

Bango FY2017 results presentation

Ray Anderson, CEO

Rachel Elias-Jones, CFO

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Operational highlights in FY2017

Significant developments with new partners

- Launched Direct Carrier Billing (DCB) for physical goods in Japan for Amazon
- Three Google Play routes upgraded to Bango Platform, providing case studies for future migrations
- Amazon Prime Video in India on largest operator

Added new DCB routes and payment methods

- Across LATAM, Europe, Asia and Africa for Amazon, Microsoft and Google Play
- Launched wallets in Japan (KDDI Au) and Nigeria (9mobile), moving beyond DCB

Stable cost base

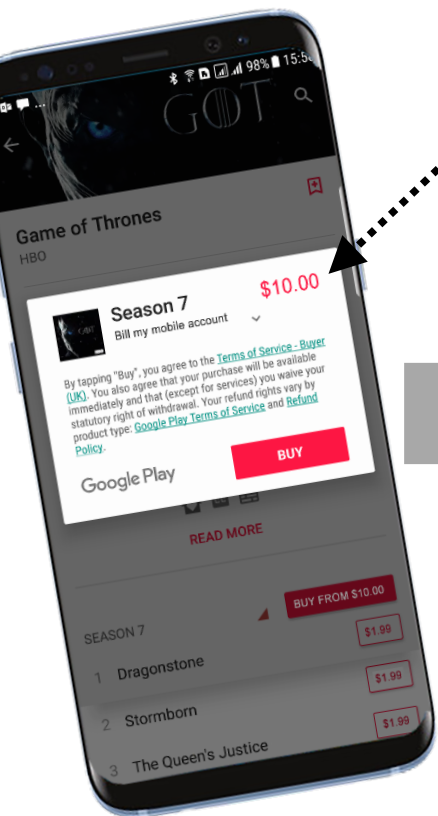
- £2.3m operational cost (FY2016: £2.4m) which processed double the EUS

Financial review FY2017

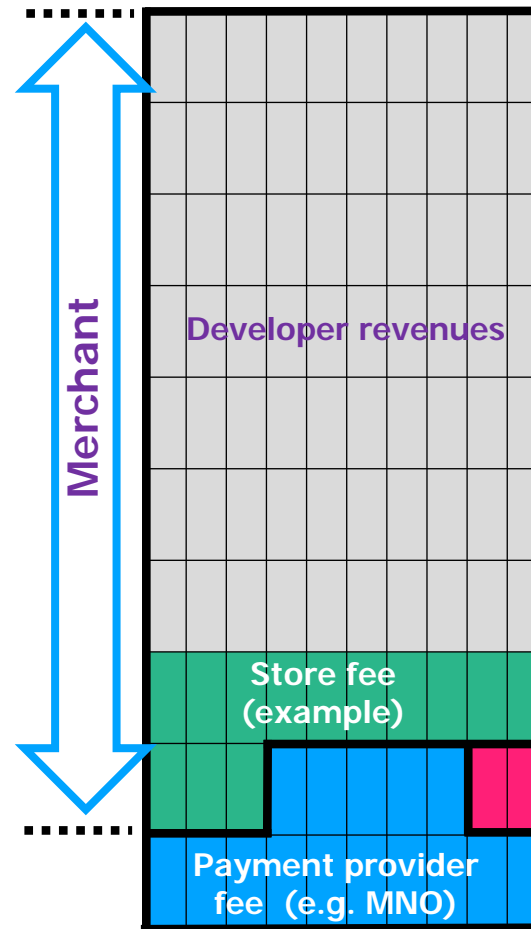
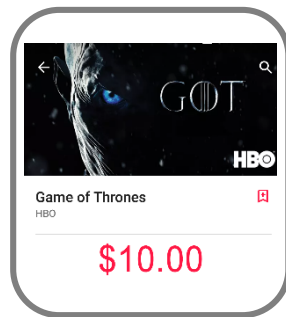
Rachel Elias-Jones, CFO

Bango revenue model

\$10.00 purchase from store (EUS)



* Tax is zero in this case
Price displayed is EUS +
relevant taxes



\$7.00 → **HBO**

\$1.30 → Google play

\$0.20 → **bango** Bango fee = Bango revenue

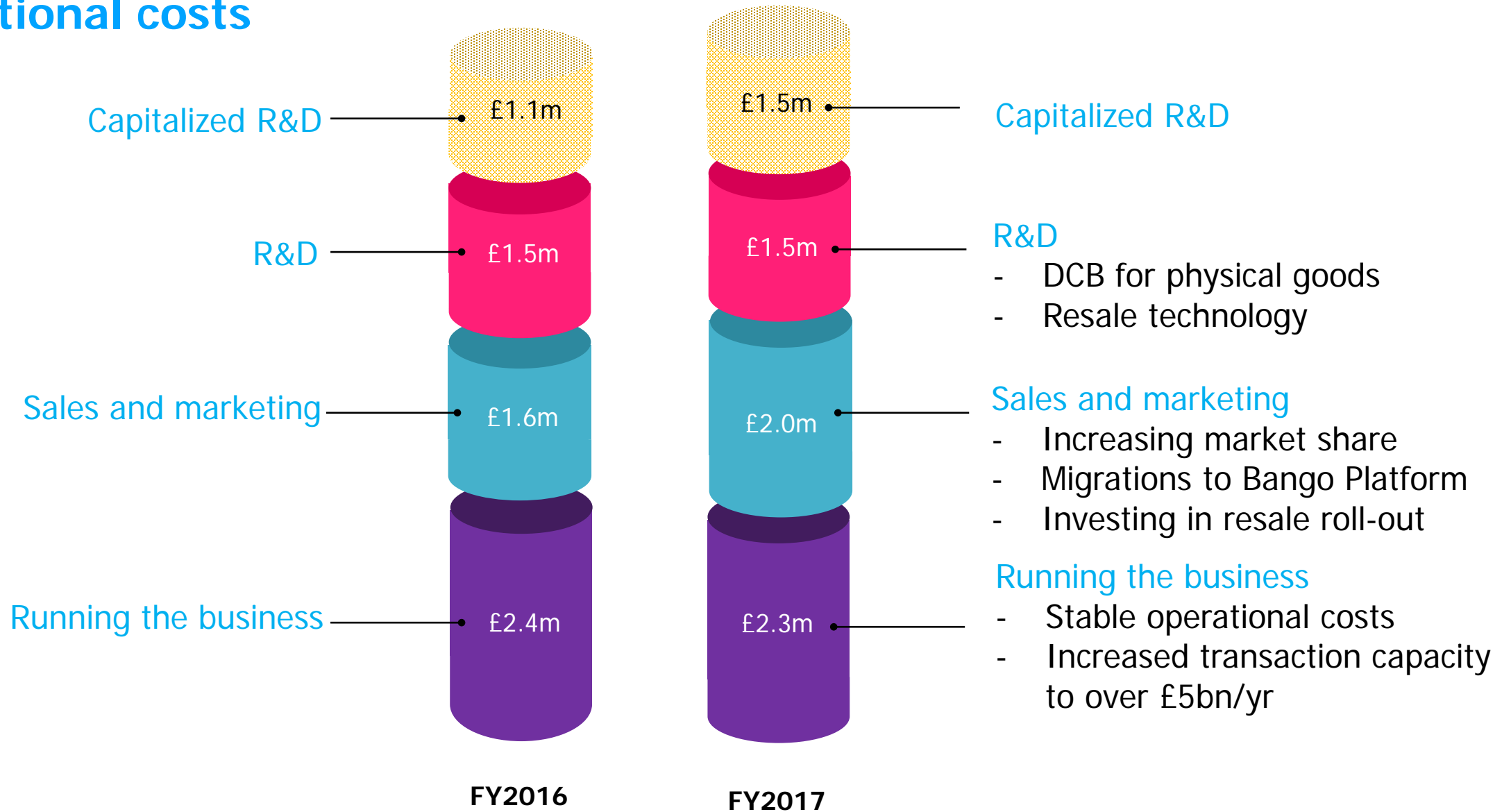
\$1.50 →

Important: Payment provider fees, Bango fees, store fees are illustrative and may vary depending on store, market, type of product and sales volumes

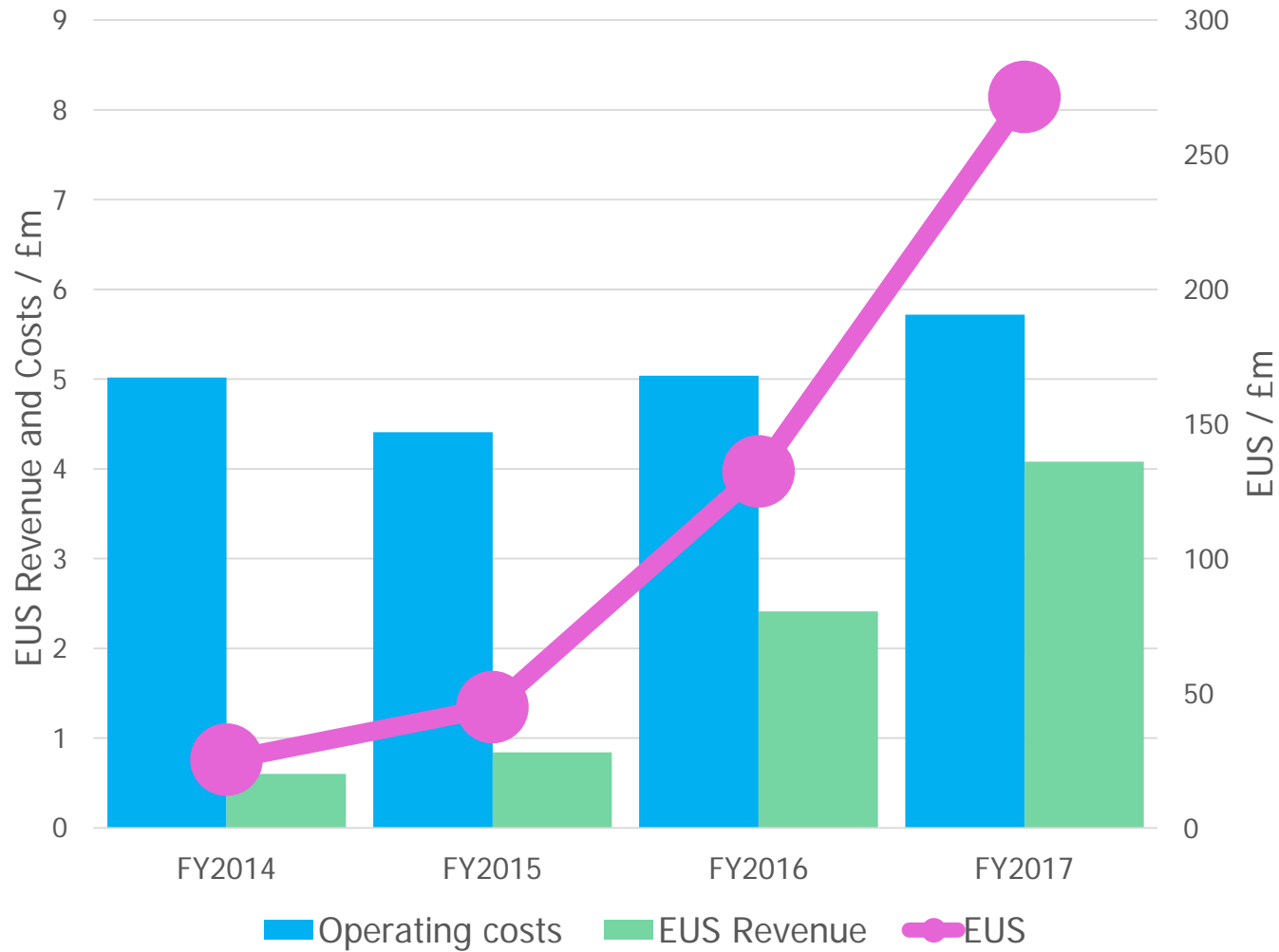
Financial highlights

	FY2016 Audited	FY2017 Audited	
	£m	£m	
End User Spend	132.29	271.36	⇒ 105% growth
Sources of revenue			
End user	2.41	4.08	⇒ 70% growth
Platform fees	0.21	0.07	
Total revenue	2.62	4.15	
Operating costs	(5.04)	(5.72)	⇒ 14% increase
Loss after tax	(4.41)	(3.43)	
Cash	5.70	4.85	⇒ Strong cash balance reassures partners of Bango longevity

Operational costs



EUS and path to profitability

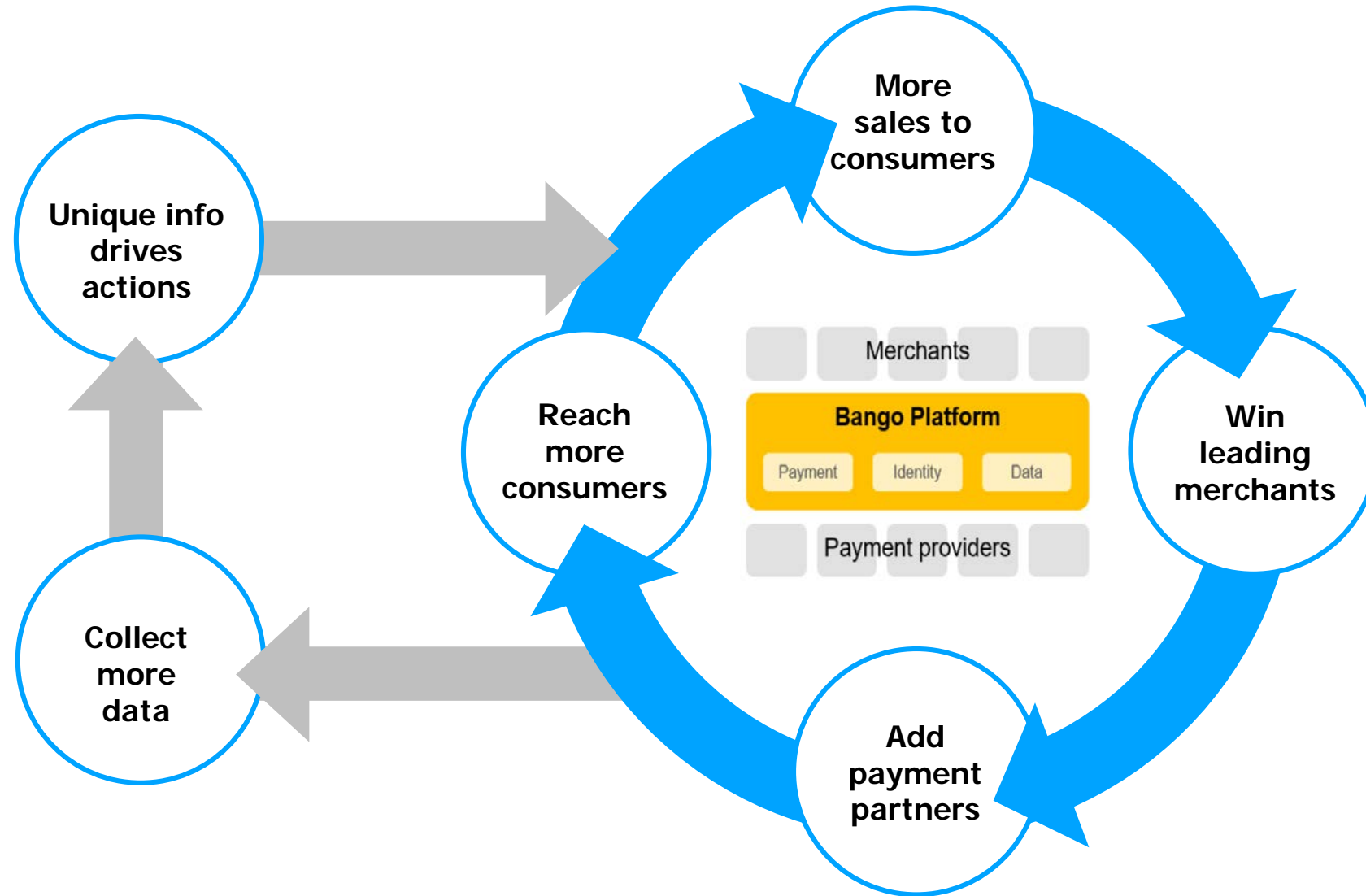


- EUS revenue grows rapidly in-line with EUS
- Operational costs as expected
 - Increased investment in R&D and sales
- EBITDA positive in November and December 2017
- Moving closer to cash generation

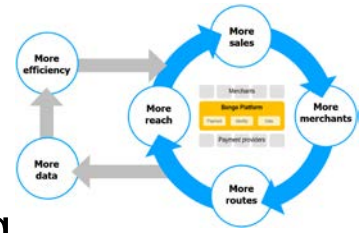
Business review

Ray Anderson, CEO

The Bango Platform strategy



Strong progress in 2017



1. Growing platform momentum:

EUS more than doubled for third year running

More routes, more content, more consumers

2. Launch of retail commerce:

Amazon in Japan

3. Stable operational costs:

Investment in software enabled increase to over £5Bn/yr EUS with existing capacity

4. The importance of data:

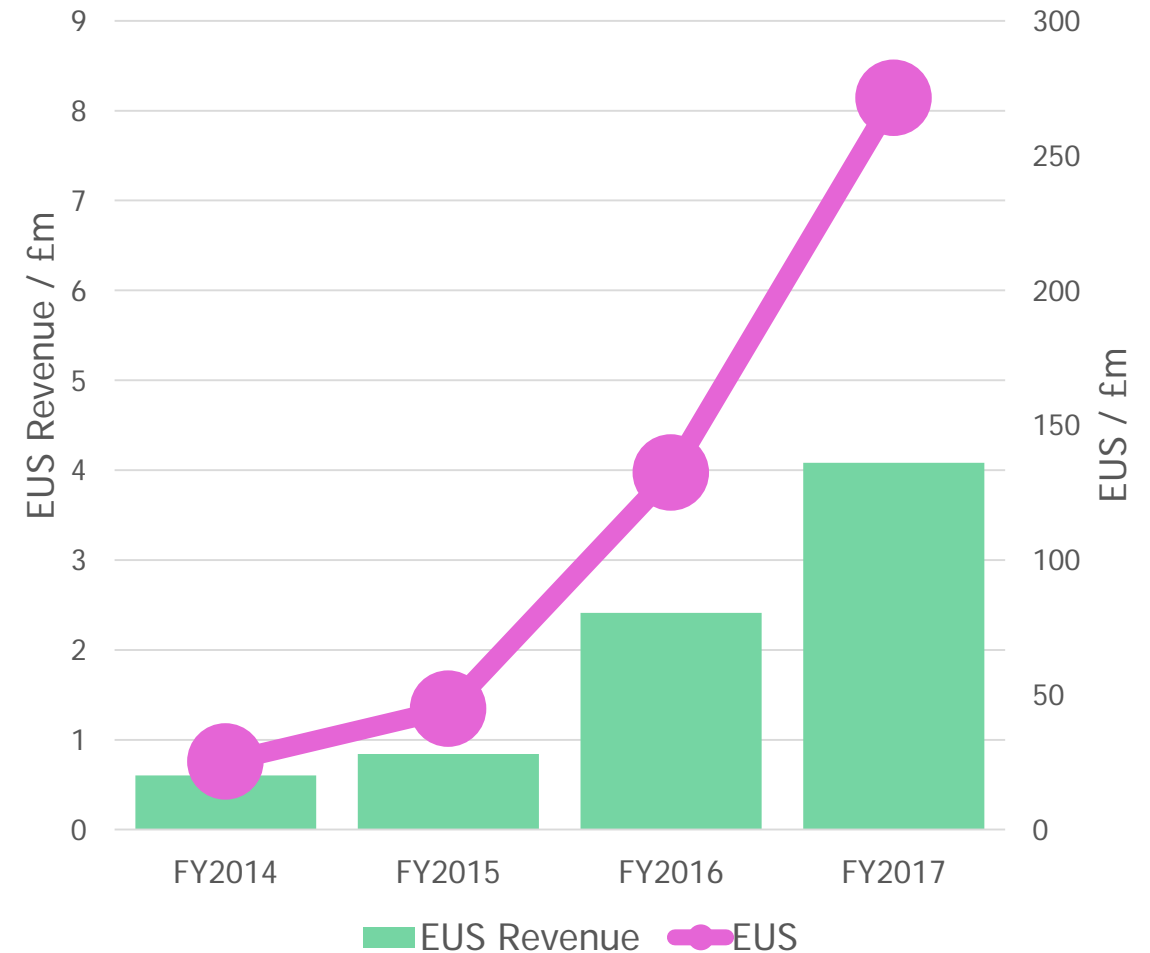
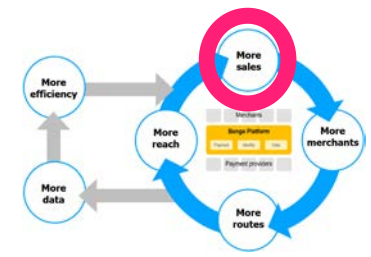
Bango Boost and Bango Unleashed deployed

5. Platform flexibility and power:

IoT project and new mobile wallets

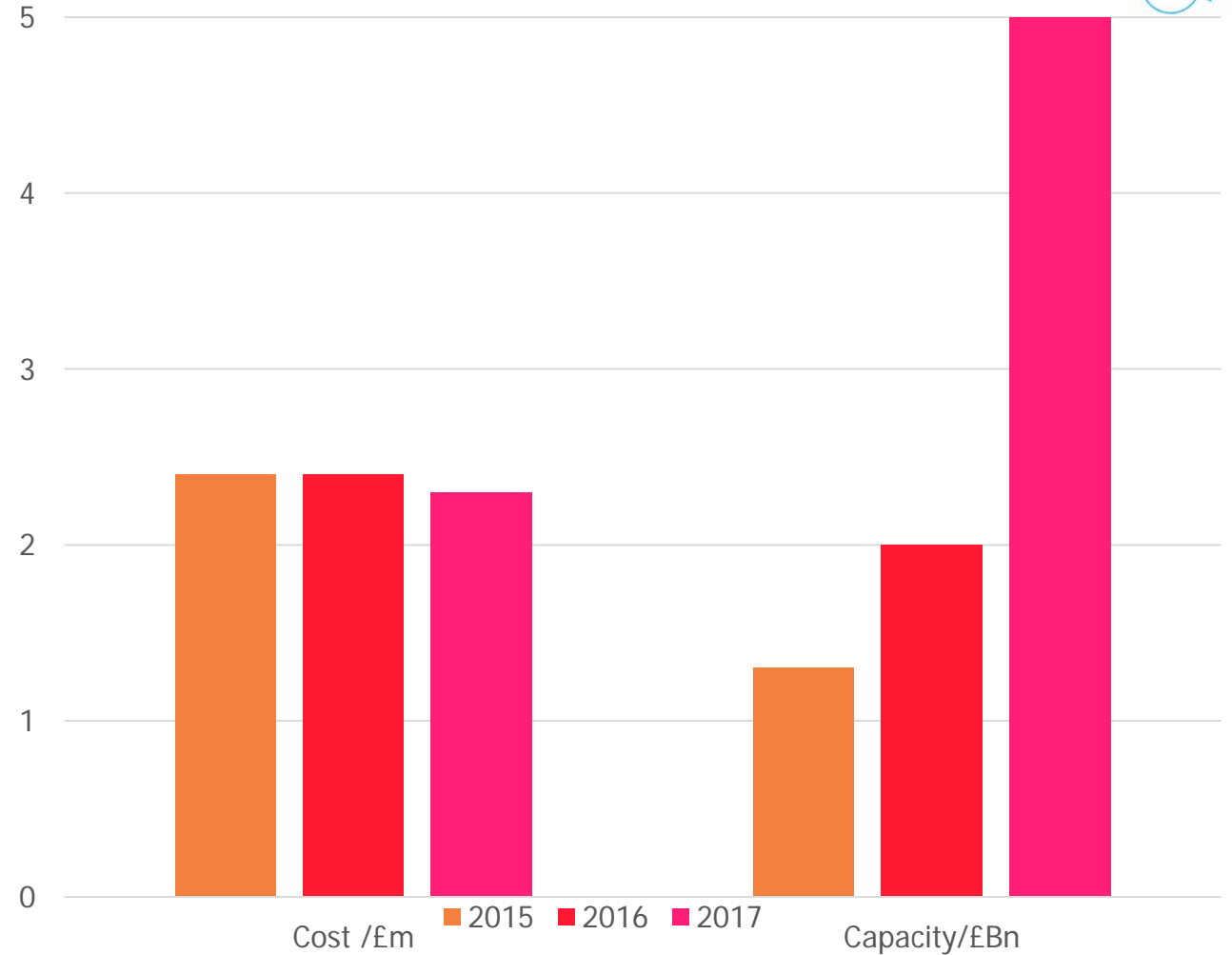
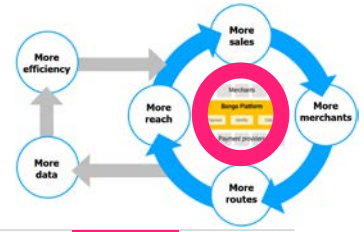
EUS shows success for Bango customers

1. Doubling of EUS for the third year running
2. Growth of Google Play routes
3. New Google Play routes
incl. three upgraded to Bango Platform
4. Amazon DCB Retail launch into Japan
5. New services launched:
 - Xbox DCB for Microsoft
 - New routes for Samsung

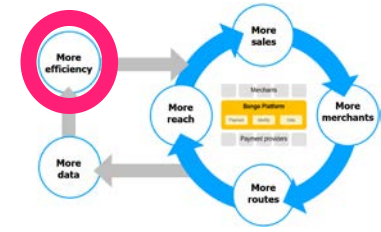


Stable Opex – High tested capacity

1. Well equipped datacenters
2. Extensive Ops automation
3. Skilled 24/7 operational team
4. Relentless streamlining of software systems and supplier costs
5. Huge excess capacity to handle expected growth with stable Opex



Data drives success for Bango powered merchants



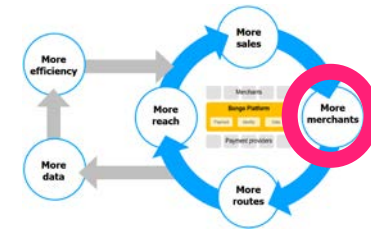
1. Bango Boost driving sales growth
2. Upgrades to Bango from direct connections or integrators shows rapid benefits
3. Before and after data now used in Bango sales and marketing
4. Pressure from developers to convert routes to Bango to increase sales



Outlook

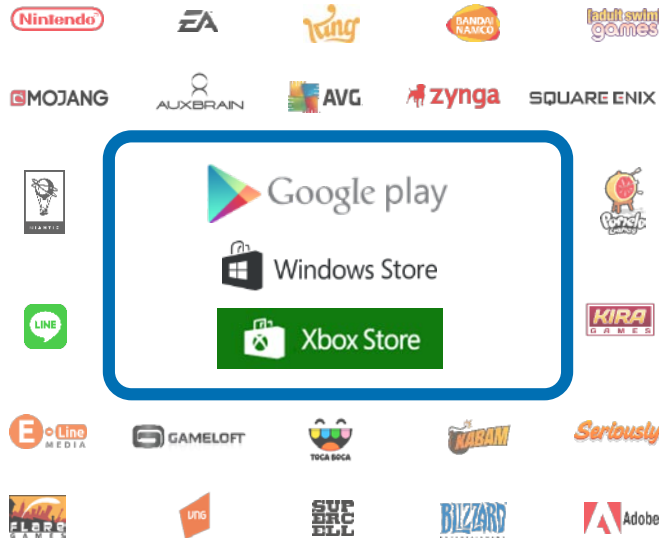
Ray Anderson, CEO

Bango Platform - digital, retail, resale and bundling



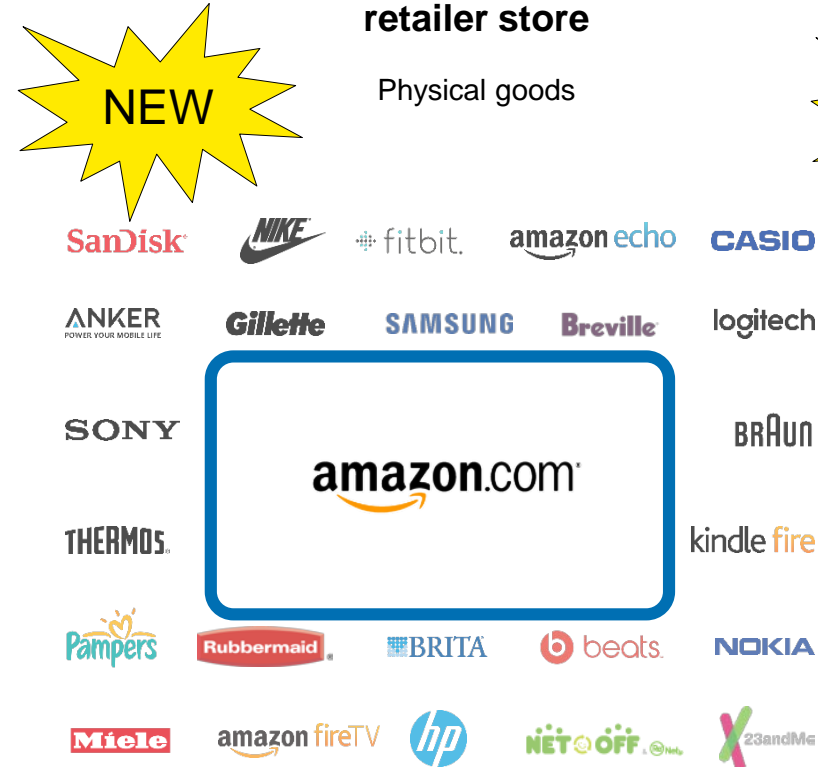
Customers buy directly from app store or in-app

Apps, in-app content, latest movie rentals, buy-to-keep music etc.



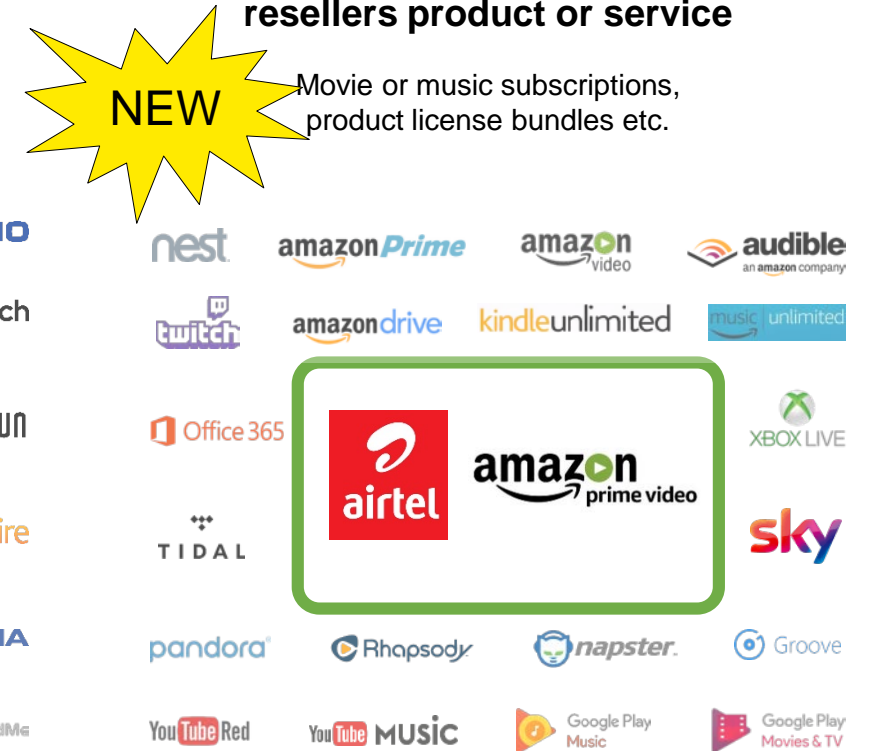
Customers buy directly from retailer store

Physical goods

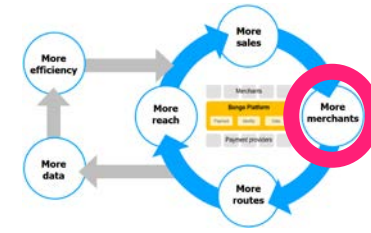


Customers buy *indirectly* via resellers product or service

Movie or music subscriptions, product license bundles etc.



Bango Platform - digital, retail, resale and bundling



Customers buy directly from app store or in-app

Apps, in-app content, latest movie rentals, buy-to-keep music etc.

NEW

Customers buy directly from retailer store

Physical goods

NEW

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Focus for 2018 - 2019 EUS growth



1. Google Play growth:

More Google Play MNO wins

Continue roll-out of Bango Boost

More than 38 MNOs in sales pipeline (>\$3Bn EUS)
upgrade from direct or integrator to Bango

2. More retail commerce:

Support Amazon in Japan

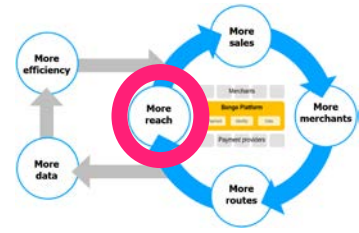
New countries and new merchants

3. More digital growth:

More Amazon Prime beyond India

Growth of Microsoft and other merchants

Sales and marketing activity

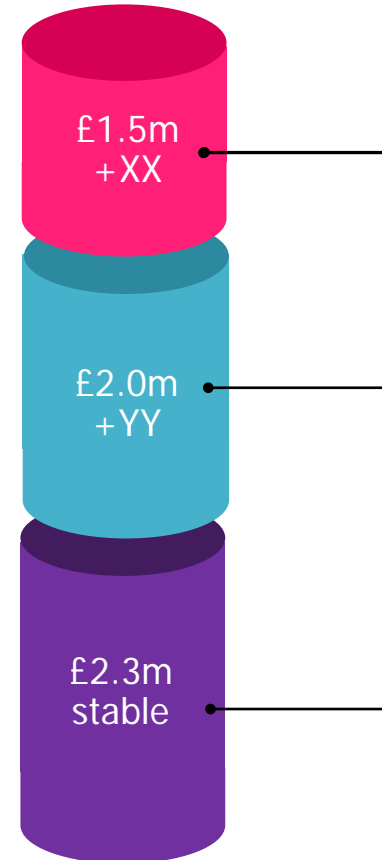


1. LATAM – emerging

2. Korea / Asia

3. Audiens

4. North America



R&D: Self serve and localization

- Merchant onboarding
- Route onboarding

Sales and marketing

- Local experts
- Leverage interest in Audiens
- Strong merchant partnerships

Operating costs - stable

- Increase capacity well above £5Bn/yr
- Efficiency improvements

23 Jan 2018: Bango acquires Audiens SRL

Audiens technology

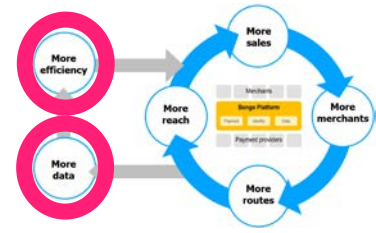
- Cloud based Customer Data Platform (CDP) that collects, organizes and analyzes data and builds customized audience segments to make available to advertisers
- Strong commercial partnerships and key integrations
- Direct synergy with Bango Platform and huge opportunities for mobile operators

Audiens commercial success with data sales

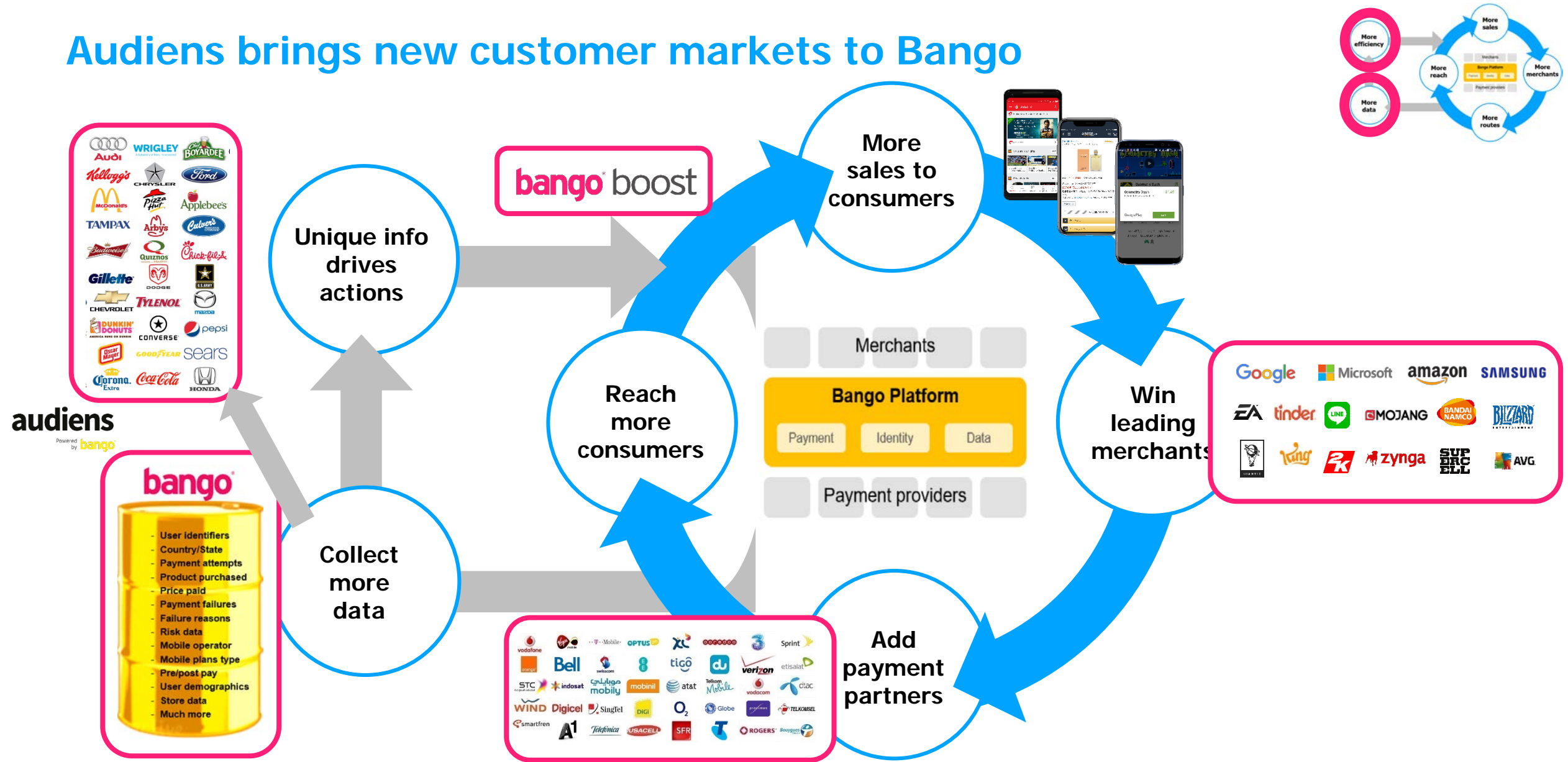
- FY2017 - €0.24m GP; 100% YoY growth and breakeven in 2018

Consideration

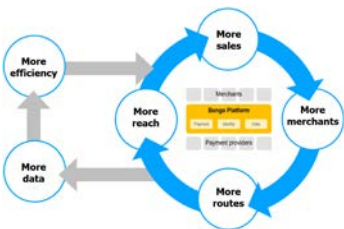
- Cash cost approx. £1.8m – 521,803 Bango shares and 738,399 warrants at placing price
- Plan to invest approx. £1m in 2018 to increase technology synergies



Audiens brings new customer markets to Bango



Summary and outlook



<i>EUS growth momentum...</i>
<i>... while focused on bottom line...</i>
<i>... and continuous innovation.</i>

Strong delivery
<ul style="list-style-type: none"> Increased EUS 108% y.o.y to £271.4m Annualized run rate £465m exiting Feb 18
<ul style="list-style-type: none"> November and December 2017 EBITDA profitable FY17 operational costs of £2.3m (FY2016: £2.4m)
<ul style="list-style-type: none"> New content capabilities (e.g. retail goods) New payment capabilities (e.g. 9mobile Nigeria wallet) New product capabilities (e.g. Bango Boost v2)

Confident outlook
<ul style="list-style-type: none"> On track to double End User Spend in 2018 Industry leaders choosing to grow their sales with Bango
<ul style="list-style-type: none"> Platform has capacity for huge growth on stable cost base Profitability within current resources
<ul style="list-style-type: none"> MNO upgrade opportunity, representing over \$3Bn in EUS Further development of the Bango Platform – digital, retail, resale and data

Supplementary

Profit and Loss - Appendix

	FY2016	FY2017	
	Unaudited	Unaudited	
	£m	£m	
End user spend	132.29	271.36	⇒ 105% growth
Total revenue	2.62	4.15	⇒ In line with EUS growth
Operating costs including non-recurring	(5.42)	(5.78)	⇒ As expected
Depreciation & Amortization	(1.47)	(1.59)	⇒ Amortization increasing due to acquisitions and R&D
Share based payment charge	(0.36)	(0.68)	⇒ Due to share price increase
Operating Loss	(4.63)	(3.90)	
Income tax and interest	0.22	0.46	⇒ R&D tax credits
Loss for the financial year	(4.41)	(3.44)	