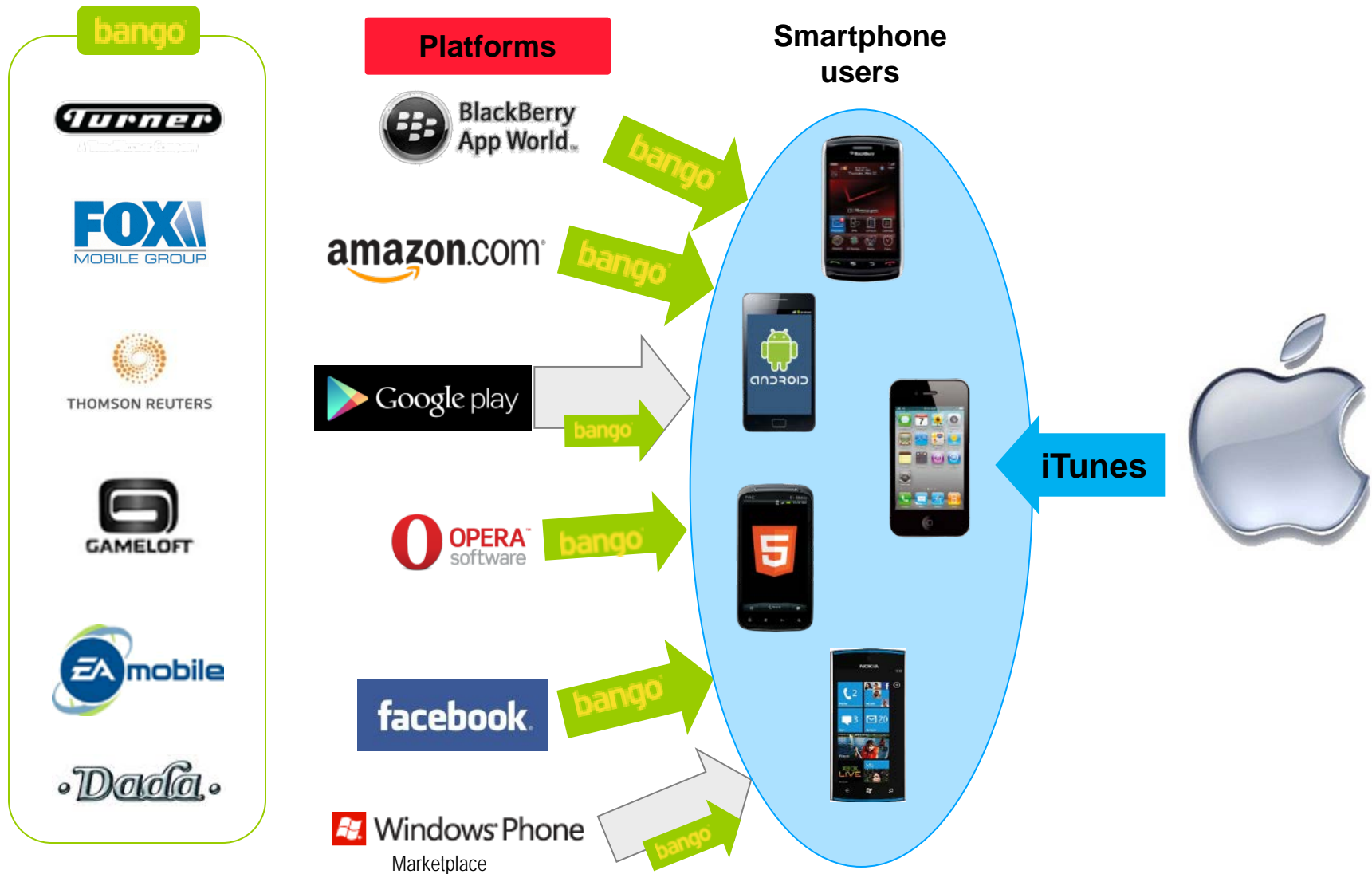


Operator billing example: Facebook

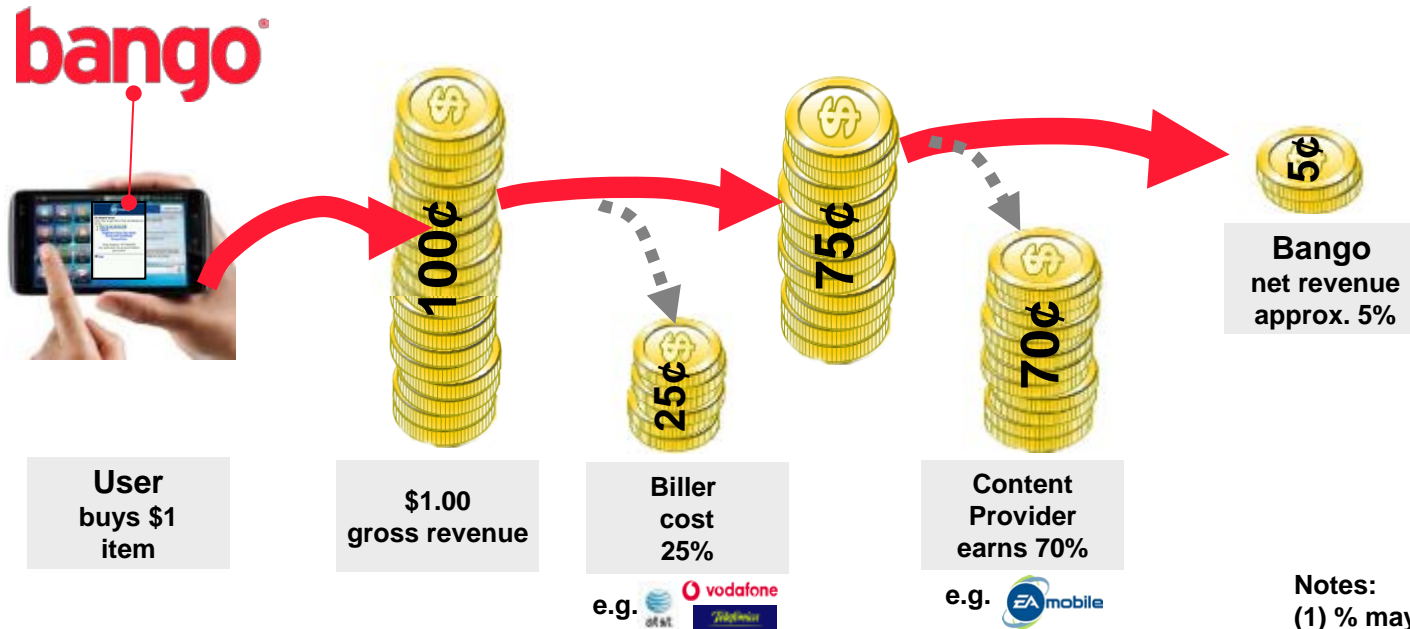


Bango is gaining momentum

bango



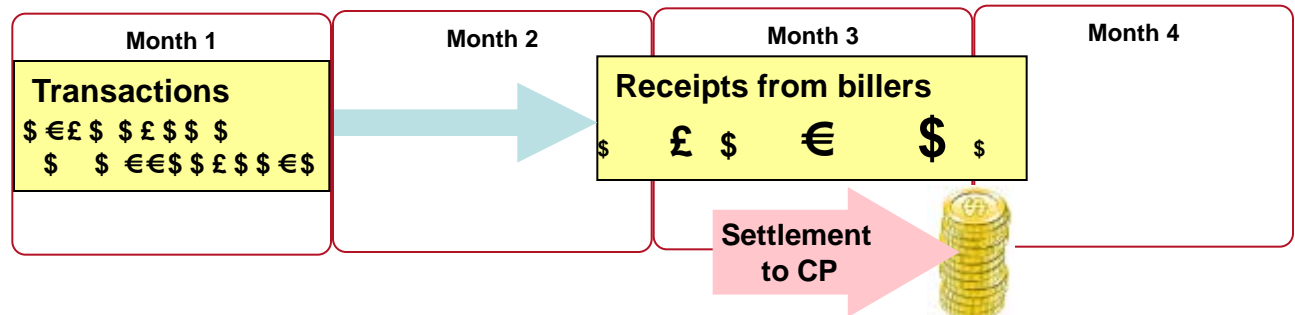
Bango business model



Notes:
 (1) % may vary by biller and CP
 (2) Taxes excluded for simplicity

Settlement

Bango system aggregates cash from all billers, converts and pays 60 days after month end



- Changed reporting period to align with calendar year.
Now ends 31 December (Announced March 2012)
- Current financial statements cover a nine month reporting period from 1 April 2012 to 31 December 2012
- 'pro-rata' comparisons are with previous 12 month value * $\frac{9}{12}$
(not with April-Dec 2012)
- Next interim report will be for the six months ending 30 June 2013

- Turnover for the 9 months was £7.4m a reduction of 37% on a pro-rata (£11.7m pro-rata)
 - Reduction in end user activity to £6.0m (down 42% pro-rata)
 - Other fees increased to £1.4m (up 1% pro-rata)
- End user activity reduction caused by managed change away from services from feature phones to smartphones and app stores.
 - 77% of end user spending was app store / smartphone in December 2012 compared to 60% in December 2011.
- Gross margin on end user activity was 3.8% (FY2012: 3.7%) well within Bango's longer term target range of between 2% and 5%.
- Gross profit was £1.6m for the 9 months (£1.7m pro-rata) an 8% reduction on a pro rata basis.

- Loss after taxation £2.4m (year ending 31 March 12: £0.9m)
- Additional investment in operating costs of £0.8m (year ended 31 March 2012: nil) to under-pin growth of the business.
 - £0.4m exceptional personnel costs (year ended 31 March 2012: nil) relating to key hires and contract win bonuses
 - £0.4m special technology costs (year ended 31 March 2012: nil) relating primarily to security upgrades
 - Other significant costs were:
 - increased provisions for doubtful debts £0.14m (£0.02m pro-rata)
 - preparation for the forthcoming release of BlackBerry 10
 - special preparation for Google, Facebook, Microsoft and Amazon

Income statement

For the 9 months ending 31 December 2012



	9 months to 31 Dec 2012	Pro rata 9/12 x prior period	12 months to 31 Mar 2012
	£000s	£000s	£000s
Turnover	7,352	11,696	15,595
Attributable to content providers	(4,156)	(6,491)	(8,654)
	3,196	5,206	6,941
Cost of sales – payment providers	(1,614)	(3,489)	(4,652)
Gross profit	1,582	1,717	2,289
Administrative expenses before share based payment	(3,899)	(2,444)	(3,259)
Share based payments	(253)	(107)	(142)
Total administrative expenses	(4,152)	(2,551)	(3,401)
Operating loss	(2,570)	(834)	(1,112)
Interest payable	(5)	-	-
Investment income	7	-	-
Loss before taxation	(2,568)	(834)	(1,112)
Income tax	163	135	180
Loss and total comprehensive loss for the financial year	(2,406)	(699)	(933)
Attributable to equity holders of the parent	(2,406)	(699)	(933)
Loss per share attributable to equity holders of the parent			
Basic loss per share	(5.91)p		(2.43)p
Diluted loss per share	(5.91)p		(2.43)p

Balance sheet

As at 31 December 2012



	31 Dec 2012	31 Mar 2012
	£000s	£000s
ASSETS		
Non-current assets		
Property, plant and equipment	639	319
Intangible assets	3,278	2,798
	3,9167	3,117
Current assets		
Trade and other receivables	2,191	2,854
Research and Development tax credits	359	413
Cash and cash equivalents	2,328	1,794
	4,878	5,061
Total assets	8,795	8,178
EQUITY		
Capital and reserves attributable to equity holders of the parent company		
Share capital	8,347	7,734
Share premium account	11,842	9,096
Merger reserve	1,236	1,236
Other reserve	1,497	1,241
Accumulated losses	(16,410)	(14,004)
Total equity	6,509	5,303
LIABILITIES		
Current liabilities		
Trade and other payables	2,146	2,875
Obligations under finance lease	22	-
	2,168	2,875
Non-current liabilities		
Trade and other payables	117	-
	117	-
Total liabilities	2,285	2,875
Total equity and liabilities	8,795	8,178

Cash flow statement

For the 9 months ending 31 December 2012



	9 months to 31 Dec 2012	12 months to 31 Mar 2012
	£000s	£000s
Net cash generated / (used) by operating activities	(1,581)	123
Cash flows used by investing activities		
Purchases of property, plant and equipment	(360)	(248)
Addition to intangible assets	(904)	(1,107)
Interest received	7	-
Net cash generated from / used by investing activities	(1,257)	(1,355)
Cash flows generated from financing activities		
Proceeds from issuance of ordinary shares	3,558	332
Costs associated with issuance of ordinary shares	(198)	-
Interest payable	(5)	-
Capital payable	(5)	-
Net cash generated from financing activities	3,350	332
Net decrease in cash and cash equivalents	511	(900)
Cash and cash equivalents at beginning of year	1,794	2,713
Exchange differences on cash and cash equivalents	22	(19)
	1,816	2,694
Cash and cash equivalents at end of year	2,327	1,794

- February 2013, £6.5m raised before expenses

9m2012 Operational Highlights



- 200+ million billable identities, total reach 1+ billion mobile phone users, connected to 90+ global mobile operators
- Strong momentum with industry leaders:
 - Facebook - USA, UK, France, Germany
 - Google Play - Telstra in Australia
 - Microsoft's Windows Phone Store - initial countries
- Analytics transaction volumes continued to grow at increasing rates
- Product development including new releases of Bango Payments and Bango Analytics
- COO David Keeling and CFO Gerry Tucker joined leadership team



Bango Newsroom

David Keeling joins Bango as Chief Operating Officer

Posted on November 5, 2012 by Richard Levland

Following a global search, Bango today announces the appointment of David Keeling as Chief Operating Officer (COO). In this newly created senior management role, David is responsible for service delivery, global operations and account management.

The COO is a key hire as Bango continues to acquire major customers for its mobile payments and analytics technology. In just the last 20 months, Bango has tripled the number of mobile users reached through its direct mobile operator billing, to more than one billion mobile phone users, and has signed agreements with Facebook, Amazon, Microsoft, MasterCard and others.



Gerry Tucker, CFO

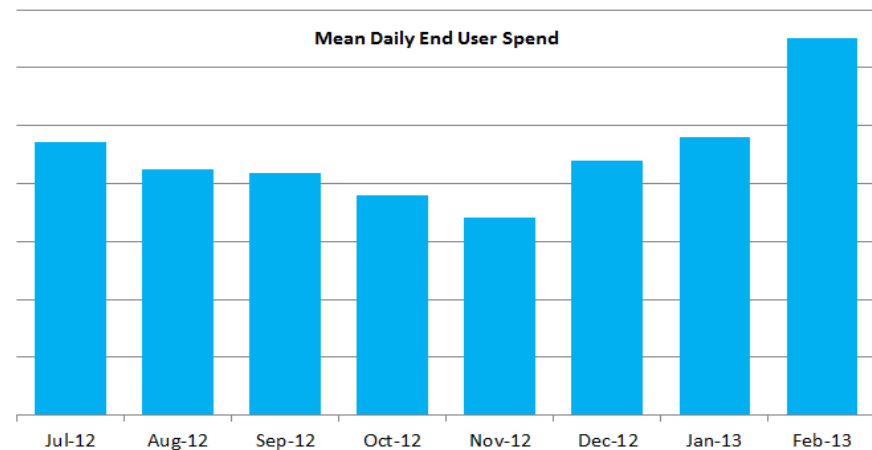
Gerry is a key voice in the development and implementation of Bango's strategic plan. He is responsible for reporting to Bango's management team, board and shareholders and is further responsible for all financial elements of the company's commercial relationships.

Gerry is a seasoned finance leader with an excellent track record. His career to date encompasses roles across several different market sectors, and in his most recent role he was acting CFO and Senior Financial Analyst for PLUS Markets Group, a London Stock Exchange AIM-listed UK company. He has held a number of senior financial and operational roles with companies ranging from pre-revenue start-up, to large multi-nationals. These companies include: Vodafone, where he documented and analysed processes throughout their business; Take Two (and Rockstar), the publishers of 'Grand Theft Auto' and 'Activision, publishers of 'Guitar Hero'.

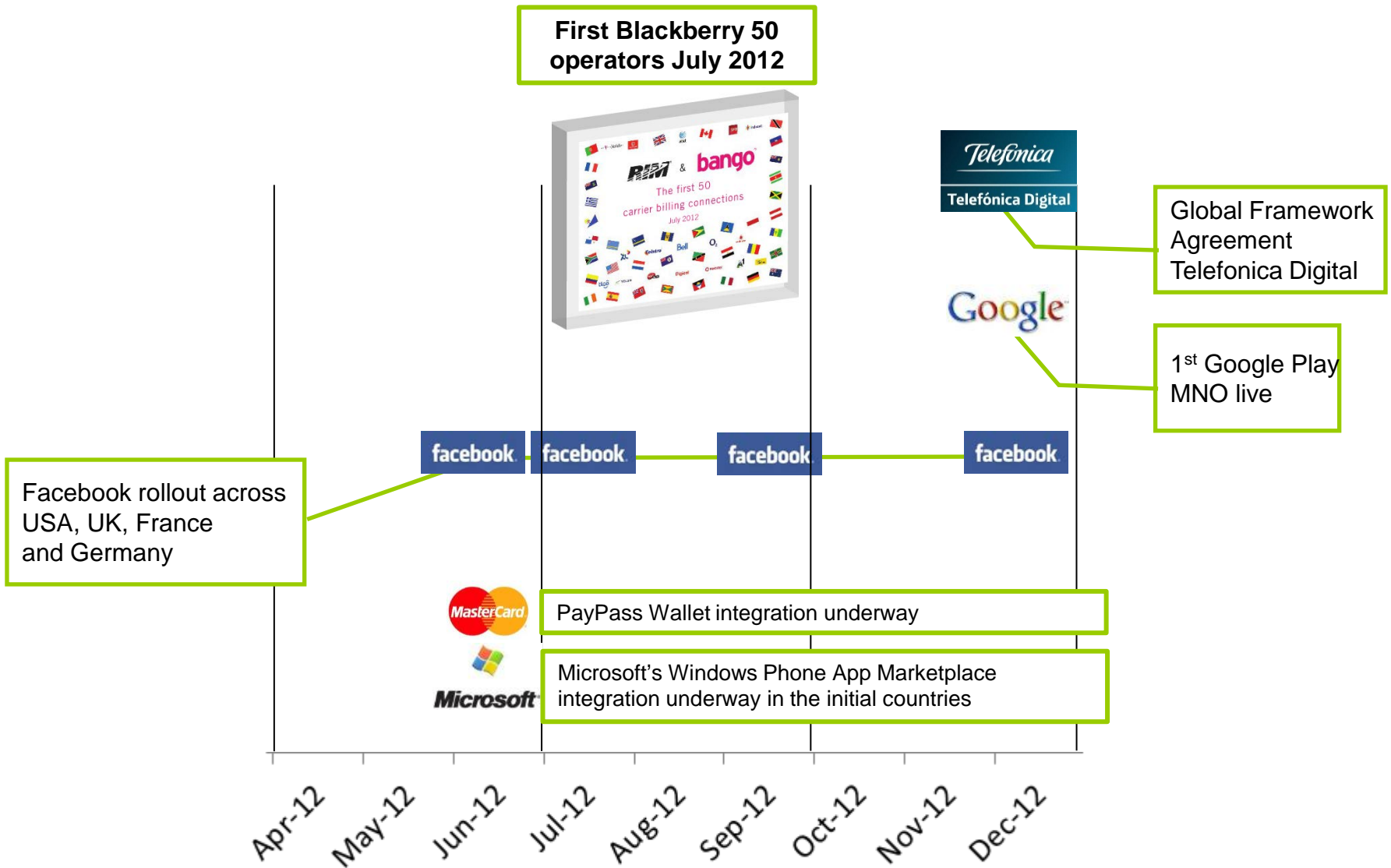
He has considerable experience in start-ups, where he took a firm from start-up to £300 million in five years, as well as expertise in mergers and acquisitions, product launches and financial modelling.



- Billing reach >1 billion mobile users
 - increasingly in emerging markets
- Analytics Transaction volume doubled again over 2012
 - building user ID database
 - generating significant margin
- End User Spend growth resumed
 - new smartphone now >80% of spend
 - Dec 2012 up >25% vs. Nov 2012
 - Feb 2013 Up >90% vs. Nov 2012



9m2012 Commercial success



- Global Framework Agreement with Telefónica Digital in January 2013
 - Telefonica partnership is real coup for Bango
 - Want to repeat with other major MNO groups



- Powering BlackBerry with > 50 operators

BlackBerry 10 launched in January 2013
- seeing transaction volume growth on BB10



- Mobile operators in Colombia, Indonesia, and Egypt integrated during the nine month period
- Brazil
 - New Telefonica Relationship Opening up LATAM
 - Opportunity for activity with other MNO in LATAM
- India
 - Blackberry World entering India
 - Google and Facebook opportunities
- Other Asia
 - Blackberry interest based on BB10 opportunities
 - High interest from others
- ZTE, Samsung, others will be using Web-based Firefox O.S.

- Unique technology platform, extensive MNO relationships, industry-leading partners at the forefront of developments in the market
- Continued adoption of Bango technology by leading industry players with Facebook and Amazon progressing
- Potential for significant growth from mobile operators partnering with Bango to provide services beyond major app store
- Increasing interest from key customers in emerging markets which see biggest benefit from mobile operator billing (vs. Credit Cards)
- Well funded and with a strengthened management team in place, Bango looks forward to increasing success in the year ahead

Appendix

Billing reach >1 billion mobile users
- increasingly in emerging markets

Date (GMT)	Identity		Connection		Payment		
	User ID	Tracking User ID	Device	Network	Trans ID	Amount	Currency
28 Jan 13 12:00:58	1333280159		w		1103117205	5.00	GBP
28 Jan 13 12:00:58	1491798035		w		1103117195	1.00	GBP
28 Jan 13 12:00:57	263412559		w	GBR_THREE	1103117175	1.49	GBP
28 Jan 13 12:00:55	1094013519		w	DEU_O2	1103117155	2.00	EUR
28 Jan 13 12:00:54	60240498		x	GBR_VODAFONE			
28 Jan 13 12:00:53	1004842299		w	DEU_O2	1103117135	2.49	EUR
28 Jan 13 12:00:53	1620647975		x				
28 Jan 13 12:00:51	1620648825		w		1103117105	0.75	EUR
28 Jan 13 12:00:51	1035008409		w		1103117095	1.00	GBP
28 Jan 13 12:00:51	1034387549		w	GBR_THREE	1103117085	1.49	GBP
28 Jan 13 12:00:50	1618011285		w		1103117075	3.99	GBP
28 Jan 13 12:00:48	1620539505		x	NPL_SPICE			
28 Jan 13 12:00:48	1056646699		w	DEU_O2	1103117025	2.00	EUR
28 Jan 13 12:00:48	1620647565		x				
28 Jan 13 12:00:47	Premium	116170481477850	x				
28 Jan 13 12:00:46	970126159		w	DEU_O2	1103116995	2.49	EUR
28 Jan 13 12:00:42	Premium	116170481461650	x				
28 Jan 13 12:00:42	Premium	116170480874250	x				
28 Jan 13 12:00:42	1273623519		w		1103116945	0.99	USD
28 Jan 13 12:00:41	Premium	11617048170250	x				
28 Jan 13 12:00:38	1255022949		w		1103116915	4.99	CAD
28 Jan 13 12:00:37	1620638955		w		1103116905	19,800.00	IDR
28 Jan 13 12:00:37	Premium	116170481465350	x				
28 Jan 13 12:00:35	1114804429		w		1103116875	4.99	CAD
28 Jan 13 12:00:34	232353899		x	GBR_O2			
28 Jan 13 12:00:30	1185205869		w		1103116825	5.00	GBP
28 Jan 13 12:00:28	1609317105		w		1103116795	13,200.00	IDR
28 Jan 13 12:00:26	1620647565		x				
28 Jan 13 12:00:26	116170358574950		x	BGD_GRAMEENPHONE			
28 Jan 13 12:00:23	Adult	116170436154950	h				
28 Jan 13 12:00:21	Premium	116170481444350	x	PHL_GLOBETEL			
28 Jan 13 12:00:16	1620647575		w		1103116745	19,800.00	IDR
28 Jan 13 12:00:16		116170481437450	h				
28 Jan 13 12:00:01	Premium	116170481410550	x				
28 Jan 13 12:00:01	Premium	116170481415150	x				

Sample from millions of payment transactions from round the world

A fraction of a second

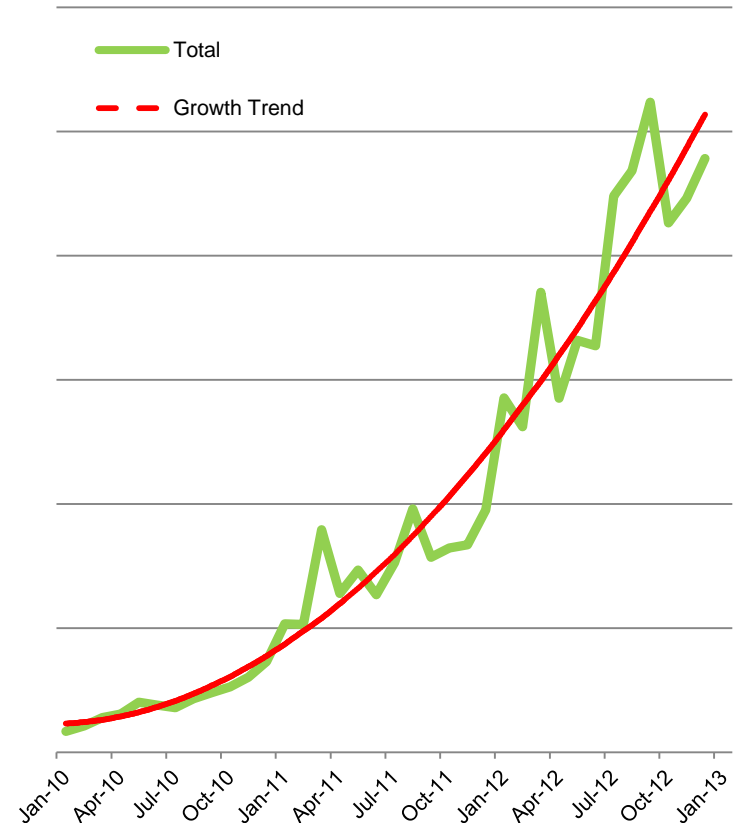
Date/Time (UTC)	Identity		Connection		Device		Type	Device ID
	Tracking ID	Network ID	Country	Is WiFi	IP address	C-Network ID		
28 Jan 2013 12:00:59	116164124279550		USA		69.87.82.40	USA_SPRINT_IPL		1113020232
28 Jan 2013 12:00:59	116170481492950		COL		190.125.239.74			1121609091
28 Jan 2013 12:00:59	116170481409850		USA		71.222.152.14			1121605345
28 Jan 2013 12:00:59		IND_BHARTI	IND		108.214.163.169	IND_BHARTI		1121604331
28 Jan 2013 12:00:59	116167549022090		USA		75.111.61.53			1620670418
28 Jan 2013 12:00:59	116170481356250		MEX		201.144.162.9			1686600970
28 Jan 2013 12:00:59	116162024241650		USA		174.228.128.92	USA_VERIZON		200910820
28 Jan 2013 12:00:59	116155612480590		BRA		200.169.119.5			505817779
28 Jan 2013 12:00:59		CAN_TELUS	CAN		216.199.139.84	CAN_TELUS		1991316952
28 Jan 2013 12:00:59		GBR_O2	GBR		78.147.187.240			1121647941
28 Jan 2013 12:00:59					198.228.200.41			901742361
28 Jan 2013 12:00:59	116166168801050		USA		174.141.208.103	USA_METROPCS		1593085744
28 Jan 2013 12:00:59	116157552464050		USA		67.85.59.6			2009634620
28 Jan 2013 12:00:59		USA_TMOBILE	USA		74.130.180.38			1071791651
28 Jan 2013 12:00:59					198.228.228.167			301347681
28 Jan 2013 12:00:59	116157555783650		USA		75.18.217.187			2007228700
28 Jan 2013 12:00:59	116170481492750		IND		117.227.204.82			1121903941
28 Jan 2013 12:00:59			USA		72.84.80.8			1467483210
28 Jan 2013 12:00:59		USA_ATT	USA		198.228.200.15	USA_ATT		983884961
28 Jan 2013 12:00:59	116132370078890		USA		194.227.225.226	USA_SPRINT_IPL		1287193680
28 Jan 2013 12:00:59	116161567139050		HKG		202.140.108.65	HKG_VODAFONE		3015021
28 Jan 2013 12:00:59	116161150840850		USA		216.164.174.21			2004038460
28 Jan 2013 12:00:59		AUS_TELSTRA	AUS		149.135.146.112	AUS_TELSTRA		5004691
28 Jan 2013 12:00:59		GBR_O2	GBR		62.132.223.89	GBR_O2		960555641
28 Jan 2013 12:00:59	116170134045000		USA		65.82.235.234			1672598030
28 Jan 2013 12:00:59	116170481402450		JPN		49.135.143.132			1121657221
28 Jan 2013 12:00:59	116159146143850		USA		70.179.152.85			1121623641
28 Jan 2013 12:00:59		USA_TMOBILE	USA		208.54.36.170	USA_TMOBILE		471541174
28 Jan 2013 12:00:59			USA					848040940
28 Jan 2013 12:00:59		KHMT	USA					230325971
28 Jan 2013 12:00:59			USA					960538761
28 Jan 2013 12:00:59		IA_RIMATT	USA					751057704
28 Jan 2013 12:00:59		IA_VERIZON	USA					129103130
28 Jan 2013 12:00:59			USA					97595991
28 Jan 2013 12:00:59	116170481030550		GBR		93.196.31.83	GBR_RIM		160339630

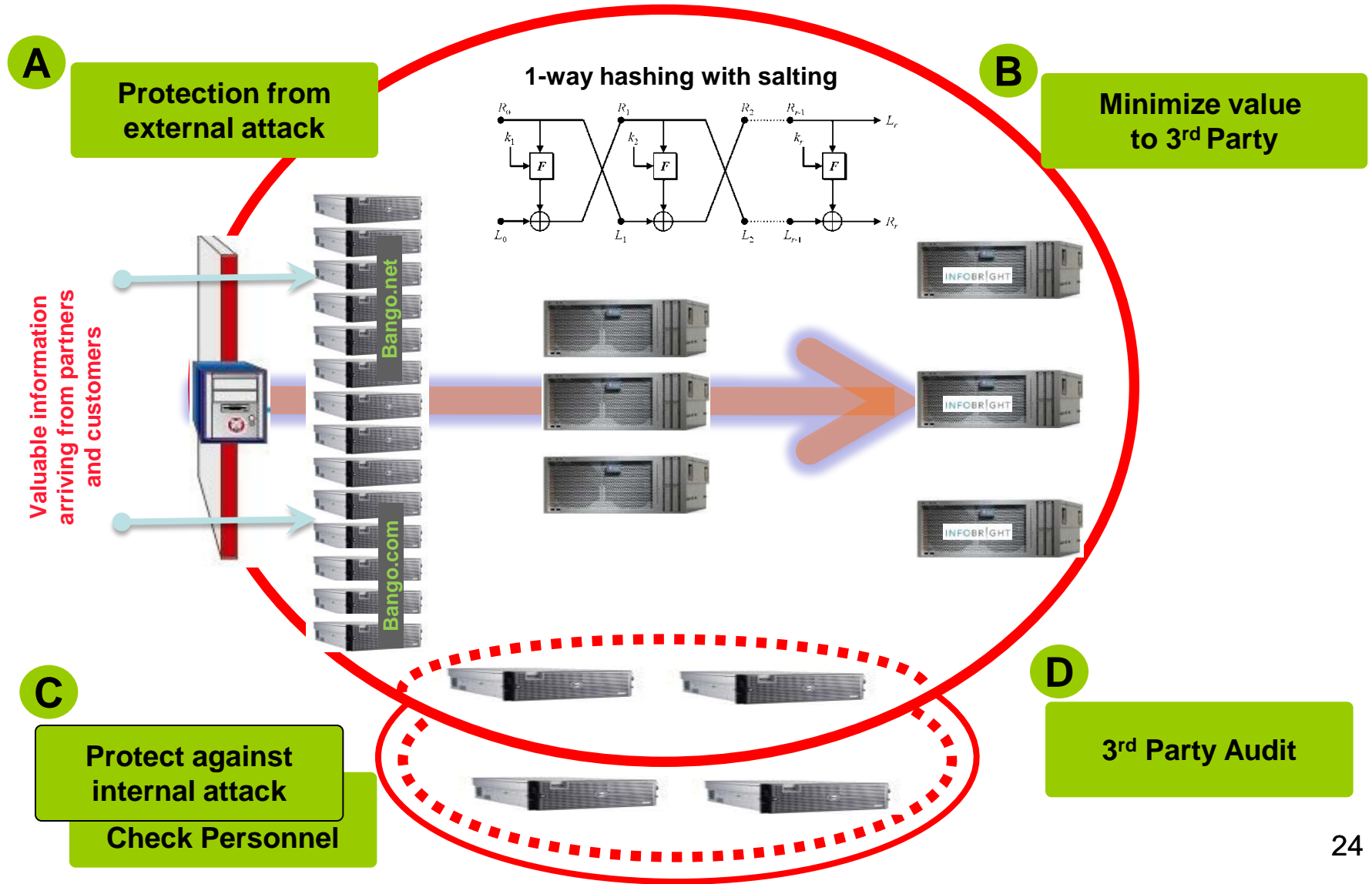
Sample from billions of analytics transactions from round the world

- Significant analytics customers include: NBA, CNN, Thomson Reuters, Telefonica
- Android, iOS, BlackBerry, Windows, HTML5 and other devices all driving traffic
- Volumes more than doubled again Y on Y driven by mobile websites & app downloads
- Adding millions of users to Bango ID database every month

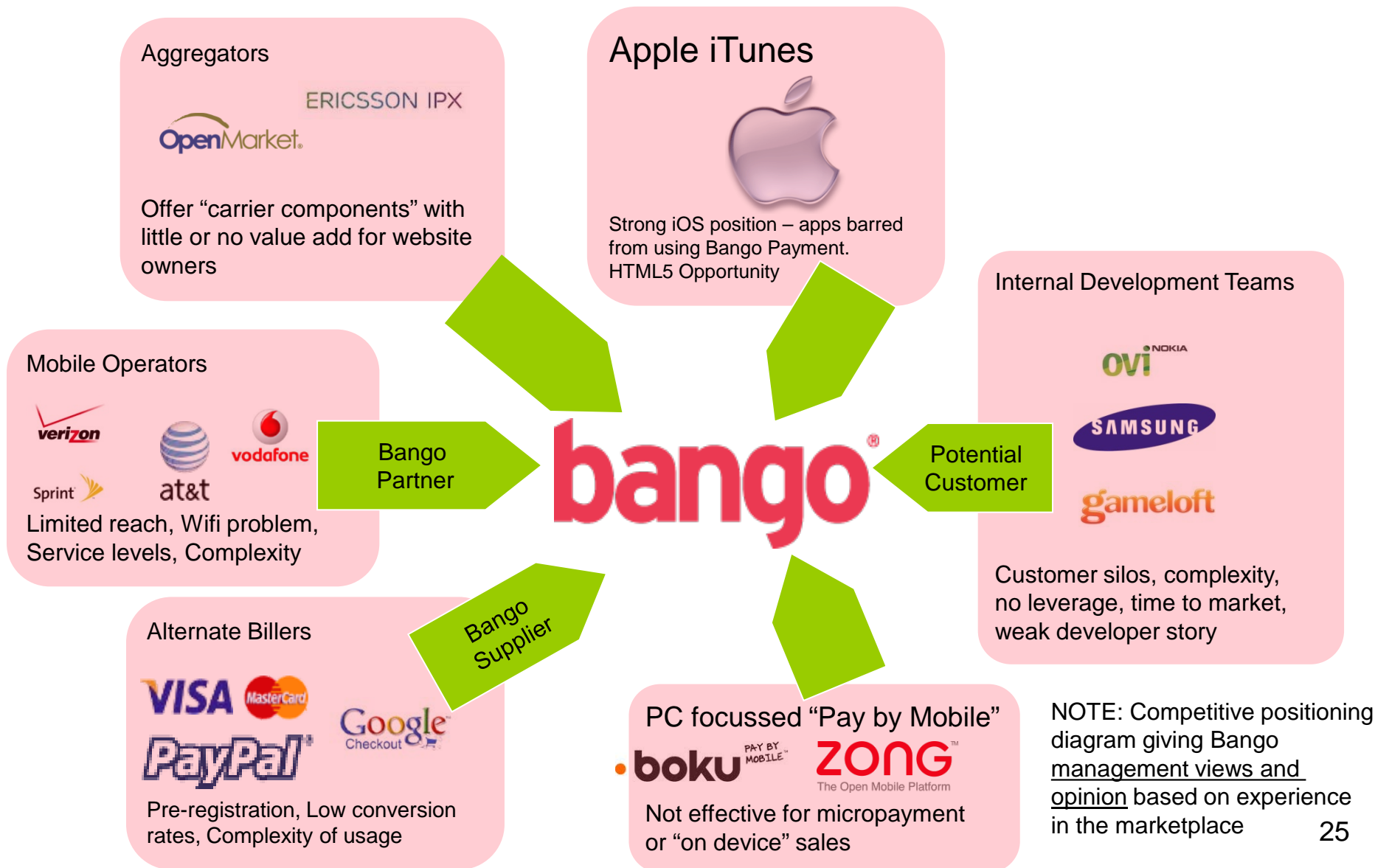
Big benefits for analytics customers

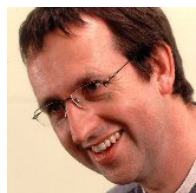
Big benefits for payment customers





Bango's View of Competitive Options





Ray Anderson – Chief Executive Officer

Ray co-founded Bango in 1999 after realizing that the convergence of the internet with the ubiquity of mobile phones could open up huge opportunities for content and service providers. Ray positioned the company to benefit from the opening up of the operator portals in 2004, and the transition of the mobile content business from a messaging model to a customer friendly browse and buy Internet model. In 2005, Ray led the successful floatation of the company, and continues to build and steer the Bango team forward in to one of the most exciting markets in history.

In 1988, Ray established IXI which created the industry standard network GUI – X.desktop. IXI was an early leader in the creation of the web. It sponsored the first ever WWW conference at CERN and shipped the world's first commercial web browser. In 1993 The company merged with SCO and then floated on NASDAQ. Ray held senior executive roles in SCO, including general manager, senior VP Marketing, and senior VP of New Ventures.

Before IXI Ray was a co-founder of Torch Computers which he sold to CATSCO in 1984. Before that he worked for Acorn Computers, The General Electric Company and Sinclair Research.

He was named "Technology Entrepreneur of the Year" in February 2006 and in September 2006 at the ME Awards was given a special award for outstanding contribution to the mobile entertainment industry. A member of "The Cambridge Angels", Ray was a founding investor in a variety of growing companies including TeamStudio, Electronic Share Information (sold to E*Trade), Aspective, Trigenix (sold to Qualcomm), RE5ULT (82ASK), Shortfuze, Midentity and other technology businesses. He holds a 1st Class Degree in Computer Science from Cambridge University and is a keen pilot.



Gerry Tucker – Chief Financial Officer

Gerry is a key voice in the development and implementation of Bango's strategic plan. He is responsible for reporting to Bango's management team, board and shareholders and is further responsible for all financial elements of the company's commercial relationships.

Gerry is a seasoned finance leader with an excellent track record. His career to date encompasses roles across several different market sectors, and in his most recent role he was acting CFO and Senior Financial Analyst for PLUS Markets Group, a London Stock Exchange AIM-listed UK company. He has held a number of senior financial and operational roles with companies ranging from pre-revenue start-up, to large multi-nationals. These companies include; Vodafone, where he documented and analysed processes throughout their business; Take Two (and Rockstar), the publishers of 'Grand Theft Auto' and; Activision, publishers of 'Guitar Hero'.

He has considerable experience in start-ups, where he took a firm from start-up to £300 million in five years, as well as expertise in mergers and acquisitions, product launches and financial modelling.



Anil Malhotra – VP Marketing and Alliances

Anil Malhotra co-founded Bango. Anil is a marketing strategist and business developer with sixteen years' experience in senior marketing and business roles at companies including Logotron, CyberLife, Millennium Interactive (sold to Sony Computer Entertainment in 1998), SCO and IXI.

Anil has a degree in Psychology from Bangor University, and a master's degree in Computer Science from Essex University.

Board & Senior Management



David Sear, Non-executive Director

David Sear is Divisional Managing Director at Travelex Global Business Payments, a company which provides international payment services to 35,000 businesses across 14 countries. David joined Travelex in March 2006 from Voca Ltd (previously BACS), where he helped to transform the company at the centre of the UK's payments industry. Prior to Voca, David was Chief Operating Officer at WorldPay Group plc.

Earlier in his career David spent seven years at Equifax Cheque Services, the world's largest cheque guarantee company, becoming European Managing Director.



Martin Rigby, Non-executive Director

Martin Rigby, is founder and joint managing director of ET Capital Limited (ETCapital), a shareholder in the Company. He has been a venture capital investor for over 20 years making and managing investments in innovative technology businesses, principally in network services, software and hardware.

ETCapital has many of Cambridge's most innovative technology businesses in its portfolio, including Cambridge Display Technology, Plastic Logic, Cambridge Positioning Systems (now part of CSR plc), Astron Clinica and Phico Therapeutics.



Rudy Burger, Non-executive Director

Rudy is the Managing Partner of Woodside Capital, an investment bank for emerging growth companies. Prior to Woodside Capital, Rudy led the restructuring of Scipher plc which involved the sale of all of the company's operating businesses. Prior to Scipher, Rudy was the founding CEO of Media Lab Europe, a \$40M joint venture between MIT and the Irish government.

Rudy has founded five companies, all in the digital media technologies sector. He is a leading expert in digital technologies and international business development. Over the past twenty-five years, he has founded companies in the US, run a European public company, and served as a senior executive for two global 500 companies – EVP and CTO for NEC Packard Bell and VP Software for Xerox. He is an effective, dynamic leader with a proven track record in strategic planning, change management, and business development. Dr. Burger serves on the boards of several US and European companies. He has a BSc and MSc from Yale University and a PhD from Cambridge University.



David Keeling – Chief Operating Officer

David is responsible for service delivery, global operations and account management. He provides leadership, direction and policy guidance to the proven operations, security and customer service teams, aligning them to the demands of all Bango customers.

David brings a fifteen year career in service delivery to Bango, with particular success in fast-growth technology companies, more recently at mobile messaging leader Acision, where David led the transformation of the operations function building a number of global services centres. His career in Acision culminated in five years leading its global customer service and professional services organisation, enabling 300 clients to serve over one and a half billion customers in 135 countries. He was a member of the M&A team, and brings extensive experience of alternative sourcing strategies.

David has a keen interest in the development and evolution of customer support and professional services, and presented at SSPA industry conference "Going Global". He has previously been a visiting lecturer in Project Management methodologies Plymouth University. David holds a Post Graduate Diploma in Management studies from Middlesex University.