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Bango PLC
16 March 2021

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BANGO PLC

("Bango")

Final Results

Bango (AIM: BGO), the data-driven commerce company, today announces its Final Results for the year ended 31 December 2020.

Summary

- Revenue and profit ahead of expectations and demonstrating strong growth.
- New payment deals won in 2020 provide confidence for 2021 outlook.
- Bango Marketplace adoption accelerating, enabling app developers to find paying users that drive more payment volume - the Bango virtuous circle.
- Bango was certified as carbon neutral in 2020 with an ongoing commitment for continuous improvement.

FY2020 Financial Highlights

- Revenue grew by 70% to £12.2M (2019: £7.2M)*.
- End User Spend (EUS) increased to £1.9B, the sixth consecutive year of strong growth (2019: £1.1B).
- Adjusted EBITDA** grew by 16x to £4.6M (2019: £0.3M)*.
- Cash at 31 December 2020 was £5.8M (31 December 2019: £2.7M).
- Net Profit was £4.7M (2019: loss £2.3M), including £3.9M profit from the creation of the JV with NHN.
- Net Profit from continuing operations was £0.7M (2019: loss £2.2M) comprising:
  - £1.27M profit from the Bango Platform
  - £0.53M loss from the 40% share of the NewDeep JV

** Adjusted to exclude discontinued operations*

*** Adjusted EBITDA is operating profit before depreciation, amortization, share based payments and exceptional items from continuing operations*

2020 Operational Highlights

- Amazon.co.jp payment methods extended to SoftBank customers in June 2020.
- Three-year platform deal signed with a major telecoms provider for third party service bundling.

- Agreement with Microsoft to bring cloud gaming services to Telcos worldwide, starting with Xbox Game Pass Ultimate and Xbox All Access which extends subscriptions to hardware bundling.
- BT Group launched BritBox and Amazon subscriptions using the Bango Platform.
- Video streaming subscription services OnDemand Media (Chinese, Korean and Vietnamese content), EpicOn and DocuBay joined the Bango circle.
- Subscription bundling extended beyond telecoms to two of the largest US brick-and-mortar retailers.
- 10x growth in app developers engaged with Bango Marketplace and 20x more Bango Audiences used to target their marketing campaigns.
- Channel partner program launched with 12 partners for Bango Marketplace providing increased availability of Bango Audiences to app developers.
- Customer Data Platform business was divested into a JV (NewDeep Limited) with NHN Group. Bango Marketplace technology and business remains 100% owned by Bango.

Outlook

- New customers won and new routes launched during FY2020 will drive the strong growth expected in 2021.
- The TPAY Mobile partnership, announced in January 2021, creates new growth opportunities for Bango merchants in the Middle East, Africa and Turkey.
- Acceleration of online commerce due to lockdowns provides a higher base of users from which to grow.
- Continued growth in subscriptions from launches of high-volume services such as Prime Video Mobile Edition, and high price, multi-year subscriptions such as Xbox All Access and Game Pass Unlimited
- New pricing plans and Bango Audience segmentation technology on the newly launched www.bango.ai will drive further growth of Bango Marketplace.

Paul Larbey, Chief Executive Officer of Bango, commented:
"70% revenue growth and 16x EBITDA growth are the financial indicators of the strong year Bango delivered in 2020, resulting in a net profit of £4.7M.

Our payment revenue continues to diversify as we enter new verticals and expand our addressable market. The new merchants and payment providers that joined the Bango circle in 2020 underpin our growth trajectory.

Bango Marketplace is increasingly used by the leading app developers to reach paying users. With new subscription plans, channel partners and audience segments the data monetization business is set to contribute meaningfully to Bango's growth.

With the combination of the achievements in 2020 and a strengthened leadership team, we look to the future with increasing confidence."

A video presenting these results can be viewed at https://bango.com/fy2020-results-video/.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for making this announcement on behalf of Bango is Paul Larbey, Chief Executive Officer.

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About Bango

Leading app developers, stores and payment providers cross the threshold into the Bango ecosystem to converge, grow and thrive. By bringing businesses together and powering e-commerce with unique data-driven insights, Bango delivers new business opportunities and new dimensions of growth for customers around the world. Being inside the Bango circle means global merchants including Amazon (NASDAQ: AMZN), Google (NASDAQ: GOOG) and Microsoft (NASDAQ: MSFT) can work together with payment partners from Africa to the Americas, accelerating the performance of everyone on the inside.

Bango. Think inside the circle. For more information, visit www.bango.com.

Chair's Statement

In turbulent times the commitment and efforts of the entire Bango team delivered FY2020 results exceeding ambitious expectations and built solid foundations for continued growth in the future.

As the effects of the COVID-19 pandemic tested business models, Bango proved itself to be a resilient and highly relevant company: one that Bango customers both trust and depend on and that investors can expect to deliver a strong, sustainable financial performance.

Lockdowns accelerated online activity and proved that Bango has positioned itself well. Bango technology enabled the major streaming services, education apps, wellbeing services and all forms of online entertainment to grow faster and win tens of millions of new paying customers. The rising End User Spend and volume of payment data feeding into the Bango Platform made it even more compelling to online merchants. The virtuous circle strategy demonstrated its power, and enabled Bango to win many new customers and partners in 2020, setting the foundations for continued rapid growth in the years to come.

Since the beginning of Bango, I have been passionate about creating win-win partnerships, as these are key to developing a powerful, long-term, valuable ecosystem for all. The strategic partnership with Korean internet giant NHN, announced in April 2020, is already providing access to cutting edge AI and machine learning technology to fuel the Bango data monetization business. In addition, our NewDeep joint venture with NHN is showing great progress and promise.

As the internet giants move to address the huge growth opportunities across the Middle East and Africa, we formed a powerful new partnership with TPAY Mobile, the leading mobile commerce company in the region. This partnership will accelerate the roll-out of new online services for our customers across the Middle East, Africa and Turkey. It also enables innovators and entrepreneurs in the region to leverage the Bango Platform to expand globally.

Bango is becoming a vital part of global commerce, benefiting millions of people's daily lives. Innovation around the core Bango Platform continues - Bango technology is now deployed in new applications linked to brick-and-mortar brands and in the promising new business of bundling hardware with online services. Offered to new customers in the form of affordable, monthly subscriptions, Bango is backing this business through the investment we have made in our powerful and highly scalable open platform, providing huge untapped potential to serve large, new markets.

Bango employees come from a wide range of different backgrounds and we cultivate an environment of inclusion and belonging for them. This active support for diversity and

expression is a key factor in enabling Bango to outperform the tech sector in employee engagement and to attract top talent to the team.

When purpose-led brands like Bango continue to trailblaze, it is vital we focus on operating in-line with the Bango THRIVE values, which complement our drive for fiscal performance. The Bango team across the world rose to both the challenges and opportunities of 2020, confirming the benefits of the corporate culture we have built to attract, support and develop all Bango people. Among all our ESG initiatives, the Board is particularly proud of achieving certified Carbon Neutral status for 2020.

Since the period end, we welcomed Matt Garner to the Board as CFO, who brings global experience that aligns with the Bango 2025 vision.

Looking ahead to our priorities for 2021 and beyond, the unique application of payment data, our reputation as a trusted partner, and our strong new partnerships give Bango additional competitive advantage in the market as we continue our progress to becoming the technology behind every payment choice.

We enter 2021 with a fast-growing and profitable business, a robust balance sheet, and with the people, partnerships and technology we need to achieve our ambitions and deliver continued growth in the years to come.

Ray Anderson
Chair

CEO's statement

Introduction

Achieving revenue growth of 70%, adjusted EBITDA of £4.6M (16x increase on 2019 adjusted EBITDA) and End User Spend (EUS) approaching £2B, Bango delivered revenue and profitability ahead of original market expectations. The growth in EUS represents both continuing strong growth in the payments business and the expanding pool of data that fuels the data business which we are starting to monetize through Bango Marketplace. This is the Bango *virtuous circle* strategy in action; the success in app developer campaigns drive even more payments which adds to the moat of data used to generate these insights and the process repeats.

Payments

Bango connects the world's largest merchants to customers who purchase goods using alternative payment methods including carrier billing (charged to a phone bill), digital wallets and through bundled subscription packages. Everyone connected to the Bango platform benefits as it grows; the benefits from the unique data insights fueling merchant growth.

2020 saw good growth across existing routes, driven in part by innovative features. Using the data insights in the platform, Bango enabled du (UAE mobile operator) to convert 20% of its inactive subscribers into active spenders. In Japan, we worked with one operator to deploy an adaptive algorithm that increased subscription renewal success by 10%. Innovative features such as these drive growth for merchants, payments providers and Bango - a great example of the virtuous circle in action.

Dozens of new routes were launched in 2020 across both Google and Amazon. First-time connections for the Google Play store spanned the globe from New Zealand to South Africa to Peru.
In addition to NTT Docomo and KDDI, we extended carrier billing to SoftBank customers shopping at Amazon Japan - for physical and digital goods - meaning even more customers can benefit from frictionless, cashless payments in Amazon's fourth largest market by revenue.

Subscription services continued to grow driven by a combination of increasing consumer demand and studios launching new direct to consumer packages. With a shift in distribution

strategy that sees new releases going online concurrently with movie theatre distribution, this growth is set to continue. New streaming services such as BritBox, OnDemand Media (content for Chinese, Vietnamese and Korean diaspora), EpicOn and DocuBay joined the Bango circle to accelerate their global growth.

2020 also saw the launch of new ways for consumers to subscribe to these services, as two top US brick-and-mortar retailers selected Bango to help them bundle streaming media subscriptions with both physical goods (for example headphones and smart speakers) and as a benefit of their consumer loyalty programs.

The trend to deliver more customer value through subscriptions extended to the gaming market in 2020. Bango has been selected by Microsoft to offer bundles of the Game Pass Ultimate and All Access products. This is an exciting expansion of the Bango-Microsoft partnership, which adds the Xbox games console to a cloud gaming subscription providing both an affordable option for consoles and an unlimited games streaming service that can be enjoyed both on consoles and 5G devices.

This surge in streaming services has led to telecoms providers moving to standardize on a common platform for bundling 3rd party services with their own broadband, TV and mobile plans. We announced a global telco platform deal in May valued at over £1.5M across 3 years; later followed the launch of BT bundles including BritBox and Amazon Prime video through the Bango Platform.

Data Monetization

2020 marked the first full year of trading for Bango Marketplace. Bango segments payment data based on what and how often people purchase, into Bango Audiences. App developers can then target their marketing campaigns at users who are known to have actually paid rather than relying on soft indicators such as "searched for" or "liked" provided by platforms such as Google and Facebook.

This first year saw a 10x increase in the app developers engaged with Bango, growing from 200 in January 2020 to over 2,000 by December. During this period there was also a 20x increase in the total number of days Bango Audiences were used in marketing campaigns.

To broaden the distribution of Bango Audiences, we launched a partner program in 2020. With 12 partners in countries as diverse as US, France, Hong Kong and Taiwan, the partner program provides additional sales and marketing reach and allows smaller app developers - who often outsource their marketing budgets to agencies - to also benefit from Bango Audiences.

Towards the end of 2020 we launched tailored Bango Audiences. This new feature uses advanced data intelligence technology to allow app developers to benefit from very specific Bango Audiences based on the particular app genre or title, providing even more granular targeting with the promise of even higher returns from their marketing campaigns.

Outlook

Building on Bango accomplishments in 2020, the outlook for future growth in 2021 and beyond is clear and strong.

Continued growth in payments fuels the ever-increasing demand for data insights, and is best expressed by the formula:

More Users x *More Routes* x *More Merchants* x *More Insights* = *Payment Data Growth*

More Users: The restrictions due to COVID-19 lockdowns have accelerated the adoption of online commerce, creating more users than ever before who are buying and paying for goods online. Our data shows these new users have made a permanent switch to online commerce meaning Bango enters 2021 with a greater number of users than ever before, driving future growth from a bigger user base.

More Routes: The routes launched in 2020, particularly large connections such as SoftBank and Amazon in Japan (which launched in June) will contribute to our growth in 2021 with a full twelve months of operation. Following the launch of bundled subscriptions with the US-based brick and mortar retailers in 2020, we expect to launch similar services in new vertical markets, for example with energy providers. These new verticals greatly expand the market opportunity for Bango.
The partnership with TPAY Mobile in the Middle East, Africa and Turkey provides a massive and instant expansion of the footprint available to Bango global merchants and provides access to the rest of the world for TPAYs regional merchants. Together Bango and TPAY provide the leading platform and unmatched operational capability across this fast-growing region.

More Merchants: New merchants that joined the Bango circle in 2020 will deliver revenue growth in 2021 and beyond as they launch new routes. The recent launch of Amazon's Prime Video Mobile Edition with Airtel in India is a great example of how new services from existing merchants can drive significant growth. Through the Microsoft Xbox distribution partnership won in 2020, Bango will launch several Xbox subscription services in 2021 and expect good growth from this high value, long term subscription service.

More Insights: 2021 will see the expansion and development of the data insight innovations launched in 2020 with one additional carrier in Japan already launching our predictive authorization algorithm to maximize subscription renewals.

Put together, these four elements create a rapidly growing source of payment data that can be monetized through Bango Marketplace. With the momentum built in 2020 the opportunity for significant Marketplace growth is exciting. Simply put:

More Data x *More App Developers* x *More Campaigns* = *Data Monetization Growth*

More Data: In addition to the data from the payments business, more 3rd party data will be used to build Bango Audiences in 2021. With alternate sources of data for app marketers reducing because of changes such as Apple's removal of the automatic sharing of marketing data, the demand for Bango Audiences is set to grow.

More App Developers: We expect continued growth from our organic app developer sales. The newly launched *www.bango.ai* portal provides self-serve functionality, reducing the sales effort and increasing scalability. The channel partner program will continue to grow and we expect to see an increasing volume of sales driven through the channel partners we announced in 2020.

More Campaigns: With more options for audience segmentation and the increased adoption of our subscription pricing plans, we expect existing customers to increase their repeat use of Bango Audiences further driving sales with minimal sales effort.

These opportunities, which will drive Bango's continued growth have never been greater, making execution key to success. This is driven by four key pillars:

- **People**: A talented and engaged team is critical for success. With a record employee engagement score in 2020, the focus on employee engagement is continuous improvement. With a combination of new hires and internal promotions, the leadership talent in Bango is stronger than ever:
  - Matt Garner joined Bango as CFO bringing a strong track record in managing complex global technology businesses.

- Brett Orlanski joined to lead the Marketplace Product and Sales teams bringing market knowledge, contacts and expertise having led the marketing channel partnerships team at user acquisition specialist Bidalgo.
- Jim Plimmer, who joined Bango in 2013, was promoted to have responsibility for the Payments Product and Sales teams. Jim has been instrumental in the growth of the subscription business in Bango.
- Maria Vidondo, having held numerous leadership roles in her 8 years at Bango, has taken on the role of VP Partnerships, to help Bango grow through strategic partnerships.
- Wayne Griffiths joined to evolve and lead the Engineering and Delivery team having previously led large global sales, services and technical teams in Velocix, Nokia and Alcatel-Lucent.
- Lisa Huxley joined Bango to lead account management having had senior roles in large global organizations such as Virgin Media and Nokia.

· **Innovation**: "Innovative" is one of the Bango THRIVE values and is core to our continued growth. From the technology innovations that help partners attract more users to the use of new cloud technology and services to manage the exponential growth in the volume of transactions at zero incremental cost, technology has never played a more important role. The opportunity to help our partners grow using innovative cloud and AI solutions is exciting.

· **Partnerships**: "Join the Bango circle and Thrive" is much more than a marketing slogan; it defines our approach to growth through partnerships. In 2020 new or strengthened relationships with companies such as NHN, TPAY, Evergent and Amazon Web Services will be important to our growth.

· **Trust:** For twenty years Bango has been at the forefront of mobile commerce. Over this period we have forged longstanding relationships with some of the world's largest internet companies. These relationships are built on trust. Trust that we will help them grow and trust that we will execute and support them as Bango plays an increasingly critical role in their success.

We are extremely excited by the future growth opportunities as we progress towards our 2025 vision of becoming the technology behind every payment choice.

Paul Larbey
Chief Executive Officer

CFO's statement

Bango continued to grow strongly during FY2020, delivering a revenue increase of 70% and an adjusted EBITDA* up 16x.

Bango business model

Bango reports the revenue generated through payment transactions and through the monetization of payment data from these transactions as one segment, which is the monetization of the Bango Platform.

End User Spend (EUS)

EUS continues to be a significant Key Performance Indicator that management uses to measure the growth of the business. EUS is the total value of transactions processed by the Bango Platform (excluding taxes). During 2020, EUS grew 70% to £1.85B (2019: £1.09B).

Revenue and Costs of Sale

Total revenue from continuing operations increased 70% to £12.17M (2019: £7.17M). This includes non-transactional payments (licensing of software, platform & technology) and integration totaling £2.78M, which are additional ways to monetize the Bango Platform.

Bango earns revenue from payment transactions processed by the Bango Platform, from platform and software licenses and from the data insights sold as Bango Audiences in Marketplace. Fees, such as integration fees, are recognized on completion of contractual milestones.

With cost of sales at £0.34M, Gross margin was 97.2% of revenue in 2020 down from 99.0% in 2019. This reduction reflects the additional cost of sales from the Bango Audiences business and some integration fee costs from the payments business.

Operating expenditure of continuing operations

Bango group operating costs increased to £7.27M, (2019: £6.83M) reflecting the increased investment in the business, which was partially offset by some COVID-19 related savings in travel and site costs of £0.47M.

Bango Group Adjusted 2020 EBITDA* for continuing operations was £4.56M, (2019**: £0.28M) reflecting the benefit from increased revenues without an associated increase in fixed costs.

The share-based payment charge for 2020 was £0.81M (2019: £0.81M) calculated using the Black-Scholes-Merton model. The share-based payments relate to the Bango share option program that enables all Bango employees to share in the growth in value of Bango. It is a vital recruitment and retention tool in a highly competitive employment market.

Amortization of intangible assets in 2020 was £2.25M (2019: £1.47M**) as R&D projects capitalized in prior years were deployed. In addition, there was an increase in amortization arising from the £5.39M acquired intangible software retained in the group following the creation of the joint venture with NHN.

Joint venture with NHN Corp

On 6 April 2020, Bango completed a Joint Venture with NHN Corp, a South Korean data and payments company. NHN invested $8M for a 60% shareholding in Bango Deep Limited - the holding company of Audiens SRL and Audiens Limited (renamed NewDeep Limited in May 2020) - with Bango retaining 40%. In addition, NHN injected its data science know-how to accelerate the Audiens data business.

The combined continuing and discontinued operations reported revenue of £12.35M in 2020, excluding the revenue of the associate and including £0.18M of revenue from discontinued operations prior to creation of the Joint Venture.

The 40% interest held by Bango has been accounted for as an associate. The interest in the associate has been determined by measuring the fair value as a proportion of the value invested in NewDeep including the acquired intangible assets and proprietary software retained by Bango. A gain of £4.08M (net of transactional costs) resulted from the sale of the 60% as detailed in note 16.

In 2020 Bango incurred, and separately disclosed, items totaling £0.77M that are considered non-recurring and exceptional. These comprise non-recurring legal and advisor fees, and other

expenses related to the divestment of Bango Deep Limited into the Joint Venture with NHN Corp.

The 2019 consolidated income statement has been restated to include the impact of operations now classified as discontinued (see note 16) as a result of the NewDeep JV with NHN.

Profit and earnings per share

The total comprehensive income after tax was £4.90M (2019: loss £2.42M) including the profit on the disposal of 60% of Bango's shareholding in in Bango Deep Limited. Profit from continuing operations (excluding the share of net loss from the associate of £0.53M) was £1.27M (2019: loss £2.16M).

Basic earnings per share from continuing and discontinued operations was 6.37p (2019: loss 3.32p) whilst diluted earnings per share from continuing and discontinued operations was 6.29p (2019: loss 3.32p).

Considering only continuing operations the basic earnings per share was 1.01p (2019: loss 3.07p) and diluted earnings per share was 1.00p (2019: loss 3.07p).

Statement of financial position

Net assets at 31 December 2020 were £24.09M (31 December 2019: £14.70M) driven by the fair value of interest retained in the NewDeep JV (£5.69M) and an increase in cash.

Cash

Cash balance at 31 December 2020 increased by £3.15M to £5.84M (2019: £2.69M). Net cash generated from operations was £3.01M. In addition, Bango received £3.19M from NHN's investment in newly issued shares of Bango plc.

Intangible assets

Intangible assets of £12.07M (2019: £12.20M) include goodwill as well as internally developed capitalized R&D. Intangible assets relating to capitalized internal R&D increased to £14.24M from £13.56M in 2019, following further investment in the Bango Platform and Bango Marketplace. The net value of internally developed capitalized R&D decreased to £5.91M from £6.57M in 2019 following the Bango Deep disposal and as more previously capitalized R&D projects were deployed in the year generating amortization costs. Internally generated R&D is amortized over 5 to 8 years with projects assessed in relation to their individual cash generation ability.

Liabilities

Total borrowings at 31 December 2020 were £0.15M (2019: £1.05M) consisting of Right of Use lease liabilities.

Going concern

The combination of strong operating cash flow and revenue growth supports the Directors view that the Group has sufficient funds available to meet its foreseeable working capital requirements. These requirements support the planned investments to grow marketing and sales, and to develop new products.

The Directors have taken into account the wider macro-economic effects, including foreign exchange and interest rate fluctuations, and have concluded that the going concern basis remains appropriate.

Matt Garner
Chief Financial Officer

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortization, share based payment charge and exceptional items*
*** 2019 adjusted to consider only continuing operations*

Consolidated statement of comprehensive income

	Note	2020	2019 Restated
		£ '000	£ '000
Alternative performance measure (Non-IFRS)			
End User Spend		**1,851,995**	1,093,440
Continuing operations			
Revenue	2	**12,165**	7,173
Cost of sales		**(341)**	(72)
Gross profit		**11,824**	7,101
Other administrative expenses		**(7,267)**	(6,825)
Exceptional items		**-**	(165)
Share based payments		**(806)**	(806)
Depreciation		**(338)**	(403)
Amortization		**(2,249)**	(1,465)
Total administrative expenses		**(10,660)**	(9,664)
Operating profit / (loss)		**1,164**	(2,563)
Interest payable		**(27)**	(56)
Investment income		**-**	12
Share of net loss of associates accounted for using the equity method		**(530)**	-
Profit / (loss) before taxation from continuing operations		**607**	(2,607)
Income tax		**136**	450
Profit / (loss) from continuing operations		**743**	(2,157)
Profit / (loss) from discontinued operations		**3,932**	(179)
Profit / (loss) for the financial year (attributable to equity holders of the company)		**4,675**	(2,336)
Other comprehensive Income			
Items that may be reclassified to profit or loss			
Foreign exchange on consolidation		**189**	(85)
Foreign exchange realized on discontinued operations		**33**	-
Profit / (loss) and total comprehensive income for the financial year		**4,897**	(2,421)

Earnings / (loss) per share attributable to the equity holders of the parent		
Basic earnings / (loss) per share		
From continuing operations	**1.01p**	(3.07)p
From continuing and discontinued operations	**6.37p**	(3.32)p
Diluted earnings / (loss) per share		
From continuing operations	**1.00p**	(3.07) p
From continuing and discontinued operations	**6.29p**	(3.32)p

Consolidated statement of financial position as at 31 December 2020

	31 Dec 2020	31 Dec 2019
	£ '000	£ '000
ASSETS		
Non-current assets		
Property, plant and equipment	**114**	283
Right of use assets	**131**	931
Intangible assets	**12,068**	12,201
Investments accounted for using the equity method	**5,686**	-
	17,999	13,415
Current assets		
Trade and other receivables	**3,196**	2,588
Research and development tax credits	**-**	597
Cash and cash equivalents	**5,837**	2,687
	9,033	5,872
Total assets	**27,032**	19,287
EQUITY		
Share capital	**14,942**	14,137
Share premium account	**38,940**	36,057
Merger reserve	**2,175**	2,175
Share based payment reserve	**2,332**	4,526
Foreign exchange reserve	**299**	77
Accumulated losses	**(34,600)**	(42,275)
Total equity	**24,088**	14,697
LIABILITIES		
Current liabilities		
Trade and other payables	**1,882**	3,421
Lease liabilities	**73**	303

	1,955	3,724
Non-current liabilities		
Lease liabilities	**75**	748
Deferred tax liability	**914**	118
	989	866
Total liabilities	**2,944**	4,590
Total equity and liabilities	**27,032**	19,287

Consolidated cash flow statement for the year ended 31 December 2020

	2020	2019
	£ '000	£ '000
Net cash generated from operating activities	**3,006**	1,034
Cash flows used by investing activities		
Purchases of property, plant and equipment	**(80)**	(148)
Expenditure on capitalized development costs and intangible assets	**(1,865)**	(2,088)
Purchase of remaining shares in Audiens	**(989)**	-
Net cash expended on disposal of subsidiary	**(376)**	-
Interest received	**-**	12
Net cash used by investing activities	**(3,310)**	(2,224)
Cash flows generated from financing activities		
Proceeds from issuance of ordinary shares	**3,688**	344
Interest payments on finance lease obligations	**(18)**	(26)
Capital repayments of finance lease obligations	**(216)**	(240)
Net cash generated from financing activities	**3,454**	78
Net increase / (decrease) in cash and cash equivalents	**3,150**	(1,112)
Cash and cash equivalents at beginning of year	**2,687**	3,815
Exchange differences on cash and cash equivalents	**-**	(16)
Cash and cash equivalents at end of year	**5,837**	2,687

Consolidated statement of changes in equity for the year ended 31 December 2020

	Share capital	Share premium account	Merger reserve	Share-based payment reserve	Foreign exchange reserve	Retained earnings	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 January 2020	**14,137**	**36,057**	**2,175**	**4,526**	**77**	**(42,275)**	**14,697**
Share based payments	-	-	-	806	-	-	806
Transfer for exercised options	-	-	-	(3,000)	-	3,000	-
Issue of new shares	703	2,488	-	-	-	-	3,191
Exercise of share options	102	395	-	-	-	-	497
Transactions with owners	**805**	**2,883**	**-**	**(2,194)**	**-**	**3,000**	**4,494**
Profit for the year	-	-	-	-	-	4,675	4,675
Foreign exchange realized on discontinued operations	-	-	-	-	33	-	33
Foreign exchange on consolidation	-	-	-	-	189	-	189
Total comprehensive income for the year	-	-	-	-	222	4,675	4,897
Balance at 31 December 2020	**14,942**	**38,940**	**2,175**	**2,332**	**299**	**(34,600)**	**24,088**

	Share capital	Share premium account	Merger reserve	Share-based payment reserve	Foreign exchange reserve	Retained earnings	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 January 2019	**14,054**	**35,797**	**2,175**	**3,881**	**162**	**(40,100)**	**15,969**
Share based payments	-	-	-	806	-	-	806
Transfer for exercised options	-	-	-	(161)	-	161	-
Exercise of share options	83	260	-	-	-	-	343
Transactions with owners	**83**	**260**	**-**	**645**	**-**	**161**	**1,149**
Loss for the year	-	-	-	-	-	(2,336)	(2,336)
Foreign exchange on consolidation	-	-	-	-	(85)	-	(85)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(85)**	**(2,336)**	**(2,421)**
Balance at 31 December 19	**14,137**	**36,057**	**2,175**	**4,526**	**77**	**(42,275)**	**14,697**

1 General information

Bango PLC ("the Company") was incorporated on 8 March 2005 in the United Kingdom. Bango PLC is domiciled in the United Kingdom. The address of the registered office of the Company, which is also its principal place of business, is 5, Westbrook Centre, Cambridge CB4 1YG. Bango PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM").

The principal activity of Bango during the year was the development, marketing and sale of technology that enables the marketing and sale of products.

The financial statements for the year ended 31 December 2020 (including the comparatives for the year ended 31 December 2019) were approved by the Board of Directors on 15 March 2021.

2 Basis of preparation

The Group financial statements, which consolidate those of Bango PLC and all of its subsidiaries, have been prepared under the historical cost convention and under the basis of going concern.

Bango has prepared its Report and accounts for the year ended 31 December 2020, in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS"). IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies.

These financial statements are presented in pounds sterling (GBP) because that is the presentation currency of Bango PLC.

The Board of Bango PLC approved the release of this preliminary announcement on 16 March 2020.

The preliminary financial information does not constitute statutory financial statements for the year ended 31 December 2020 within the meaning of section 435 of the Companies Act 2006 but is extracted from those financial statements. Statutory accounts for Bango PLC for the year ended 31 December 2019 have been delivered to the Registrar of Companies. Statutory accounts for the year ended 31 December 2020 will be delivered to the Registrar of Companies following Bango's Annual General Meeting.

The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

3 Revenue

(a) End User Spend ("EUS")

As a non IFRS alternative performance measure, Bango has identified EUS as its key performance indicator on which all management decisions surrounding investment in the platform and development of intangible assets are based. Key business decisions are based on the total value and volume of transactions that Bango has processed in each month through the Bango platform. Therefore, to give additional information to key stakeholders of Bango and to assist users of these financial statements, Bango includes this additional reporting.

	2020	2019
	£ '000	£ '000
End User Spend	**1,851,995**	1,093,440

(b) Revenue analysis

Revenue by product:

	2020	2019
	£ '000	£ '000

Payments - transactional & data monetization	**9,382**	7,173
Payments non-transactional (licensing of software, platform & technology), and integration	**2,783**	-
	12,165	7,173

Most income is currently recognized at a point in time rather than over time.

(c) Geographical analysis

Bango's revenue from external customers is divided into the following geographical areas.

	2020	2019
	£ '000	£ '000
United Kingdom (country of domicile)	**870**	173
EU	**426**	303
USA and Canada	**2,080**	1,546
Rest of the World	**8,789**	5,151
	12,165	7,173

All turnover is spread over many territories, of which £5.3M comes from two partners in the Rest of the World and £1.2M comes from a partner in USA and Canada. (2019: £1.0M from the partner in the USA and Canada, £3.0M from two partners in the Rest of the World).

All other notes to the accounts are included in the "Bango Annual Report 2020" which is available to download from https://bango.com/bango/investor/

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