

FY 2014 Final Results

Highlights

Financial Review

Business Update & Outlook

Ray Anderson CEO
Gerry Tucker CFO
Anil Malhotra CMO

10 March 2015

bangoinvestor.com



© 2015 Bango plc
bango.com

- **End user spend up more than 60% to over £25m**
- **End user spend gross margin increased to 2.4%**
- **Stable cost base**
- **£6m placing and open offer in October 2014**

Bango now chosen by the leading app stores that use DCB



New activations accelerating end user spend



Secure Bango Platform capable of transacting 20x FY2014 levels

- Tested systems at transaction rate equivalent to \$1bn pa end user spend
- Virtualized resilient datacentres with 24/7 manned operational team

- **Digital content sales through leading app stores will continue growing – with DCB becoming increasingly important**

- **Strong predictable growth from existing activations:**

End user spend from activations live in December 2014 will grow by 100% by December 2015

- **Additional growth from new activations:**

>30 new activations already scheduled for launch in 2015

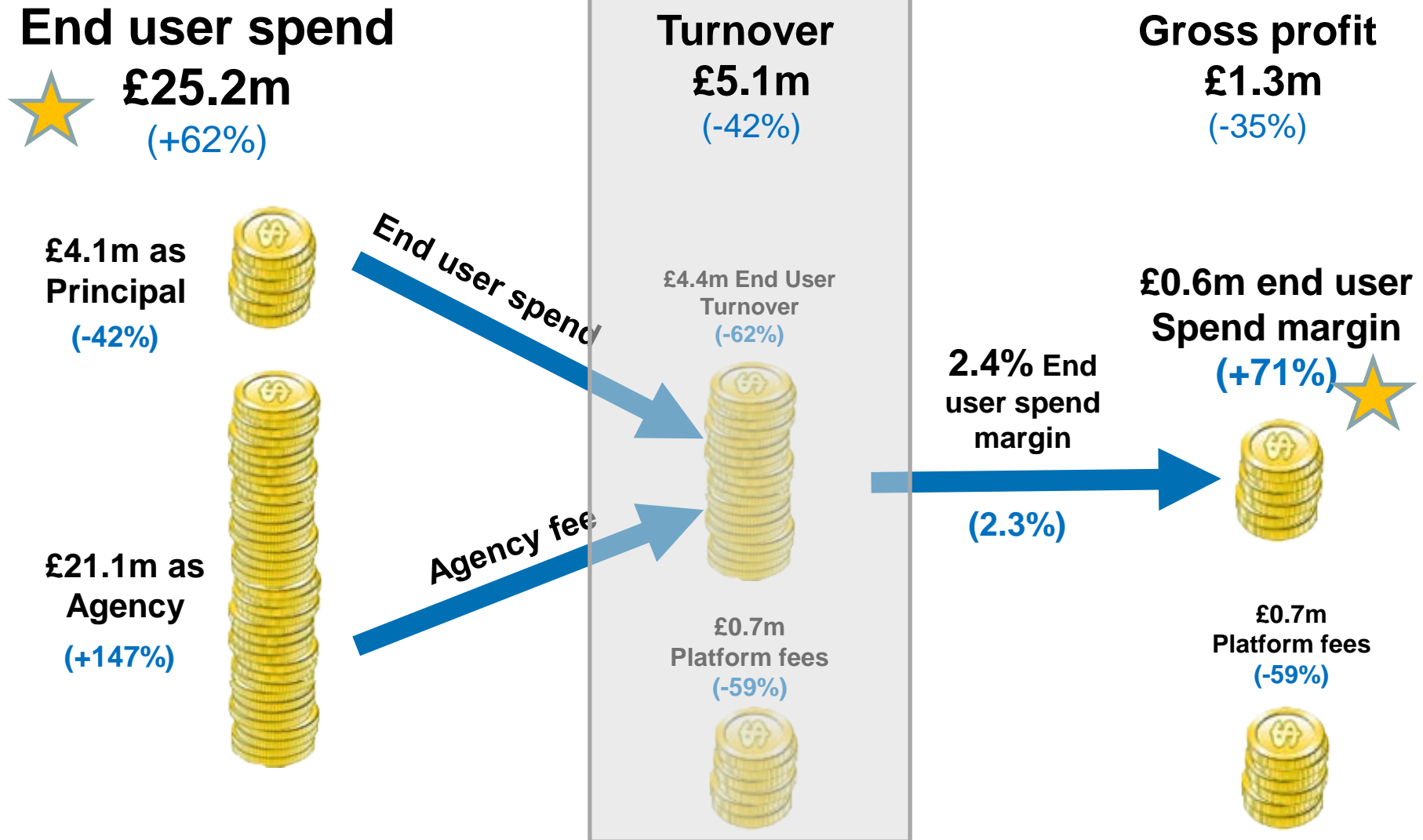
>100 qualified activations in sales pipeline
(40 at similar point in FY2014)

Financial review 2014

Gerry Tucker, CFO



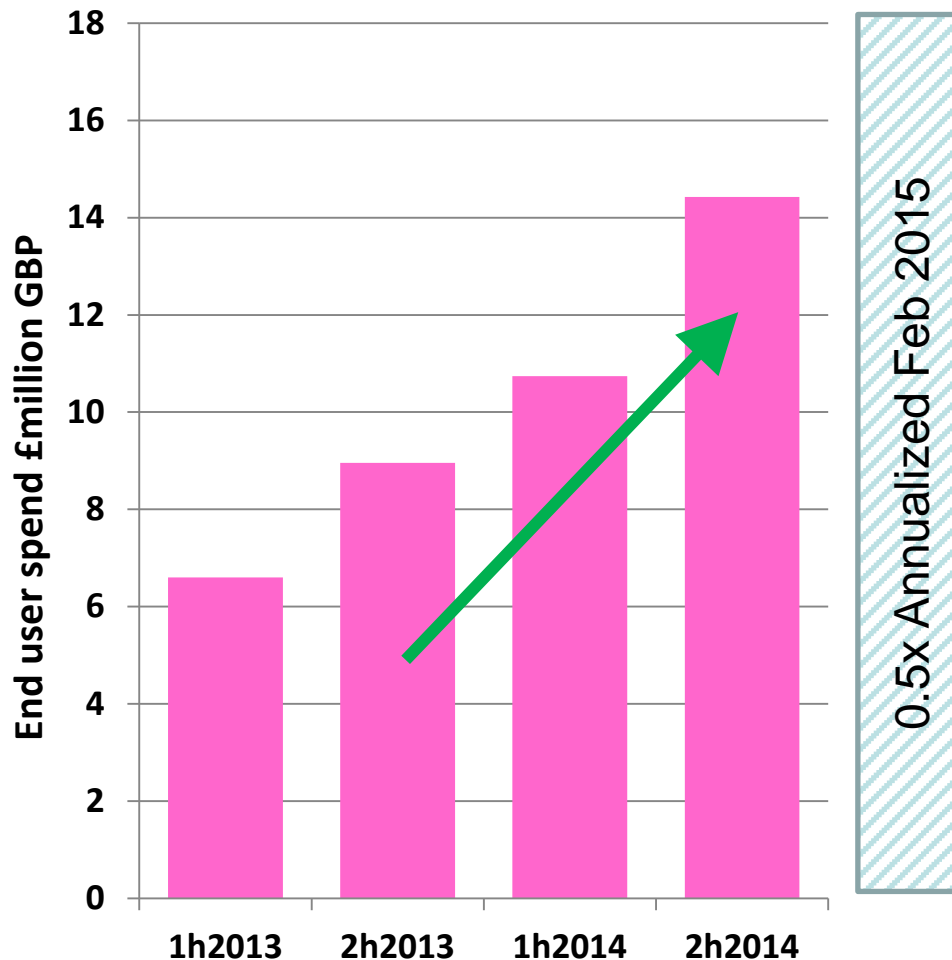
Growth in end user spend and margin



	FY2014 Audited	FY2013 Audited
	£m	£m
End user spend	25.17	15.55
Sources of Margin		
End user	0.60	0.36
Platform fees	0.73	1.71
Total Margin	1.33	2.07
End User Spend Margin %	2.39%	2.32%
Operating costs	(5.02)	(5.09)
Adjusted LBITDA	(3.69)	(3.02)
Depreciation & amortisation	1.34	1.44
Share based payment charge	0.39	0.47
Loss before tax	(5.43)	(4.93)
Loss after tax	(5.16)	(4.74)

- **End user spend £25.2m**
(2013: £15.6m)
+ 62% growth YoY
- **Margin on end user spend 2.4%**
(2013 2.3%)
Within 2-5% medium term range
- **Platform fees**
Managed transition from
up front to monthly fee structure
- **Stable cost base**
Supported growth in end user
spend, integrations and activations

2013 & 2014 End user spend progression

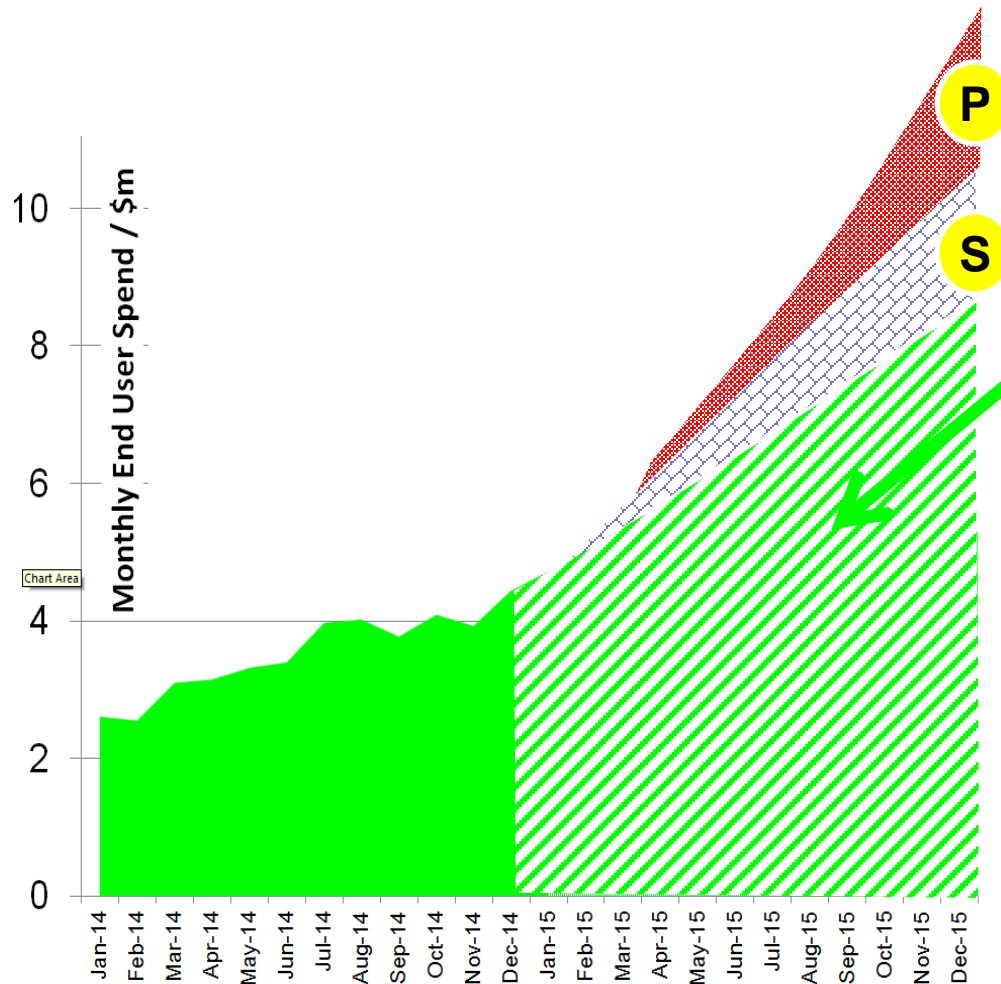


Strong growth in end user spend – up 62% YoY

Feb 2015 spend data indicates accelerating growth

New Amazon and Samsung integrations went live at end of 2014 - no significant end user spend in FY2014

2015 end user spend outlook



Sufficient historic data to model the end user spend from the activations live in Dec 2014

Model predicts end user spend from these activations will grow approx 100% by Dec 2015

Too early to predict end user spend from:

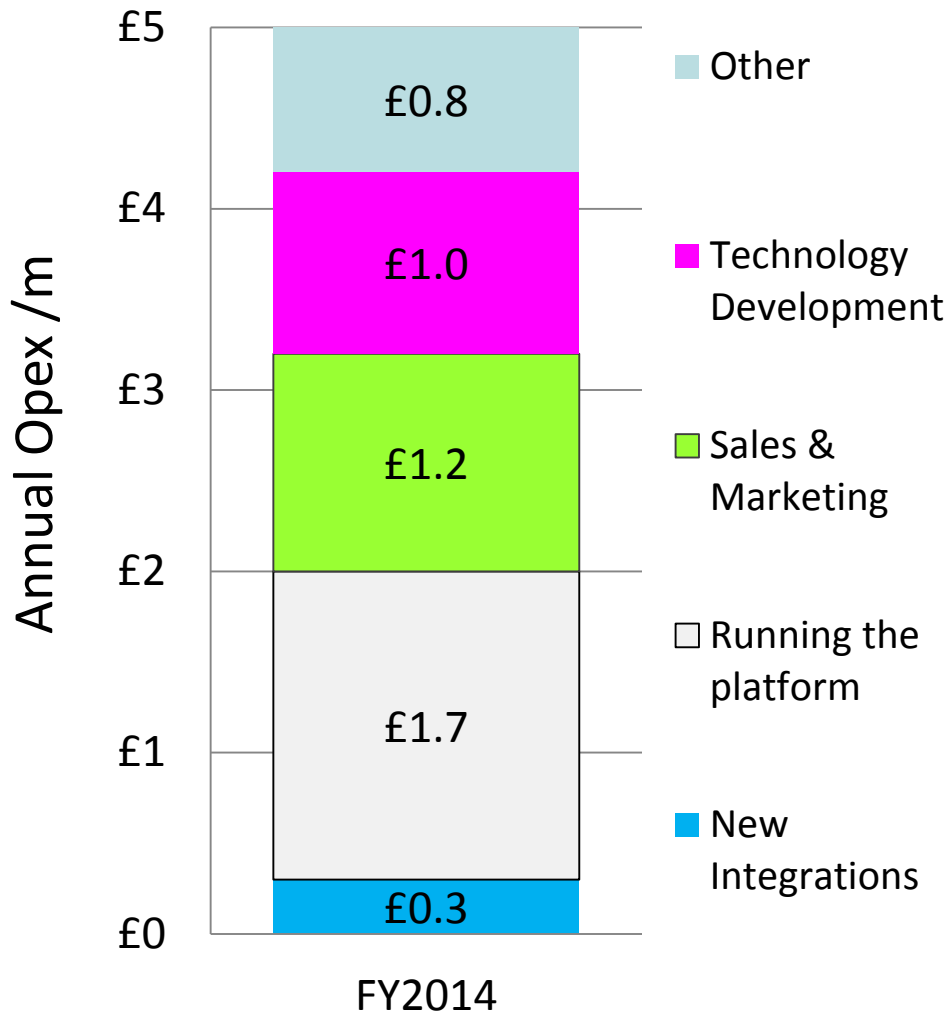
S >30 scheduled activations

P >100 more activations in pipeline

(Amazon & Samsung early stage)

Note: S and P areas on graph are diagrammatic and not intended to show forecast end user spend

FY2014 operating expenses



- FY2014 cost base stable as planned
- Low cost of activation and new integrations to enable expansion of use of platform
- Infrastructure tested to >20 times Dec 2014 levels with no problems seen. (equivalent to £650m /\$1B pa)
- R&D activity to enhance Bango platform and its unique abilities to enable app store success

	FY2014	FY2013
	Audited	Audited
	£m	£m
Non-current assets	4.23	4.09
Trade and other receivables	1.09	1.99
R&D tax credits	0.23	0.19
Cash and cash equivalents	6.25	5.11
Total assets	11.84	11.38
Share capital and reserves	36.10	30.01
Accumulated losses	(26.31)	(21.15)
Trade and other payables	1.47	2.09
Short term finance leases	0.29	0.15
Long term finance leases	0.29	0.28
Total equity and liabilities	11.84	11.38

- Cash invested:
 - Infrastructure upgrades to support capacity and resilience
 - Product development to accelerate and grow new activations (Bango Grid)
- Healthy cash balance
- Reduced levels of receivables and payables due to increased proportion of agency business
- Golden Rule:
Cash in before Cash out

	FY2014	FY2013
	Audited	Audited
	£m	£m
Net cash used by operating activities	(3.18)	(2.53)
Net cash generated used by investing activities	(1.50)	(1.58)
Net cash generated from financing activities	5.83	6.88
Increase in cash and cash equivalents	1.15	2.77
Cash and cash equivalents at beginning of period	5.11	2.34
Cash and cash equivalents at end of period	6.25	5.11

- Cash raised in October 2014 to strengthen the balance sheet
- £6m raised in firm placing and open offer (£5.6m raised net of fees)
- Investment in technology and infrastructure to support growth in end user spend

Business update & outlook

Ray Anderson, CEO



Bango in the mobile payment industry



MOBILE AT POINT OF SALE	MOBILE AS THE POINT OF SALE	THE MOBILE PAYMENT PLATFORM	DIRECT CARRIER BILLING (DCB)	CLOSED LOOP MOBILE PAYMENTS
THE WALLET	THE CASH REGISTER	THE "EVERYTHING ELSE"	CHARGE IT TO MY PHONE BILL	THE STORE CREDIT CARD

Adapted from the infographic "What is Mobile Payment Anyway?" produced by Mobile Payments Today

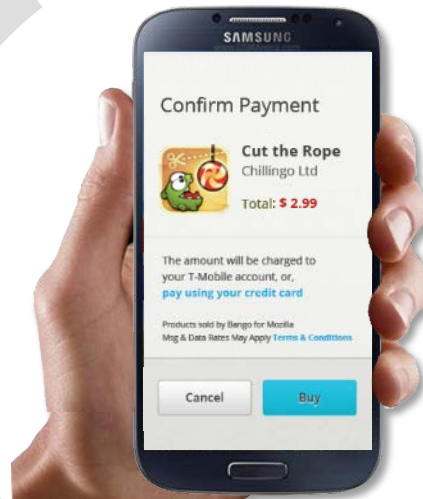
Bango enables sales to mobile users



1. App Store integrates with Bango Platform for Direct Carrier Billing



2. Bango technology automatically identifies the mobile operator and user



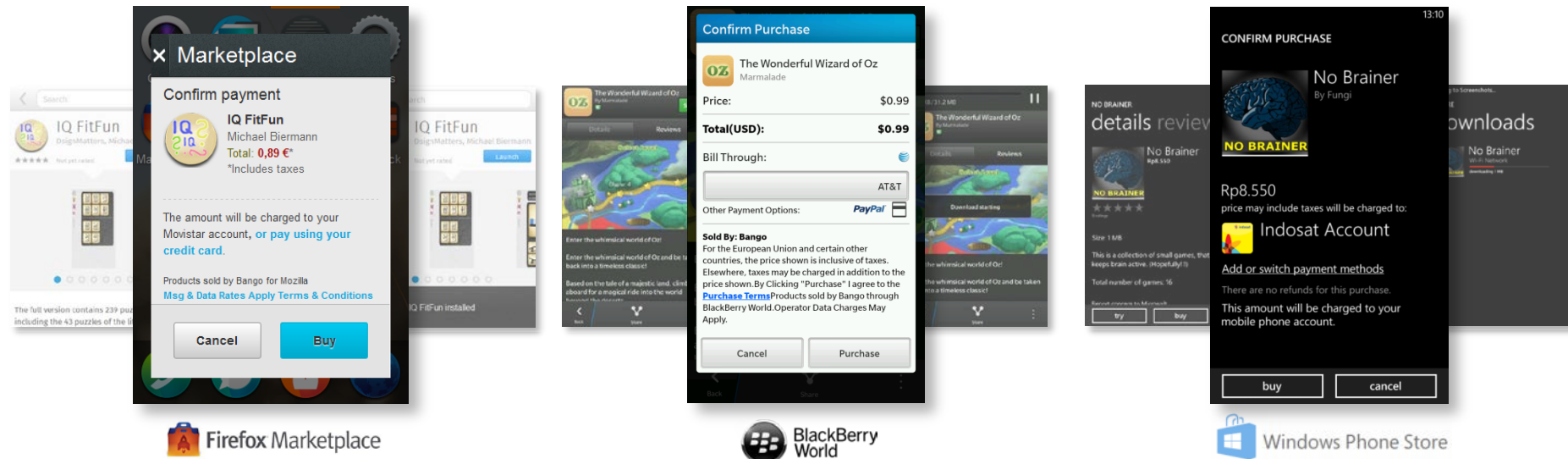
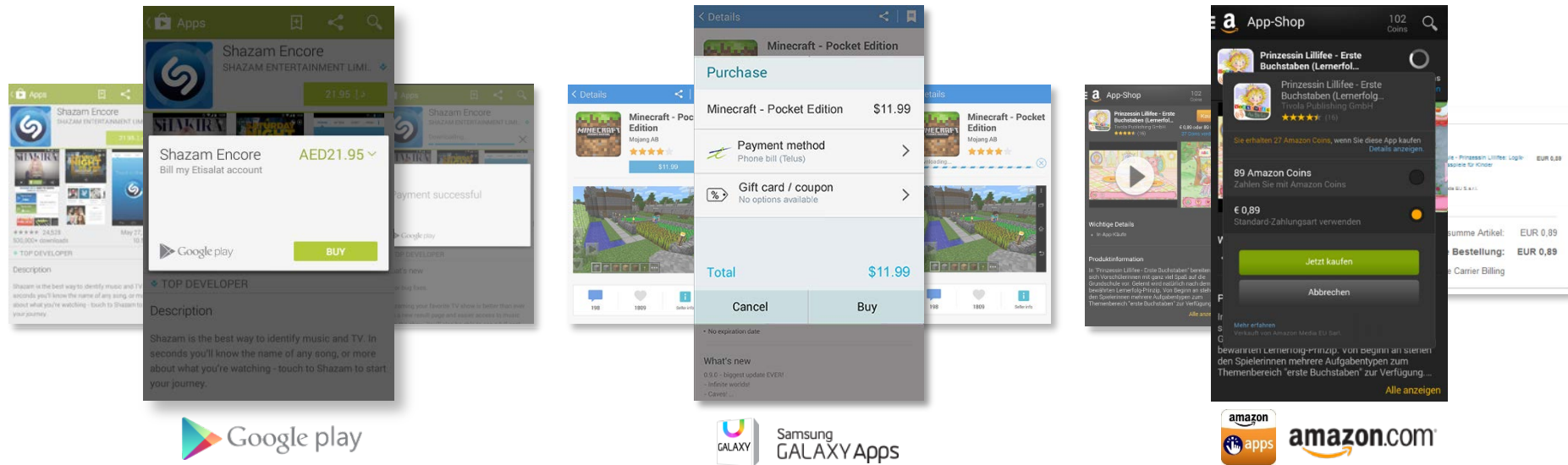
Delivering a simple, smooth, mobile payment experience

3. Bango makes charges to the operator bill

4. On any device connected to any operator or Wi-Fi network



Bango chosen by the major app stores



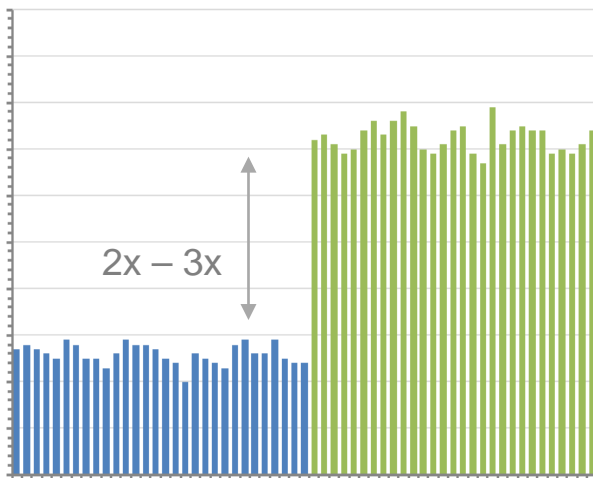
Bango drives 100x sales in some markets



Bango Direct Carrier Billing delivers dramatic increases in sales by reaching many more mobile users than credit cards alone

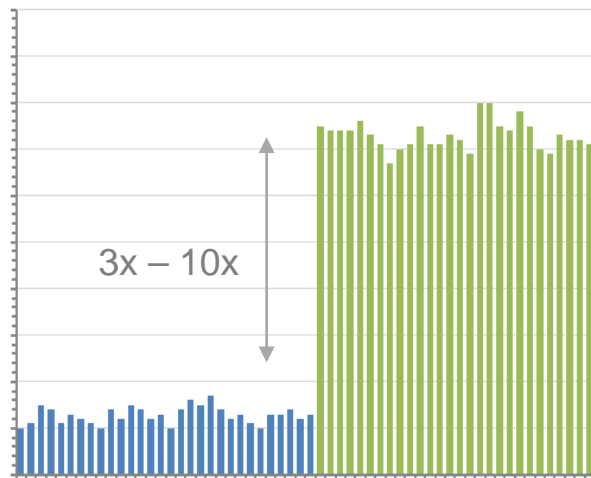
USA

■ Credit Card ■ Operator Billing



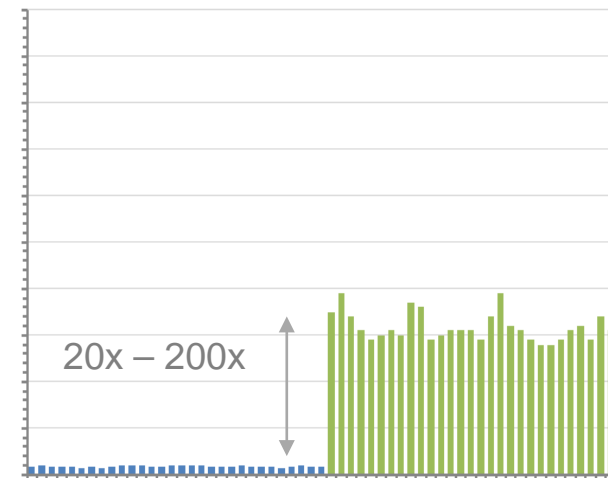
Smartphone Penetrated

■ Credit Card ■ Operator Billing



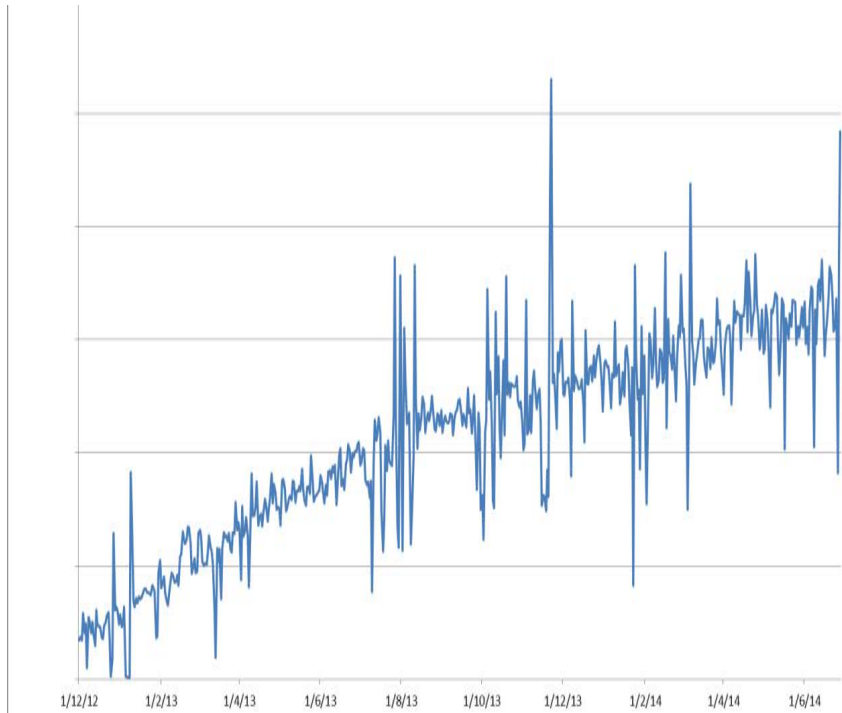
Smartphone Growth

■ Credit Card ■ Operator Billing



Telstra illustration

- Trust built with app store
- Reliability proven with MNO
- Capacity to grow: 400,000 users billed in 18mths - 15,600,000 (97.5%) to go



Telstra will push to conduct nearly three-quarters of all consumer transactions online over the next three years, and significantly increase online sales, as part of a program worth several hundred million dollars.

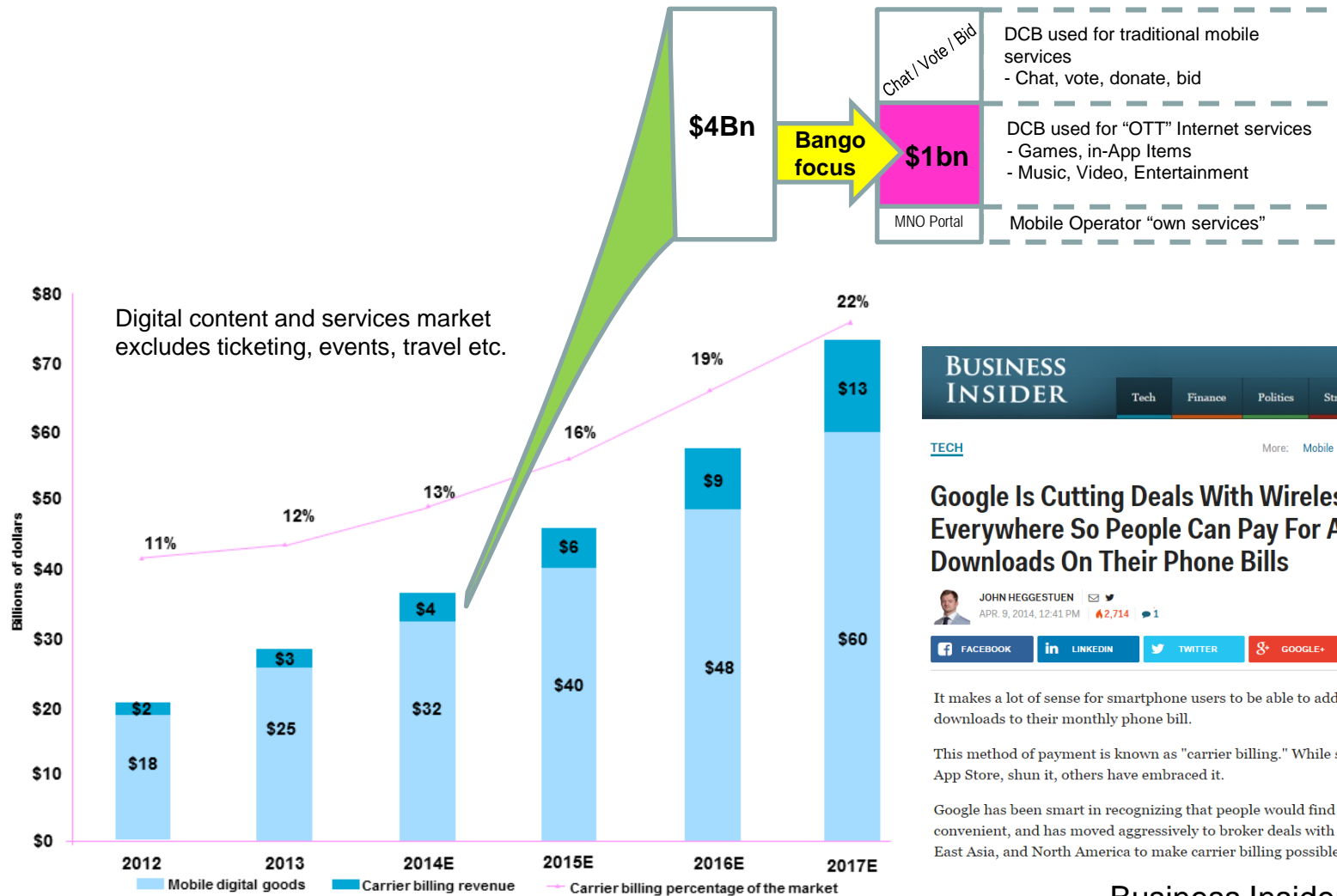
BY JAMES HUTCHINSON

James covers technology from our Sydney newsroom.

FINANCIAL REVIEW

Home National Opinion World Business
Technology Digital Life

The growing digital content market



It makes a lot of sense for smartphone users to be able to add the cost of their app or music downloads to their monthly phone bill.

This method of payment is known as "carrier billing." While some app stores, notably Apple's App Store, shun it, others have embraced it.

Google has been smart in recognizing that people would find this method of payment convenient, and has moved aggressively to broker deals with wireless carriers across Europe, East Asia, and North America to make carrier billing possible on Android devices.

Business Insider April 2014

Why Bango is important



The giants of mobile choose the Bango Payment Platform to provide a delightful and immediate payment experience that maximizes sales of digital content.



For MNOs:

a single integration to the giants of mobile, and lightning speed to revenue



For app stores:

a single integration to reach more than 100 MNOs, and growing

The path ahead

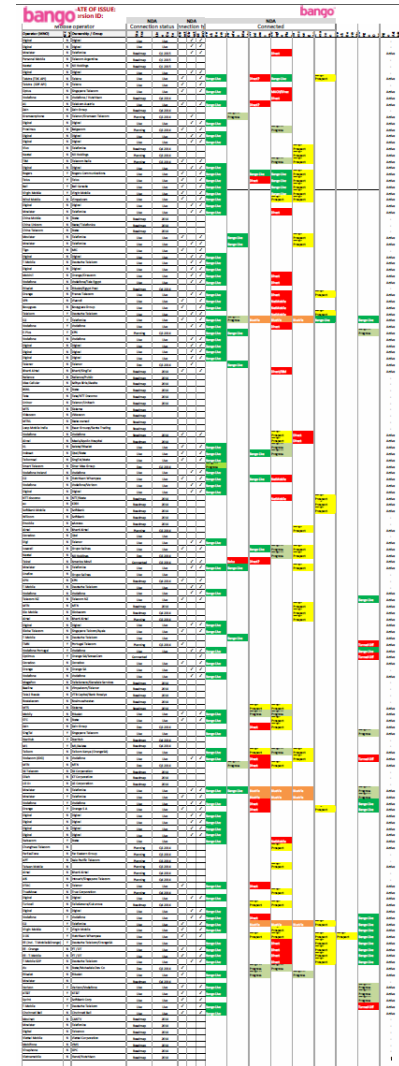
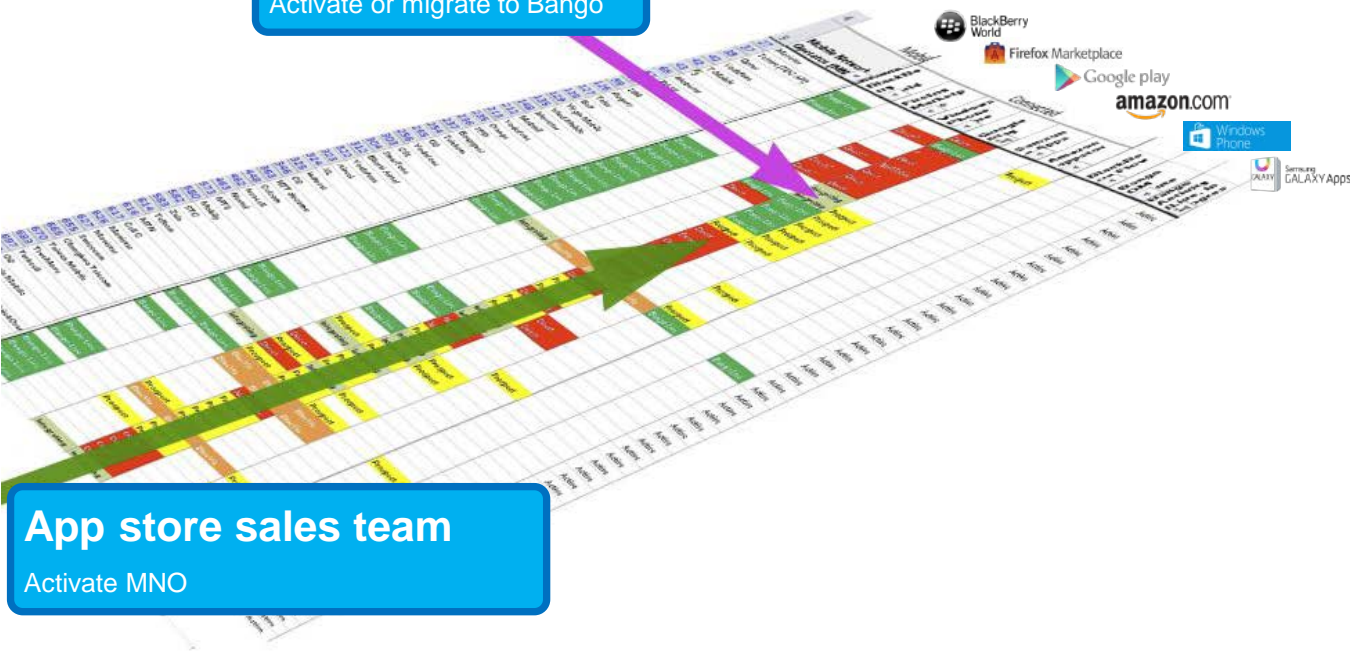


Existing activations will grow end user spend

**New activations in 2015 will
accelerate user spend growth**

MNO Bus.Dev

Activate or migrate to Bango



App store sales team

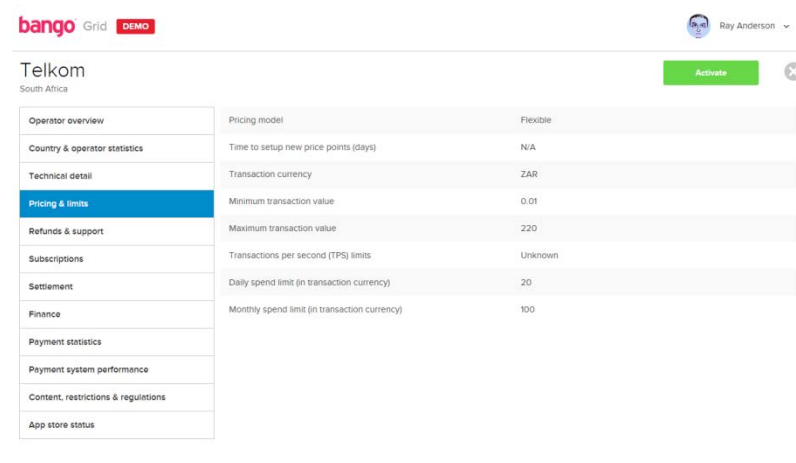
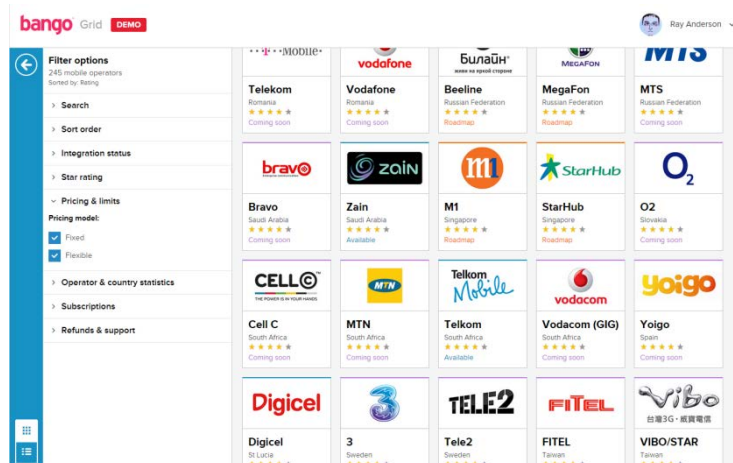
Activate MNO

- Momentum Increased during 2H2014

- June: Group-wide partnership with
- August: Group partnership with
- September: First live market with
- October: Global partnership with



- Technology deployed to accelerate MNO to App Store engagement – Bango Grid



2014

Increased market share and end-user spend, while maintaining a stable cost base

All major app stores that have offer direct carrier billing have now chosen to work with Bango

The digital content market is moving towards purchases from app stores paid on mobile operator bills

2015

The 2015 focus for Bango is to complete more new activations, driving substantial growth of end user spend on a stable cost base

Visit bango.com and bangoinvestor.com

- Founded in 1999 to enable effective collection of mobile payments
- Chosen by the worlds leading app stores and mobile operators
- Bango technology and industry relationships enable a superior user experience that increases sales
- London Stock Exchange since 2005 (AIM: BGO.L)
- Offices in Cambridge, Singapore, Brazil New York and San Francisco

Bango customers include:



Over 140 operator relationships include:



Award winning technology:

