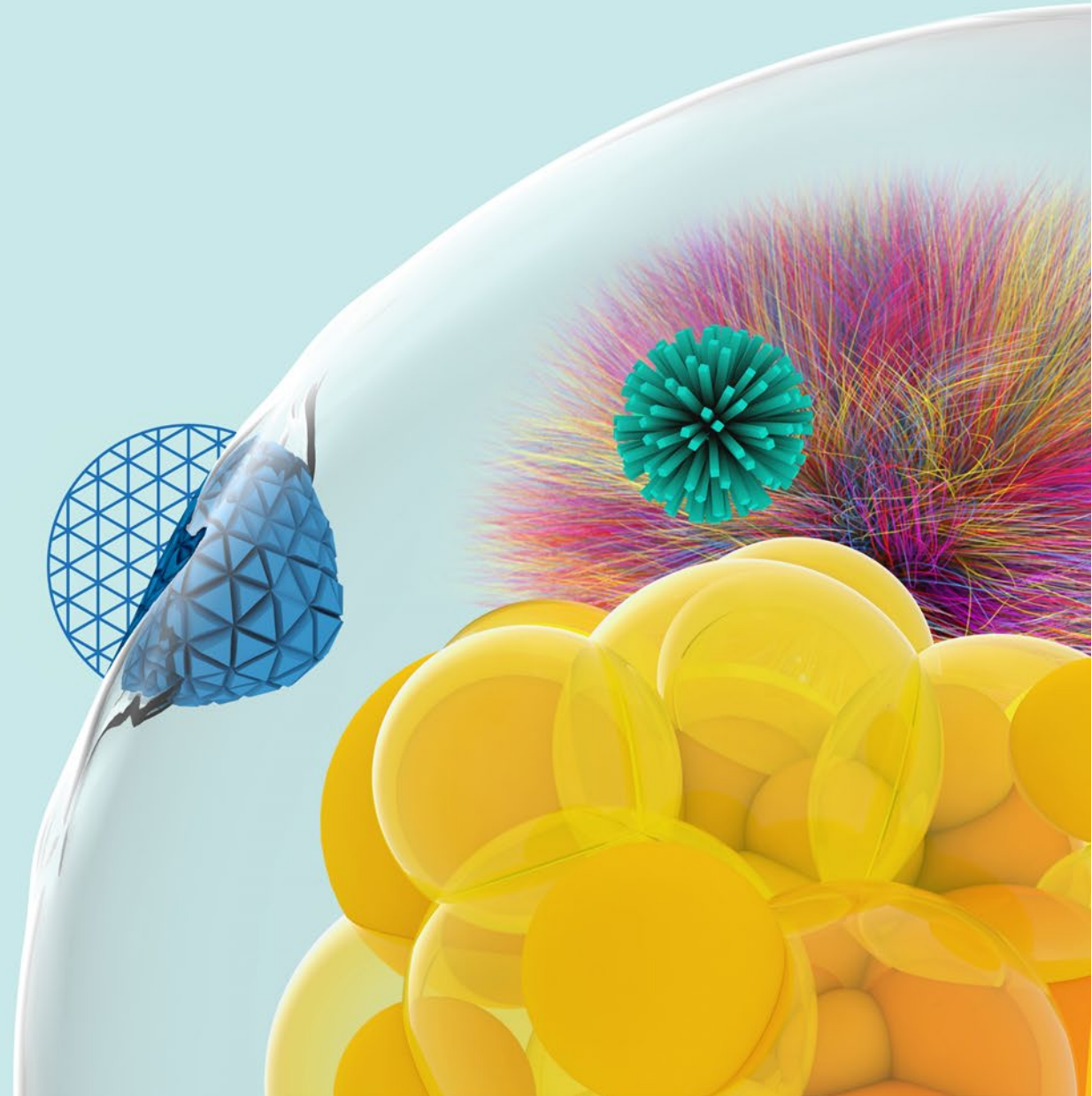


# 2018 results

19 March 2019

Ray Anderson, CEO

Carolyn Rand, CFO

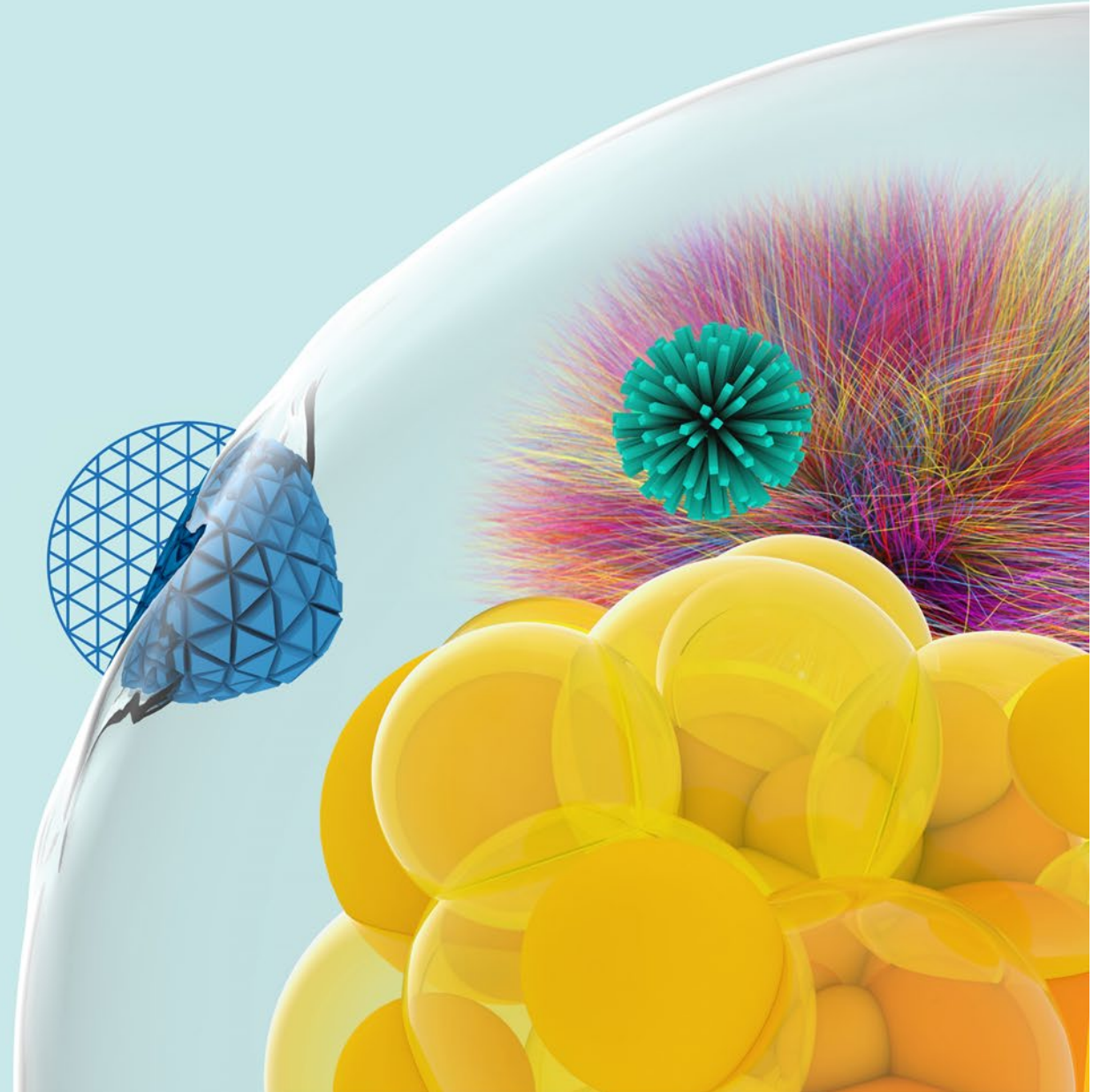


## Operational highlights in 2018

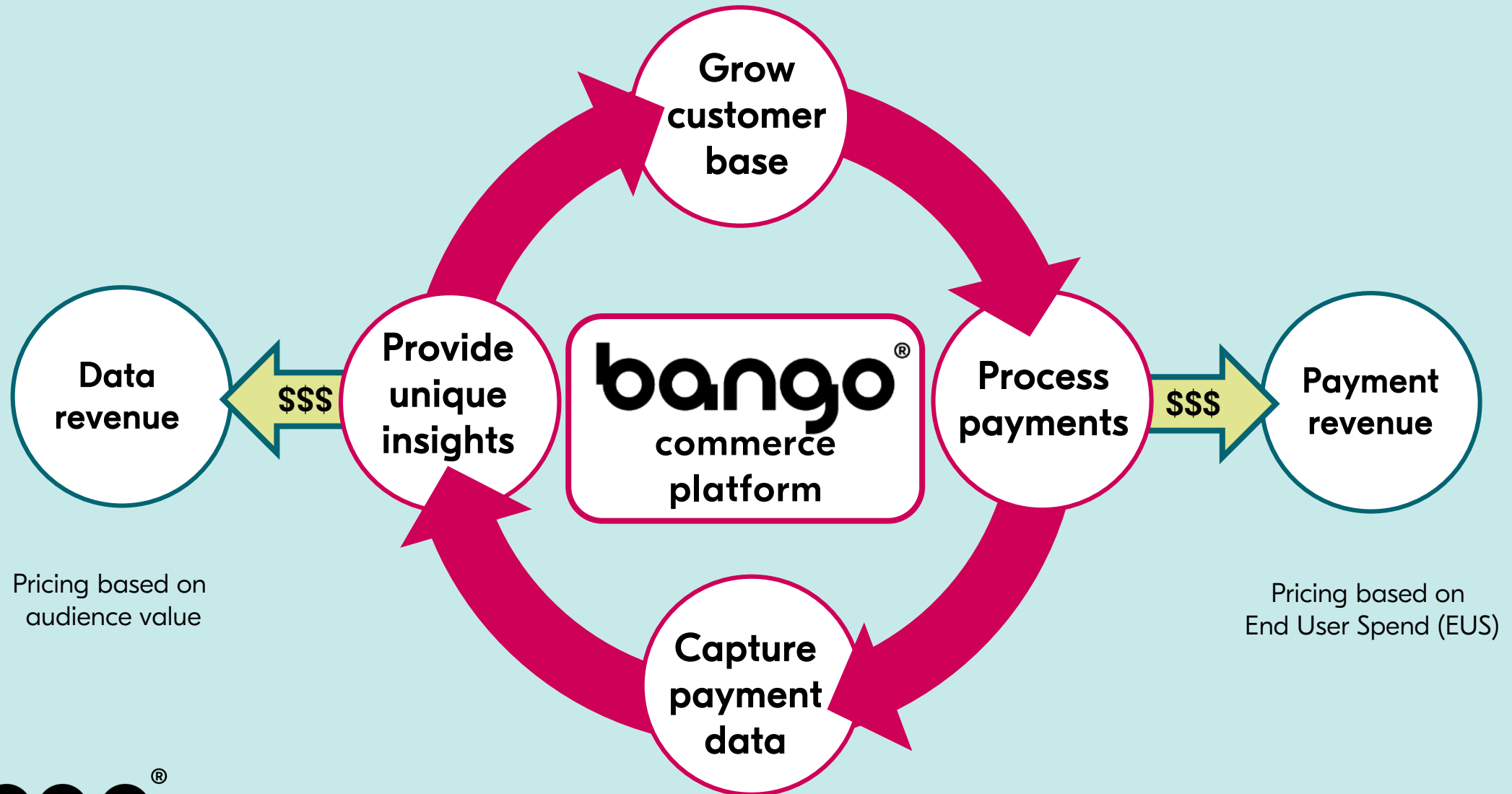
- **Payment platform business success continues**
  - End User Spend (EUS) more than doubled — and profit now increasing
  - New customers, new routes, new product types
- **Platform capacity significantly increased on stable cost base**
  - Processing capacity tested to in excess of £10B/yr — ready for continued rapid growth
  - Cost of systems and people maintained at 2017 levels
- **Launched new data business**
  - Bango Marketplace provides valuable marketing power to app developers
  - First sales of audiences and support from mobile operators
- **Acquisition of Audiens**
  - Technology and partnerships integrated with the Bango Platform
  - Powerful Customer Data Platform (CDP) winning new customers

# 2018 financials

Carolyn Rand, CFO

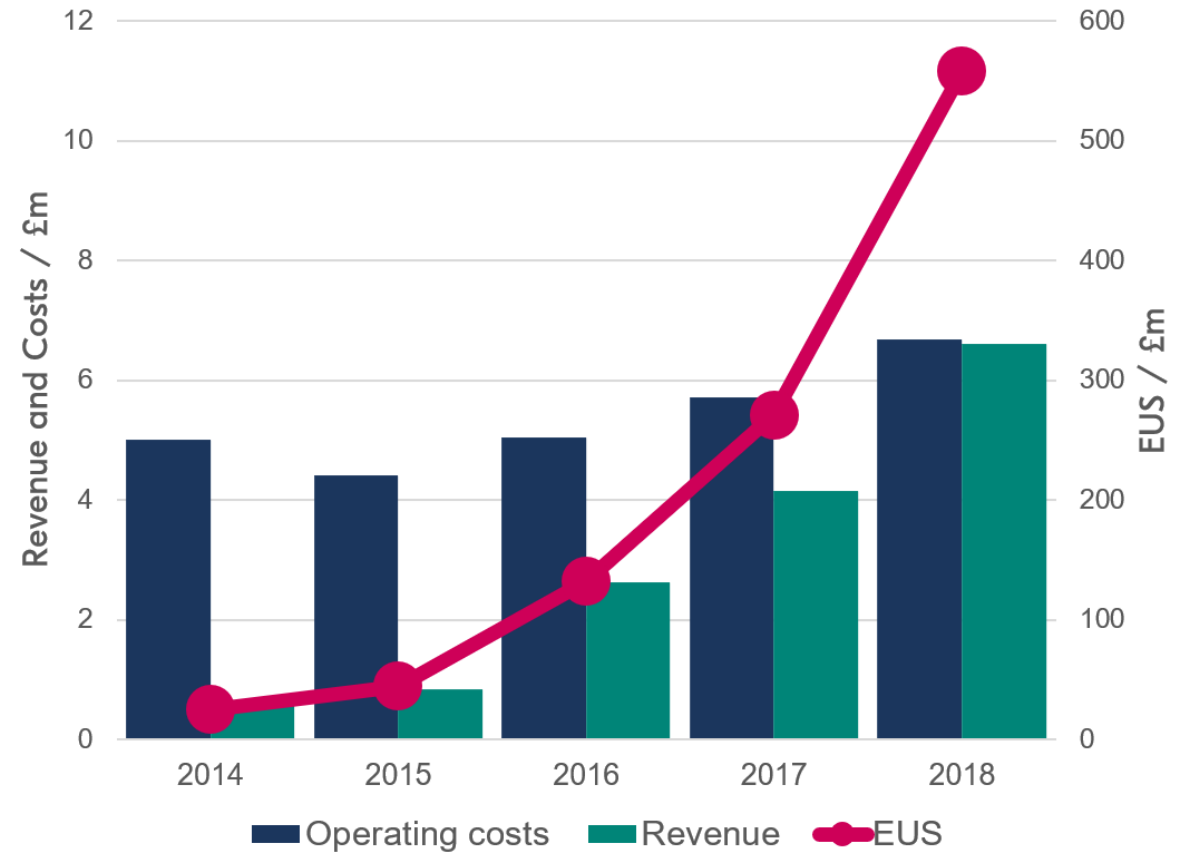


# Business model and revenue generation






## EUS and path to profitability

- EUS increased 106% to £558m (2017: £271m)
  - Increased usage by customers
  - More transactional data gathered
- Operational costs as expected
  - Stable operational base
  - Efficiency and reliability
  - Additional c.£1m on data business
- EBITDA positive 4Q18
- Moving towards cash generation



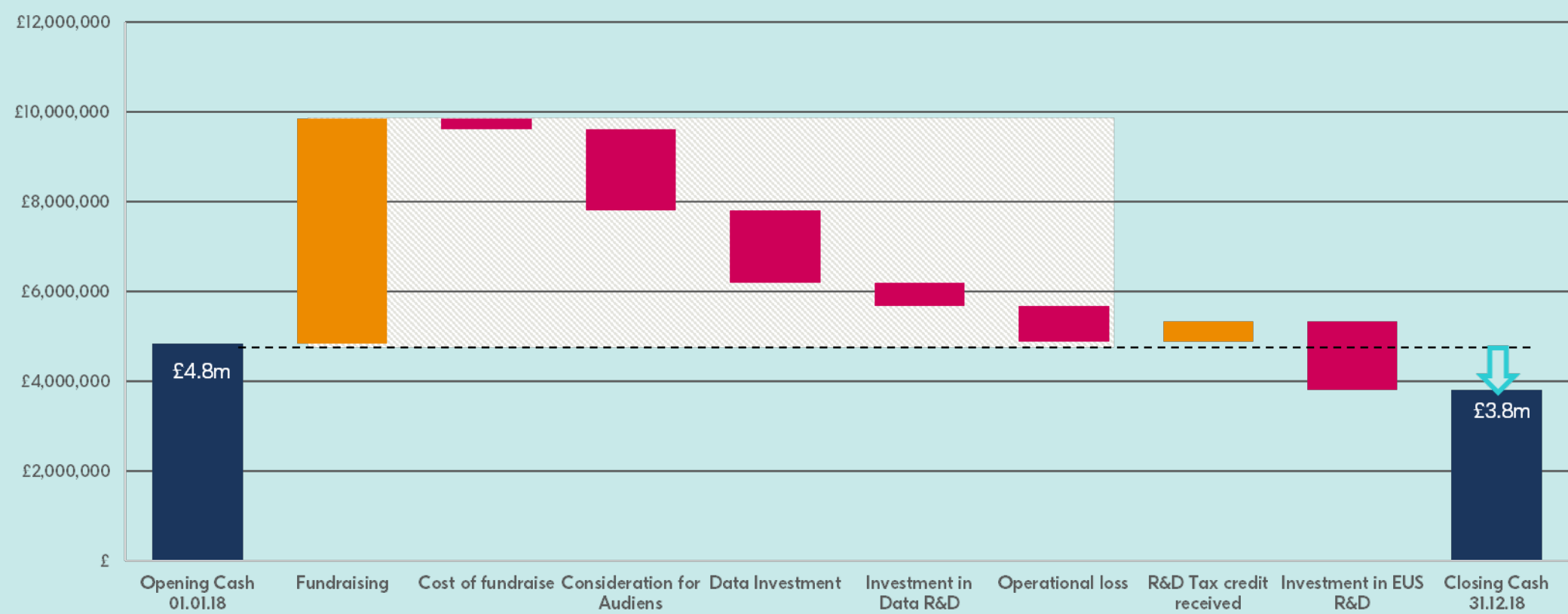
# Financial highlights

	2017 Audited £m			2018 Audited £m			
End User Spend	271.36			558.17			 <b>106%</b>
	EUS	Data	Total	EUS	Data	Total	
Revenue	4.15	-	4.15	5.25	1.37	6.62	 <b>60%</b>
Cost of sales	-	-	-	-	(0.80)	(0.80)	
Gross profit	4.15	-	4.15	5.25	0.57	5.82	
Operating costs	(5.72)			(6.69)			 <b>17% (includes data business)</b>
LBITDA	(1.57)			(0.87)			
Loss after tax	(3.44)			(2.86)			
Cash	4.85			3.81			

# Operating costs

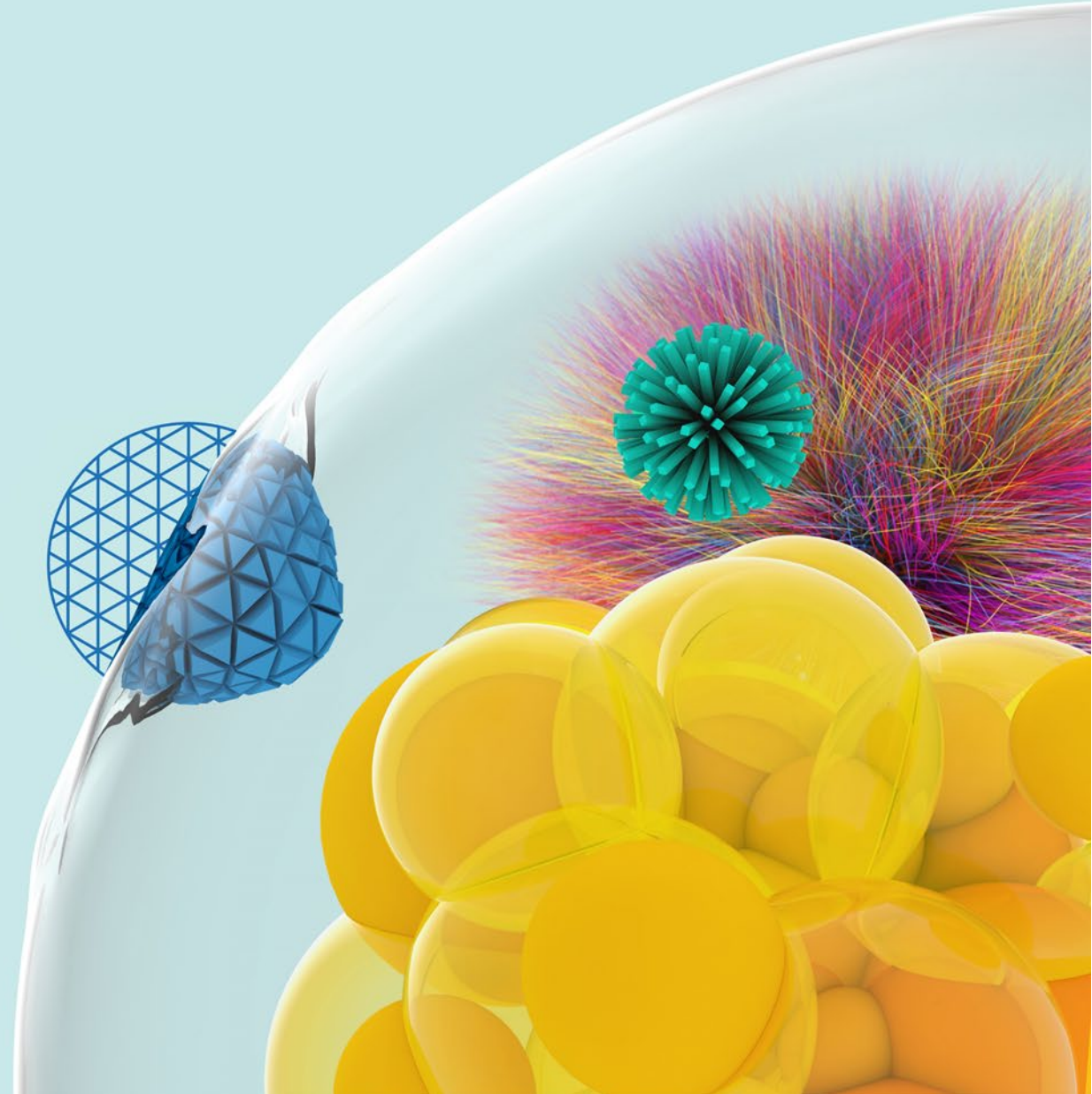


# Cash movements in 2018

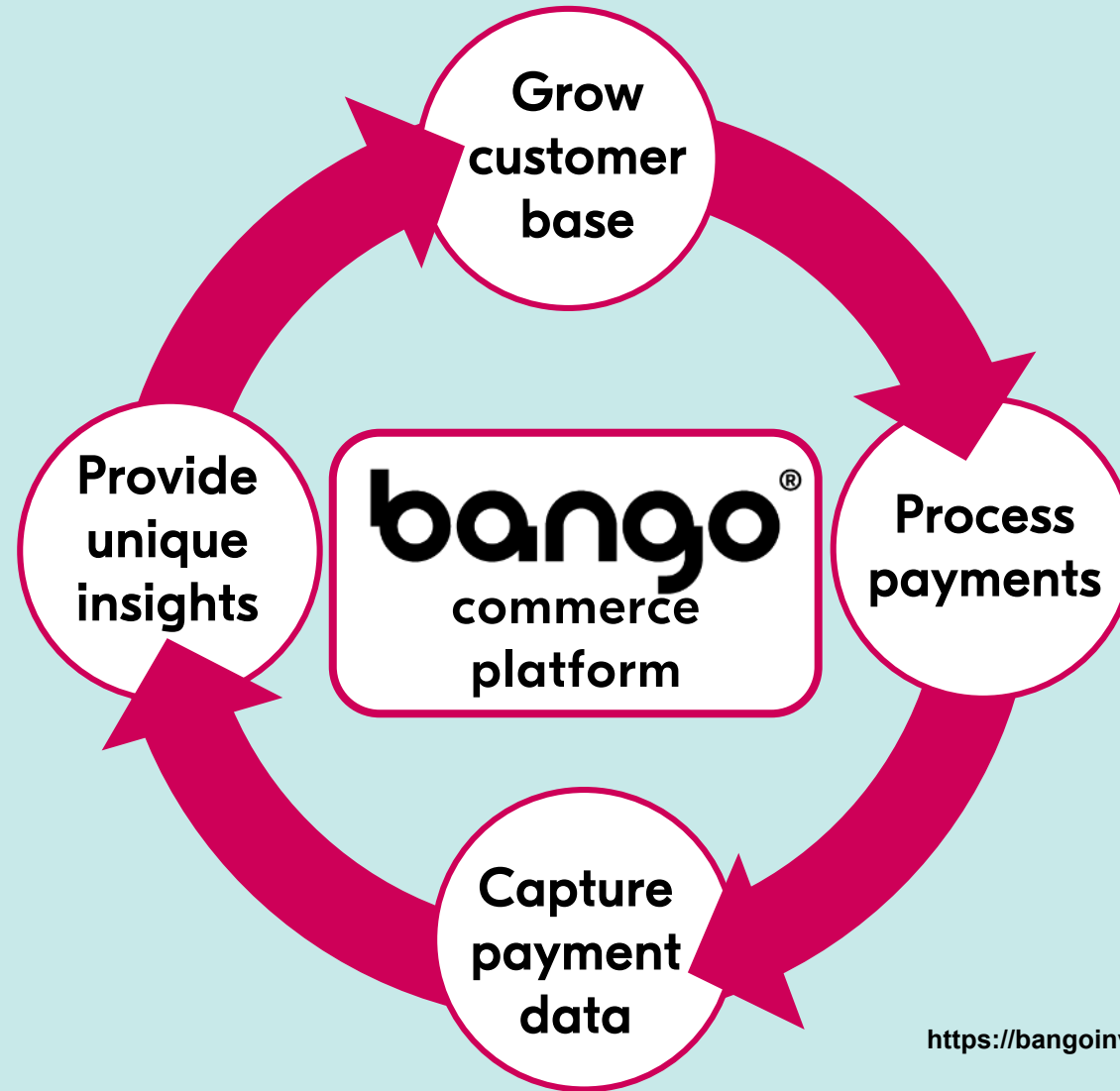


# Business review

Ray Anderson, CEO



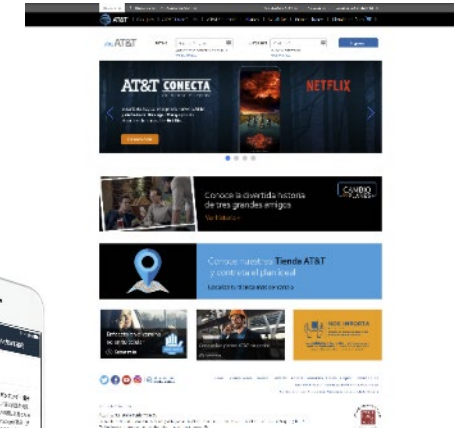
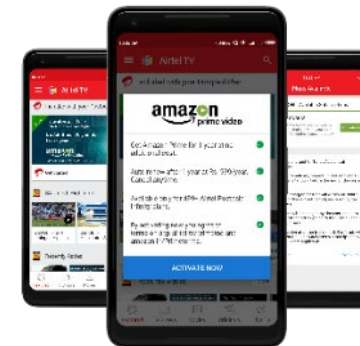
# The Bango strategy



<https://bangoinvestor.com/2019/02/21/bango-strategy-day-2019/>

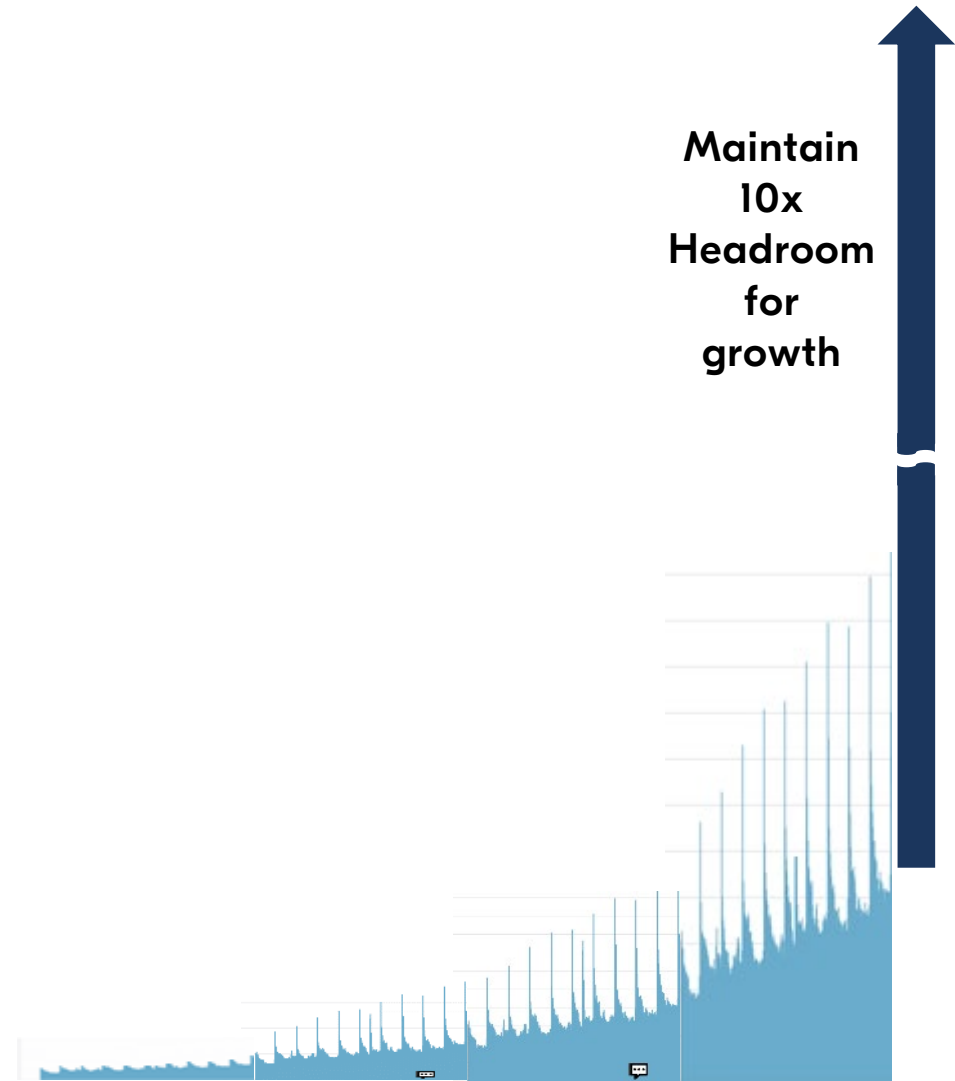
# 2018: Excellent progress against plan

1. Growth in all three forms of payment
  - Digital services and content by DCB & wallet
  - Physical goods using DCB
  - Digital services bundled with other products
2. Over 100% EUS growth for four years
  - More users, more sales, more content
3. Launch of Bango Marketplace
  - 12 months faster by using Audiens tech.
  - Opens door to new app developer market
  - On-line sales of valuable audiences
  - Initial sales - generating case studies



## Higher capacity – lowered cost

- Tested to over £10Bn/yr capacity
- Software engineering innovation
- Hardware costs lowered
- Robotization of operations
- Cloud systems for peak handling
- Close work with partners
- Eliminate errors
- Leverage partners



More than doubling EUS for 4 years

## Bango — from payments to mobile commerce

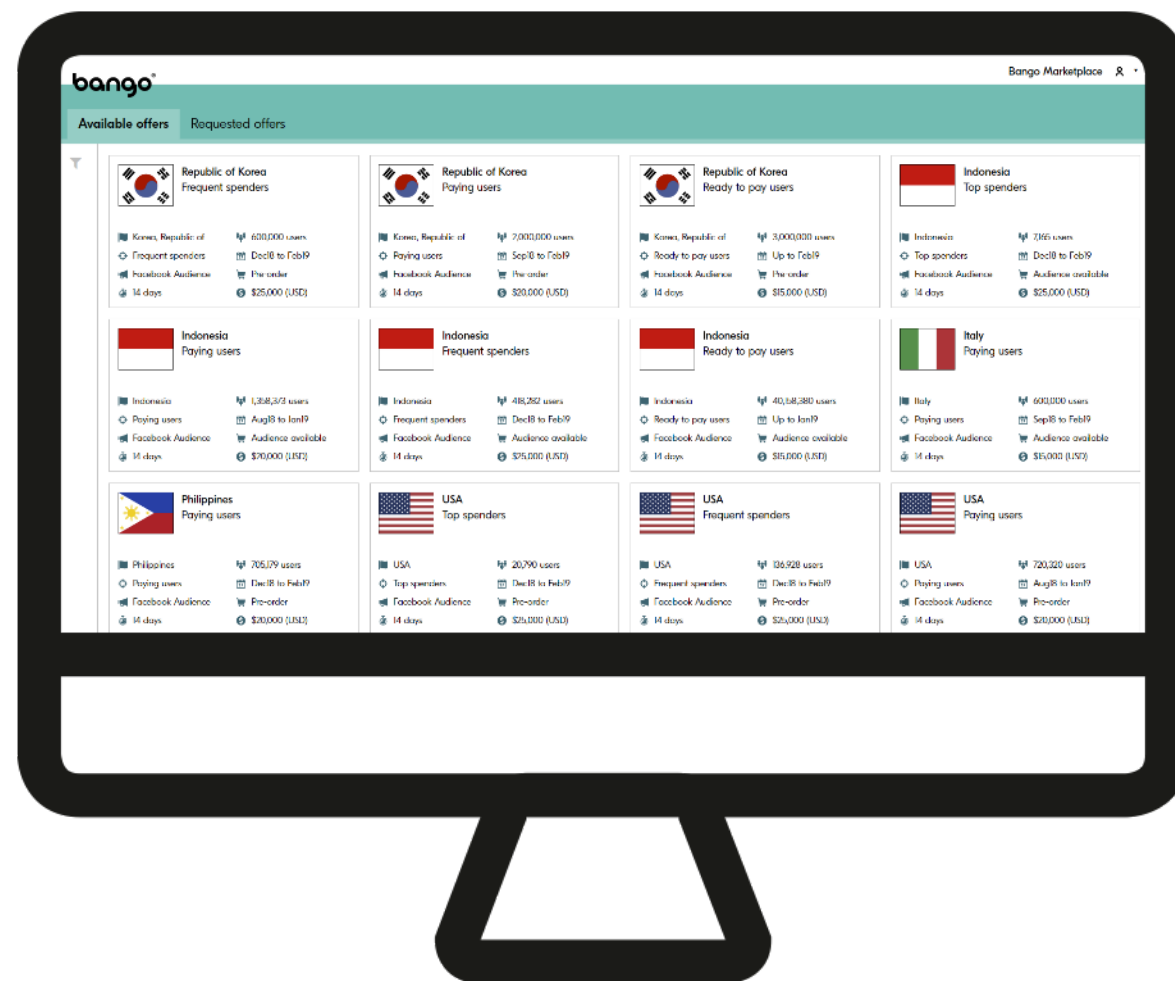


Worldwide app advertising spend will grow from **\$27bn** in 2017 to **\$64bn** in 2020, 32% CAGR (AppsFlyer, 2018)

Worldwide app store consumer spend will grow from **\$106bn** in 2018 to **\$156bn** by 2022, 13.9% CAGR (App Annie, 2018)

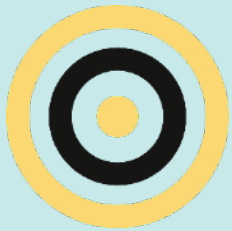
# Bango Marketplace

- Offers valuable audiences of users created by Bango from transactional data
- The audiences enable marketing focus on users more likely to pay
  - Very high value to app developers
- App developers buy audiences to boost ROI of paying user acquisition campaigns
- Audiences can be used by multiple app developers, multiple times



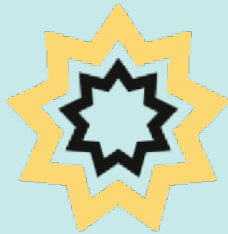
# Proven success in new user acquisition and in-app monetization

Google Play karaoke app in Indonesia



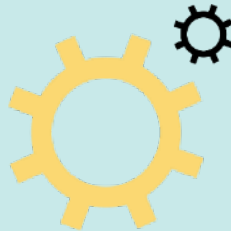
## Target audience

Top paying users who had not made karaoke purchases



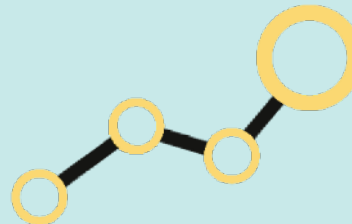
## Offer

50% VIP subscription for first month



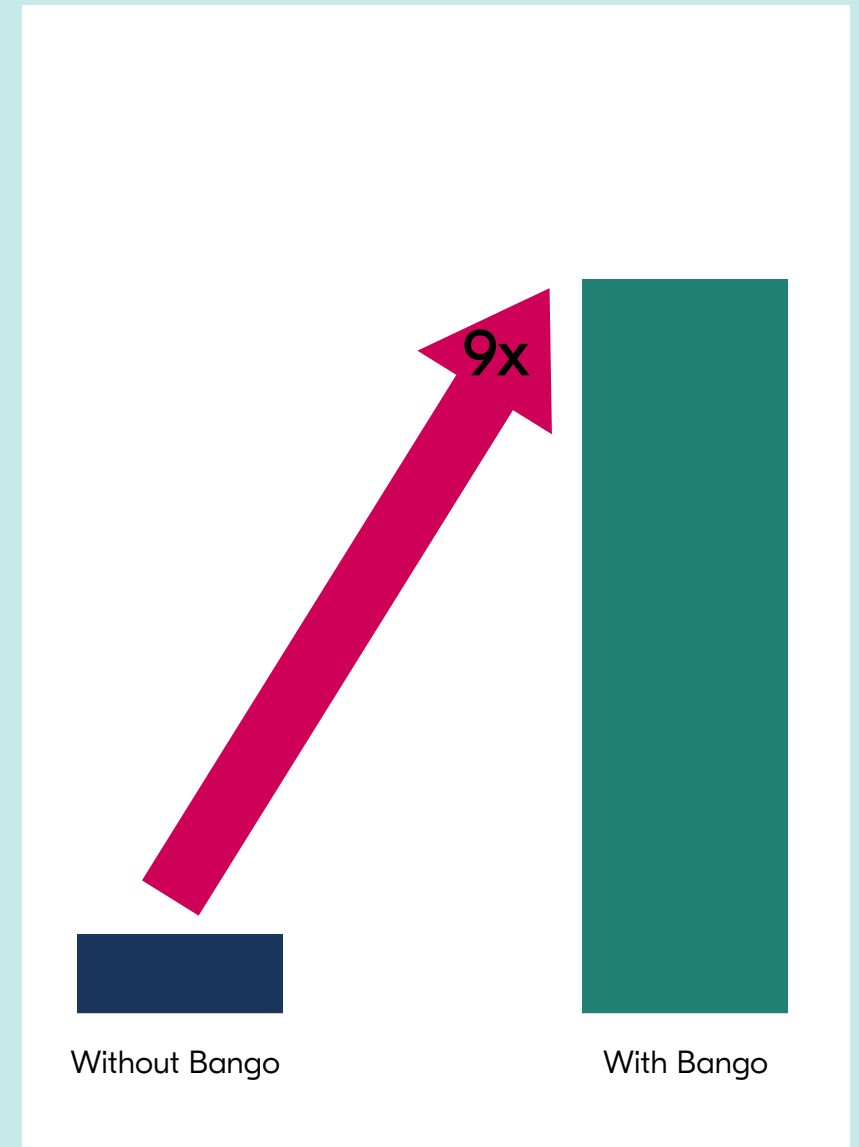
## Mechanic

Text message with link to download using Bango audience



## Expected outcome

Increase in conversion rate of free to paying users



# Powerful economics of Bango targeting

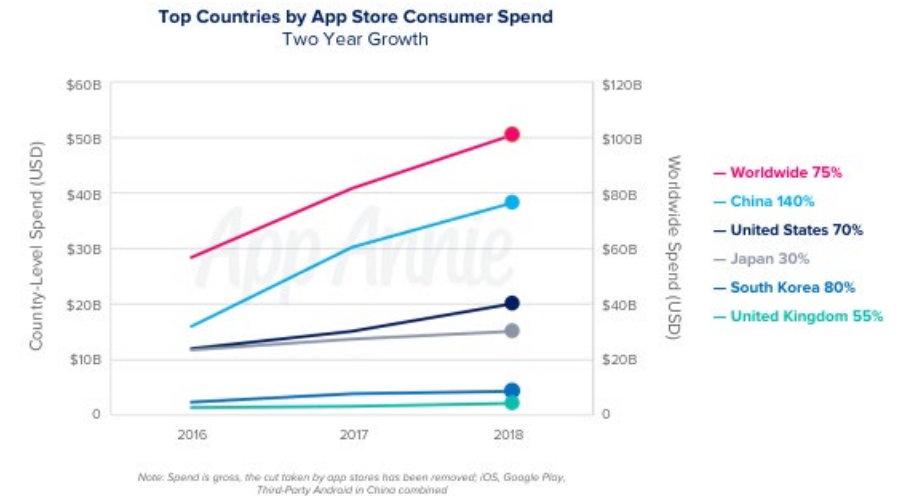
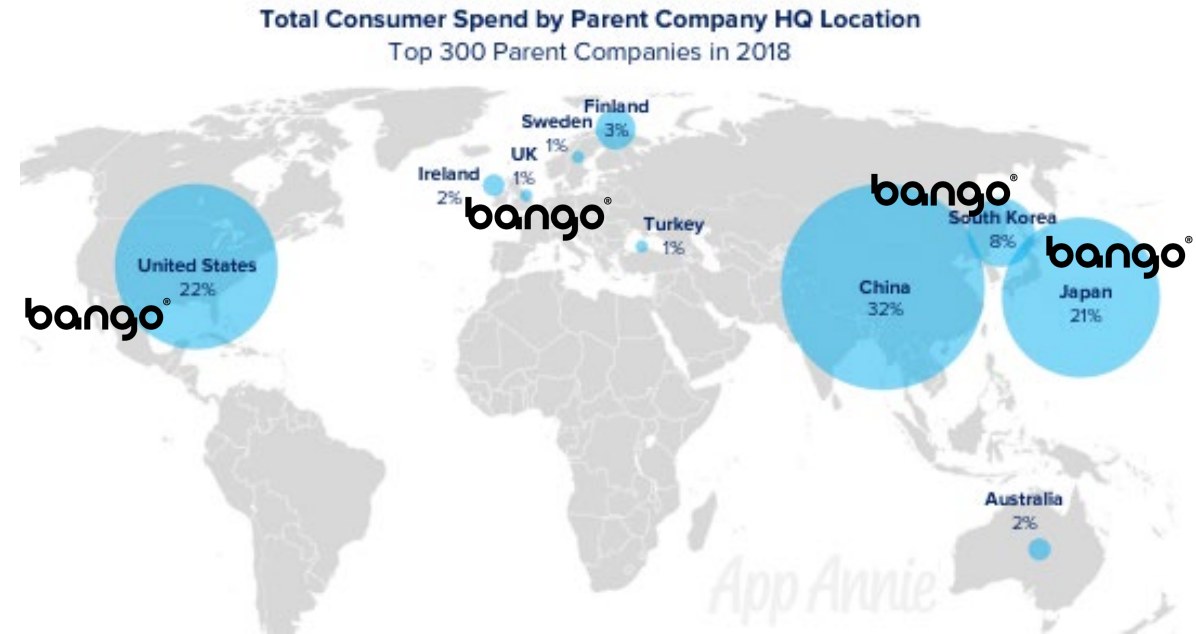


Overview	Conventional	Targeting Bango Paying User Audience					Total with Bango
Reached Users	millions Standard	★ 208,163	Paying users in Audience Selected				
		Run 1	Run 2	Run 3	Run 4		
		13-Jan	18-Jan	20-Jan	23-Jan		
Campaign Spend	\$6,300	\$1,311	\$1,311	\$1,311	\$1,311		TOTAL
Cost per 1000	CPM= \$6.30	\$6.30	\$6.30	\$6.30	\$6.30		\$5,246
Impressions	1,000,000 ★	208,163	208,163	208,163	208,163		832,652
Conv Rate	1.00%	1.05%	1.00%	0.98%	0.97%		1.00%
Apps Installed	10,000	2,186	2,082	2,040	2,019		8,327
	CPI= \$0.63						
Conv Rate	4.50%	19.70%	21.60%	18.70%	16.40%		19.13%
Paying User	450	431	450	381	331		1,593
	CPA= \$14.00	\$3.05	\$2.92	\$3.44	\$3.96		\$3.29
		\$10,000	Audience cost 14 Days		\$15,246	CPA=	\$9.57

Analysis of Bango Audience Targeting vs Conventional Model – ME data

# Sales and Marketing strategy

- Focus
  - Drive success for largest app developers
  - Use data gained from major DCB partners
- Efficient
  - Automated production of audiences
  - A developer can buy similar audiences across many countries
  - Audiences can be used by multiple developers at the same time
- Scalable
  - Initial sales driven by regional presence
  - Scale up direct via Bango Marketplace
  - Platform does heavy lifting



# Bango Nexus events

- Exclusive forum for top app developers to engage with Mobile Network Operators
- Bango Marketplace focussed event held in Jakarta, Oct 2018
  - App developers met Telkomsel, XL, Indosat, Smartfren and Google



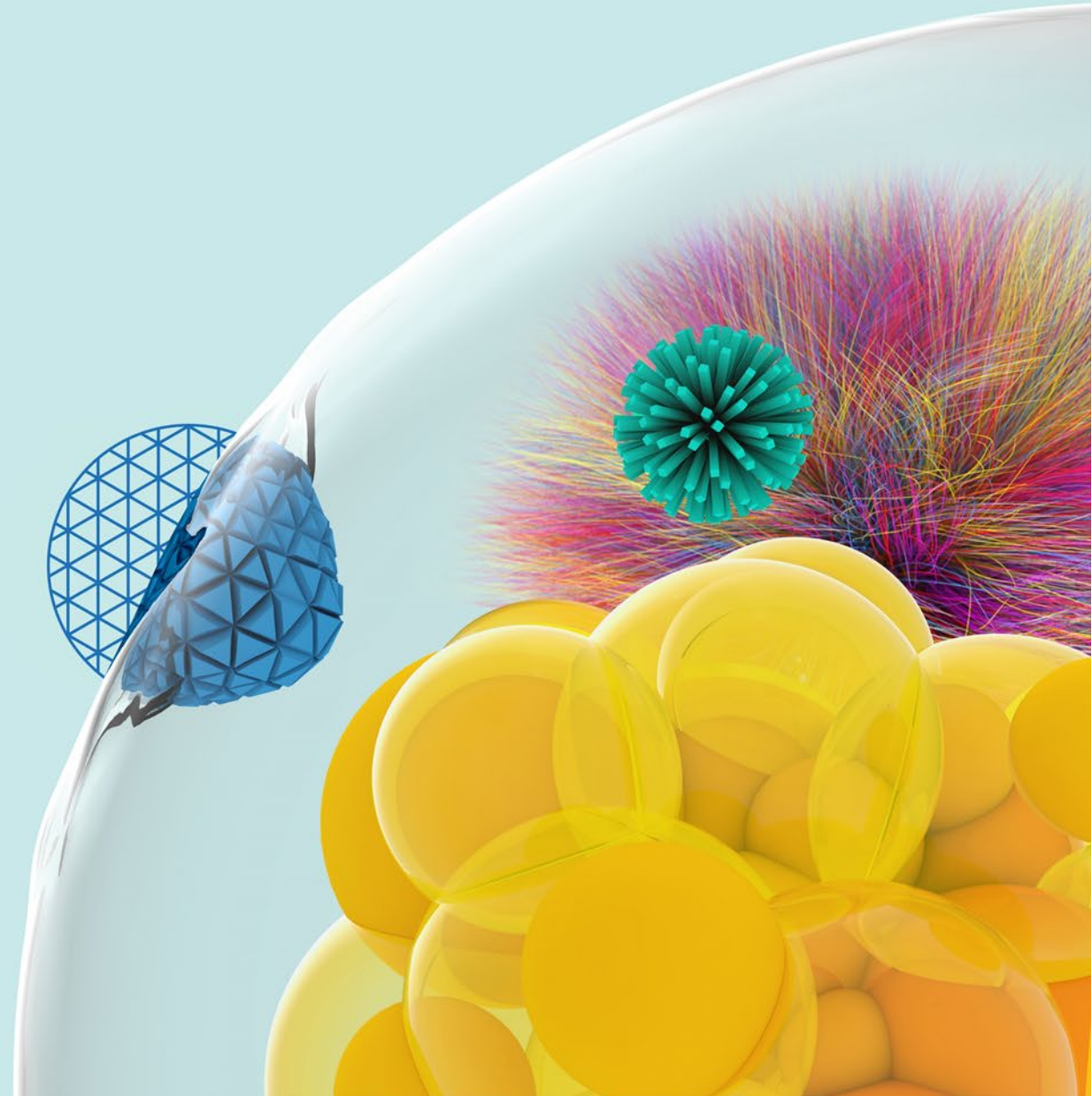
- Second Bango Marketplace event in San Francisco, 19 March 2019



**bango**<sup>®</sup>nexus

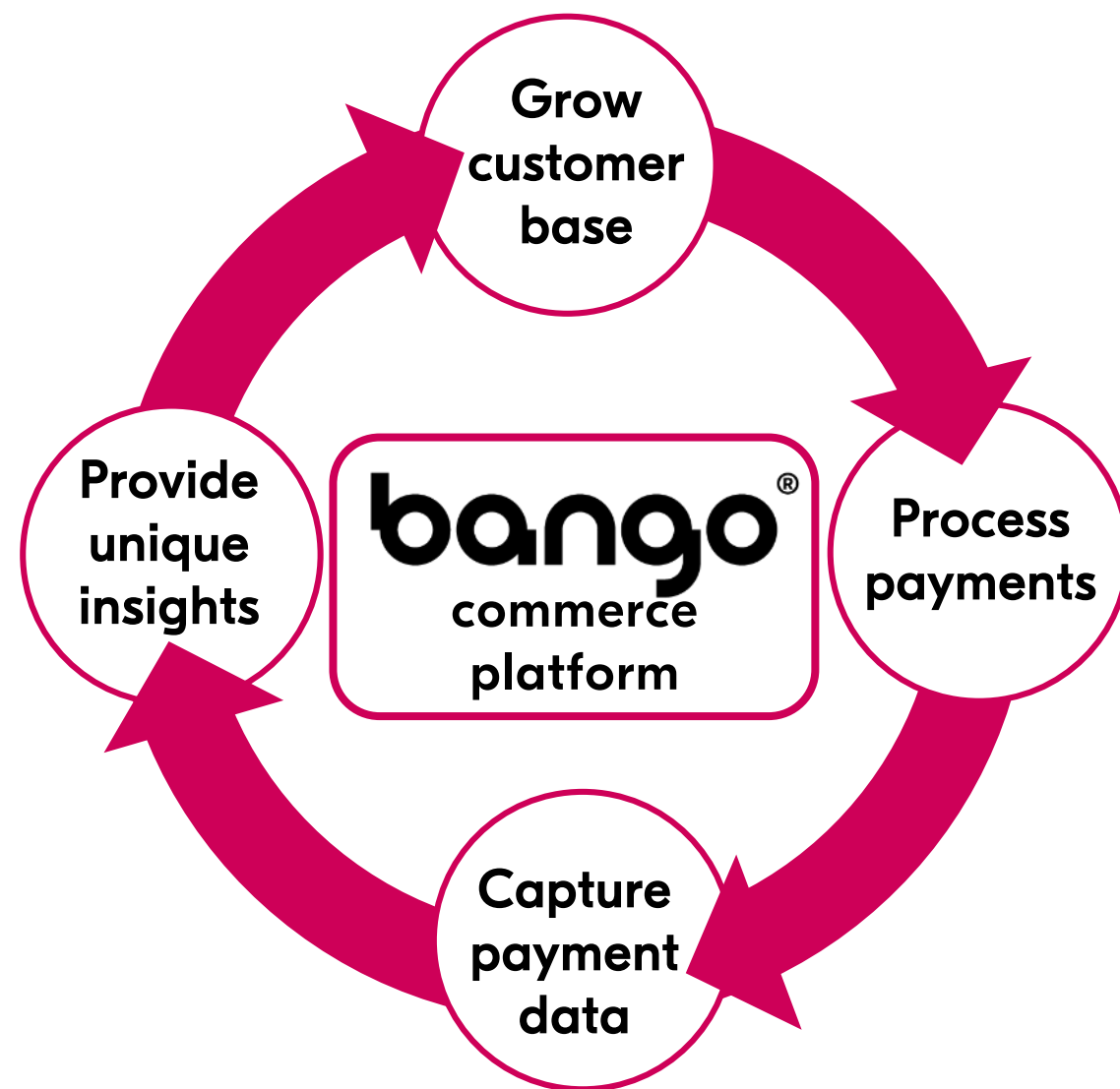
# Outlook

Ray Anderson, CEO



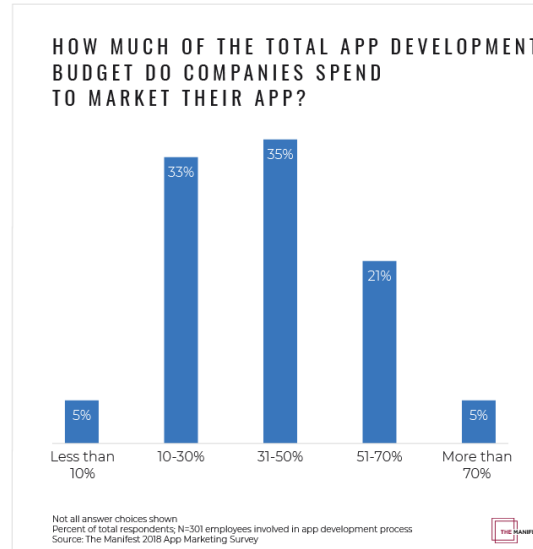
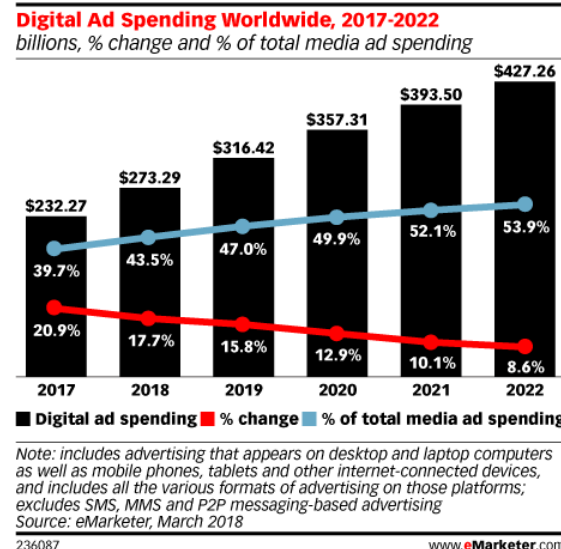
## Expecting substantial scale up

- Pipeline of target MNO EUS:
  - >\$6B EUS from over 45 MNO
- New customers and more content
  - Expecting further new merchants
  - New content types arriving in 2019
- Payment platform significantly more compelling with data monetization
- Audiens CDP sales to new customers outside Italy

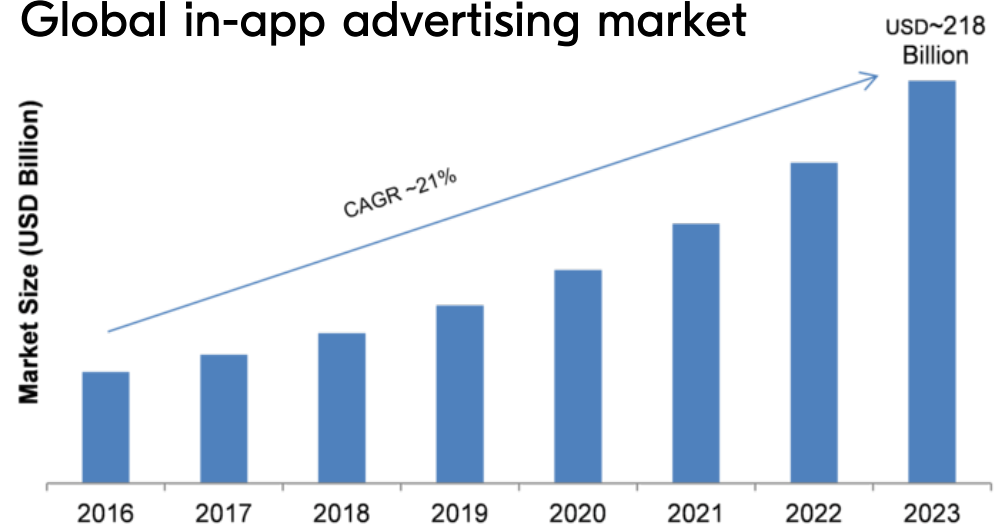


# Large app developer opportunity

- Sales growth driven by
  - Bango direct sales presence
  - Bango Marketplace at bango.com
  - Repeat orders / fresh audiences
- Partnerships in future
  - MNO partnering to attract developers
  - App store support for higher growth
  - Regional marketing giants
- Opportunity is bigger than DCB
  - Potential to work with cards & resale
  - Beneficial economics at scale



## Global in-app advertising market



Market Research Future (MRFR), 2018

## Dual drivers of success

- Payment business growth
  - Advantage from data monetization
  - Continued doubling of EUS
  - High margin. Stable cost. Huge capacity
  - Profitable foundation for Bango
- Data business
  - Advantage from payment data
  - Huge new opportunity
  - Highly scalable
  - Second high growth opportunity



An abstract illustration of a cell membrane, depicted as a white, curved surface. On the left, a blue, textured, dome-shaped structure is embedded in the membrane. To its right, a green, spiky, spherical structure is also embedded. Further right, a large, colorful, fibrous structure with purple, pink, and yellow strands is visible. In the foreground, a cluster of yellow, rounded, overlapping shapes is present. The background is a light blue gradient.