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Bango PLC
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BANGO PLC

("Bango")

Bango acquires global payments business of NTT DOCOMO

Consolidates Bango's position as a leading independent payments platform for the world's largest merchants and operators

Extends partnerships with Amazon and Google, adds new merchants for physical goods and digital services including Shopify, Tidal and Paramount+

$3.5B of additional End User Spend through the Bango Platform and will deliver an additional $16M revenue per year

Cambridge, UK - 30 August 2022 - Bango plc (AIM:BGO), the global platform for data-driven commerce, announces that it has acquired the global payments business of NTT DOCOMO ("DOCOMO Digital" or the "Acquisition").

In addition, Bango has signed a long-term platform deal with NTT DOCOMO (the "Platform Agreement") to provide payment services in Japan for the world's largest merchants.

DOCOMO Digital provides payment services to app stores and digital merchants worldwide, in the fastest growing payments segment[1]. The Acquisition significantly accelerates the Bango strategy for growth by:

- Expanding Bango global partnerships with major customers, doubling the number of Google Play and Amazon routes
- Adding new telco partners including Telefónica, América Móvil and Deutsche Telecom and extending Bango relationships with Vodafone, Singtel, Softbank and Airtel India
- Consolidating Bango's position as a leading payments platform for global merchants including Netflix, Britbox and Youtube and bringing new merchants including Tidal, Discovery, Paramount+ and Jetstar
- Expanding Bango's footprint in carrier billing for physical goods, adding Shopify to the Bango Ecosystem
- Enabling merchants to benefit from additional Bango Audience insights and data analytics that operators can choose to activate.

By expanding the Bango Payments ecosystem to more merchants and more telcos, Bango brings new users and more transactions to the Bango Platform. This increases the pool of payment data available to create insights that help Bango customers focus their online marketing, accelerating their revenue growth. This, in turn, drives more end user spend, fueling the growth of Bango and everyone connected to the Platform.

NTT DOCOMO's carrier billing services for app stores and merchants will migrate to the Bango Platform. This Platform Agreement is in addition to the existing Amazon physical goods carrier billing agreement between NTT DOCOMO and Bango.

The gross consideration for the Acquisition is €4M, funded using existing Bango cash. At completion, DOCOMO Digital had a cash balance of €3.1M.

Bango expects to fund the integration of the Acquisition, including the migration of customers to the Bango Platform, from operating activities and existing cash. In addition, a recent contract provides Bango with significant working capital over the next 12-18 months, before normalizing over the life of the contract. The Acquisition is expected to be earnings accretive in the first full year (FY2023) and materially earnings accretive once the integration has been fully completed.

Bango strategic partner and shareholder, NHN Corporation, has stated its intention to offer Bango a $10M three-year term loan on commercial terms (the "NHN Loan"). If Bango chooses to accept the NHN Loan, terms would be

finalized at that time. This additional funding would be used to accelerate the restructuring and migration if required[3].

Bango CEO, Paul Larbey, said: "*Acquiring DOCOMO Digital strengthens our position as a world leader in data-driven commerce. The decision by NTT DOCOMO to transfer its global payments business to Bango is a major endorsement of our technology in the fast-growing digital economy. Through the Bango Platform, telcos can leverage the universal appeal of the world's biggest online brands and digital merchants can immediately reach new customers. Both will benefit from data-driven insights, giving consumers greater access to goods and digital services*."

NTT DOCOMO General Manager of Wallet Service Department, Tsutomu Tahara, said: "*We believe there is a big benefit for the digital payments industry in supporting a common platform technology. Bango is uniquely placed with market leading technology that will benefit our customers in Japan and our merchant partners worldwide. Bango's role as an independent platform and trusted partner presents a great opportunity to accelerate growth of the global payments ecosystem*."

Commenting on the Acquisition, the **Right Honorable Kwasi Kwarteng, UK Secretary of State for Business, Energy and Industrial Strategy**, said: *"We are backing British businesses to grow on the global stage, particularly in flourishing industries like financial technology, as evidenced by the sterling growth of flagship British companies like Bango. This acquisition only further builds on the UK's reputation as a global centre for fintech, and we will continue to create an environment where innovative businesses can expand at scale, boosting jobs and our economy."*

Financial highlights of the Acquisition:

- Brings an additional $3.5B per year of End User Spend onto the Bango Platform
- Revenue contribution from the Acquisition is expected to be $5M in FY2022 and $16M in FY2023
- Routes migrated from DOCOMO Digital to the Bango Platform will operate at Bango's typical >95% platform gross margin
- Inherited costs and realignment of all sales and marketing activity to the Bango brand is expected to reduce Bango Adjusted EBITDA[2] by $4M in FY2022 before making a positive Adjusted EBITDA contribution in FY2023. As a result of substantial cost synergies, the Acquisition is expected to contribute over $10M in Adjusted EBITDA in FY2024
- DOCOMO Digital brings a cash balance of €3.1M
- Restructuring costs, transaction costs, asset write-offs and provisions are estimated to impact Bango's net profitability by $30M- $35M in FY2022
- In the year ending 31 March 2022, DOCOMO Digital had a loss before tax of €1.3M and Net Assets of €10.7M

Highlights of the Platform Agreement

- Multi-year agreement to use the Bango Platform for payment processing
- Forms a material portion of the incremental revenue contribution from the Acquisition
- Bango will grow employee presence in Japan to support NTT DOCOMO
- Accelerates Bango's growth in one of the largest alternative payments markets in the world

Integration:

- The combined business will operate under the Bango brand
- All sales, marketing and product development effort is directed to the continued growth of business through the Bango Platform
- The Bango Board remains unchanged following the Acquisition
- Legacy DOCOMO Digital systems will be phased out over an estimated 20-25 months, as routes are migrated to the Bango Platform without interrupting service for customers and partners
- Bango expect to realize annualized synergy savings of $21M by the end of FY2023

Bango Executive Chair, Ray Anderson, said: "*After many years competing with DOCOMO Digital, we know the business and the team well. This Acquisition of DOCOMO Digital is a key, strategic deal for Bango and solidifies our leadership in the market. With the support of NTT DOCOMO, DOCOMO Digital developed relationships with high-quality operator and merchant customers and we are excited to bring them the benefits of the Bango Platform. These new merchants and operators will also offer new opportunities for everyone already connected to Bango. In addition, the Acquisition brings the advantages of a partnership with NTT DOCOMO, further supporting our global growth*."

Bango will host a presentation and Q&A session on the Investor Meet Company platform at 2.30pm UK time today (30 Aug 2022). Sign up to join the call here: https://www.investormeetcompany.com/bango-plc/register-investor

Notes

[1] Alternative payment methods, including carrier billing and mobile wallets, are growing the fastest of any payment method[4]. >80% of people own a smart phone globally[5] vs c. 20% of people who have a credit card[6]. For merchants, alternative payments open access to millions more consumers worldwide. As a result of this Acquisition, Bango merchants will now have access to 1.9B more users via the Bango Platform and telcos will have more goods and services to offer their customers.

[2] Adjusted EBITDA is earnings before exceptional items, interest, tax, depreciation, amortization and share based payment charge.

[3] NHN Corporation ("NHN") is a related party of Bango as a result of its 13.75% shareholding. The NHN Loan, should it be accepted, following negotiation, would likely be a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Before proceeding with the NHN Loan, the independent directors of Bango would be required, after consulting with the company's nominated adviser, Liberum, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

[4] https://bit.ly/3clwJz0

[5] https://bit.ly/3Tk0aCo

[6] https://bit.ly/3pOsRK8

Bango was advised on the Acquisition by Mills & Reeve, EY and Grant Thornton.

The information contained within this announcement is deemed by Bango to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. 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

The world's largest online merchants, including Amazon (NASDAQ: AMZN), Google (NASDAQ: GOOG) and Microsoft (NASDAQ: MSFT), use Bango technology to acquire more paying users.

Bango has developed unique purchase behavior technology that enables millions more users to buy the products and services they want, using innovative methods of payment including carrier billing, digital wallets and subscription bundling. Bango harnesses this purchase activity into valuable marketing segments, called Bango Audiences. Merchants use these audiences to target their marketing at paying customers based on their purchase behavior. Better targeting increases spend through the Bango payments business, in turn generating more data insights, creating a powerful virtuous circle that drives continuous growth. Everyone connected to the Bango Platform thrives as the virtuous circle grows.

Bango, the technology behind every payment choice. For more information, visit www.bangoinvestor.com

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