RNS Number : 0741B
Bango PLC
29 September 2022

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BANGO PLC

("Bango")

Interim Results

Bango (AIM: BGO), the global platform for data-driven commerce, today announces its unaudited interim results for the six months ended 30 June 2022 ("1H22").

1H22 Financial highlights

- Revenue grew 9% to $10.79M (1H21: $9.90M)
- Annual Recurring Revenue (ARR)* on 30 June 2022 was $3.41M (31 December 2021: $0.97M)
- End User Spend (EUS)** grew 16% to $2.09B (1H21: $1.80B)
- Adjusted EBITDA*** was $2.85M (1H21: $2.78M)

* *Annual Recurring Revenue is the annualised value of contracted repeating monthly revenue*
** *End User Spend is the total value of net transactions processed by the Bango Platform*
*** *Adjusted EBITDA is operating profit before depreciation, amortization and share based payments.*

1H22 Operational highlights

Bango Payments: More Users, More Routes, More Merchants, More Insights

- Platform deal signed with T-Mobile US solidifies Bango's market leading position as the industry standard platform for creating bundled subscription offers
- 24 global merchants added to the Bango platform in 1H22 including:
  - TelevisaUnivision - the largest Spanish language broadcaster in North America, to support its new Vix+ global streaming service
  - McAfee - adding security software to the range of subscription services enabled through Bango
  - "Global Tech Leader" - announced on 23 June 2022, a multinational technology giant that will use the Bango Platform for app store carrier billing and bundling its range of subscription services.

Bango Audiences: More Payment Data, More Sectors, More App Developers, More Platforms

- Continued strong progress with gaming app developers, including the addition of Marvel Games Developer, Kabam
- New customers including Adidas and Hard Rock demonstrate the growing appeal of Bango Audiences outside the gaming vertical
- Awarded Meta 'badged' partner status. Bango Audiences are now actively recommended as a targeting tool to advertisers using Facebook Ad Manager
- Added SnapChat to the suite of compatible social media platforms able to share Bango Audiences, expanding reach beyond Facebook and TikTok.

Post-period

- On 29 August 2022, Bango acquired the global payments business of NTT DOCOMO - DOCOMO Digital - for a gross consideration of €4M, funded using existing Bango cash. At completion, DOCOMO Digital had a cash balance of €3.1M (the "Acquisition")
- At the same time, Bango signed a long-term agreement with NTT DOCOMO to provide carrier billing and wallet integration services in Japan for the world's largest merchants
- The Acquisition significantly accelerates Bango 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 the Bango position as a leading payment platform for global merchants including Netflix, BritBox and YouTube and bringing new merchants including Tidal, Discovery, Paramount+ and Jetstar
    - Expanding the Bango footprint in carrier billing for physical goods, adding Shopify to the Bango Ecosystem
    - Bringing over $3.5B of EUS that can be monetized in Bango Audiences to help merchants find more paying users.
- The Acquisition and NTT DOCOMO Platform deal will contribute $5M of revenue in 2022 and reduce EBITDA by $4M. In 2023 and beyond revenue contribution is expected to be $16M per year, with positive, growing Adjusted EBITDA contribution ($10M in 2024)
- Integration following the Acquisition is progressing quickly. Actions taken in the first four weeks have already secured $7.1M of the $21M annual cost synergies planned by the end of FY23. Management expect timing to complete the integration to remain in line with the timescale previously set out.
- On 28 September, Bango announced a deal with Movistar Mexico, an expansion of a global agreement with Telefónica Group, acquired through the acquisition of Docomo Digital. Movistar Mexico customers will be able to purchase digital goods including apps, games and content using their telco bill, all powered by the Bango Platform.

Paul Larbey, Chief Executive Officer at Bango, commented:

"*The first 9 months of 2022 have been more exciting than ever as we continue to execute on our growth plan. The excellent progress in both Bango Audiences and the Platform business provide the basis for accelerating growth, highlighted by Annual Recurring Revenue increasing 3.5x to $3.4M at the end of June.*

We added more merchants than ever in the first half of 2022 and our partnership with the confidential 'Global Tech leader', a household name in consumer products and services, that we announced back in June, is progressing well.

Acquiring DOCOMO Digital in late August has accelerated our journey from tens to hundreds of millions of dollars of revenue by over two years. It solidifies our position as a global leader and brings additional mobile operators and merchants into the Bango circle.

The Acquisition is an important event for the market as a whole. Merchants clearly now have a 'go to' platform for monetizing their content and services. Having one, market-wide monetization platform enables them to deliver better targeted marketing and collect more payments, all through a standard infrastructure.

The long-term agreement signed with NTT DOCOMO to provide payment services in the world's largest carrier billing market is a major endorsement of the Bango Platform.

With increased scale, new wins delivering revenue, and major events such as Amazon Prime Day, Black Friday, Cyber Monday, the World Cup and Christmas, the second half looks to be even more rewarding, and the Board remains bullish about the future growth of Bango."

Bango will provide a results presentation to investors via the Investor Meet Company platform on 30 September at 1.30pm UK. Sign up for the call here:
https://www.investormeetcompany.com/bango-plc/register-investor

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

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

CEO statement

The Bango virtuous circle strategy and investment in R&D continues to generate strong growth. The first half delivered revenue growth of 9% during a period when major currencies declined against the US Dollar (e.g. Japanese Yen down 15% and Euro down 8%) and in a year when large payment events shifted from the first half to the second half.

Bango continues to solidify its position as a leader in the market and, in 1H22, we made great strides towards achieving our goal of becoming the technology behind every payment choice. The most significant move forward took place after the half year end, when Bango acquired DOCOMO Digital on 29 August 2022. This is a highly strategic acquisition that adds huge scale to Bango, accelerating our target revenue growth by over 2 years, and is expected to drive a substantial increase in profitability and cash generation in 2024 and beyond.

Payments

Bango connects the world's largest merchants to consumers who purchase goods using alternative payment methods including carrier billing (charged to a phone bill), mobile wallets and bundled subscription packages.

End User Spend (EUS) grew by 16% in 1H22, as merchants continue to look for new ways they can acquire and retain customers in an environment where consumer spend is under pressure. By using Bango Products, merchants can attract new, paying customers they wouldn't otherwise reach and by bundling these merchant products with their own first-party services, telcos can use the consumer appeal of this content to attract and retain more customers.

Subscription bundling continues to be the fastest growing part of the Payments business, with an increasing number of telcos standardizing on the Bango Platform for all their third-party bundling. The power and ubiquity of the Bango "Digital Vending Machine" gives us a leading position in this high growth market.

Verizon announced +Play in March 2022, which offers their customers the opportunity to buy a wide range of services, charged to their Verizon bill. Powered by Bango, these services, from category leaders including Disney+, Hulu, ESPN+, discovery+, Netflix, Peloton, HBO Max, WW (Weight Watchers), Calm and Duolingo, address a wide range of consumer interests.

The addition of T-Mobile US as a new platform customer means the majority of telco bundles in the US are powered by the Bango platform - an addressable market of 250 million consumers. These deals - along with the previous wins with BT, Entel Chile and others - resulted in an Annual Recurring Revenue (ARR) of $3.41M at 30 June 2022, 3.5x the amount at 31 December 2021.

Data monetization

Bango Audiences continue to gain traction in the market as online advertisers realize the advantages of targeting based on purchase behavior. There has been significant upheaval in the online advertising market with the removal of widely used data sources, such as Apple IDFA data. This, coupled with Facebook pricing changes, make purchase behavior targeting even more valuable and have also resulted in a surge in customers using Bango Audiences on TikTok, and more recently SnapChat.

In 1H22, Bango became an official Meta Badged Partner. This means Bango Audiences are an approved tool within Facebook ad manager for advertisers wanting to improve their return on ad spend and find more paying customers.

The increasing reach of Bango Audiences outside of the gaming app developer space is exciting and shows an expanding target market for this business. Customers, who initially began using Bango Audiences to attract paying users to their apps, are seeing success with using Audiences to advertise their other products and services, including physical goods. Bango Audiences won new customers, including household names like Adidas, Hard Rock and Marvel games publisher, Kabam. It also won new admirers - Bango Audiences was awarded the Advertising Technology of the Year prize in this year's "Sammys" (the prestigious Sales and Marketing Awards).

People

In May 2022 Bango conducted its annual employee engagement survey. Measured against the Bango THRIVE values (Transparent, Happy, Reliable, Innovative, Victorious, Expressive), we achieved our highest ever score (83%), building on an already record high score achieved in 2021. Maintaining such high levels of engagement during periods of fast growth is never easy but is testament to the commitment of the entire team to the Bango strategy. The level of engagement means that Bango can focus on hiring to grow the team rather than replacing leavers - an advantage few tech companies can demonstrate.

As part of this growth, Bango established a new R&D center in Portugal, providing access a broader pool of talent to accelerate growth.

Acquisition

The most significant development was announced after the half year end, with Bango acquiring the global payments business of NTT DOCOMO on 29 August 2022.

Acquiring DOCOMO Digital brings significant strategic advantage to Bango. It brings scale from the additional $3.5B of EUS and is forecast to deliver $5M revenue in FY22 and $16M in FY23. It is expected to make a positive Adjusted EBITDA contribution in FY23, growing to an expected contribution of $10M in Adjusted EBITDA in FY24, in addition to the organic Bango EBITDA.

The integration is progressing well. Bango has replaced the DOCOMO Digital brand and customer feedback has been universally positive. When the Acquisition was announced, Bango forecast $21M of annualized synergy savings by the end of FY23. After only 4 weeks, actions have been taken that will realize $7.1M, equating to over one third of these synergies and we remain confident about executing on the remaining synergies in the coming months. Management expect timing to complete the integration to remain in line with the timescale previously set out.

The Acquisition brings complementary customer relationships and solidifies our strong position with leading merchants like Amazon and Google and telcos like Vodafone, Softbank and Airtel India, as well as adding new names such as Deutsche Telecom, Hutchison, Telefonica, Tidal, Paramount+, Discovery+ and Sony.

At the same time, Bango signed a long-term agreement with Japan's largest operator, NTT DOCOMO, to become the preferred integrator for all their DCB and wallet business. Bango has worked with NTT DOCOMO as the integration partner for physical goods on Amazon.co.jp for many years but extending this partnership to all their merchant integrations under a multi-year agreement validates the unique capabilities of Bango technology and is testament to the power of the Bango Platform.

The deal accelerates each part of the virtuous circle and brings revenue growth forward by more than two years. It adds more merchant products and services for telco partners to offer their customers, it brings more telcos giving merchant partners the opportunity to access more customers globally and increases the volume of transactions flowing through the Bango Platform, providing more data to be monetized via Bango Audiences.

Outlook

With more users, more routes, more customers and more data than ever before the power of the Bango Platform is substantially increased and Bango is well positioned to continue taking market share. The pipeline for the second half of 2022 and beyond is strong.

The unique Bango proposition as a data-driven commerce solution offers partners and customers more than simply a payment connection. The Bango Platform enables them to grow their paying customer base, revenue and profitability. The value of this competitive differentiator increases as Bango scales, validated by leading businesses like Verizon and T-Mobile standardizing on the Bango Platform for all their third-party bundling needs.

The acquisition of DOCOMO Digital strengthens our leadership further. Bango achieves tremendous synergies through the integration of the DOCOMO payments business, which will deliver significantly more revenue and profit in 2023 and beyond. There is work to do to integrate the businesses, but supported by the strong Bango culture, I am pleased with the rapid progress already made in the weeks following the acquisition and am excited by the potential for further rapid growth that the increased scale brings.

Paul Larbey
Chief Executive Officer

CFO statement

Bango revenue continued to grow during the year recording an increase of 9% against 1H21. This supports the planned increased investment in technology and sales & marketing that will drive future revenue gains while still delivering positive Adjusted EBITDA of $2.85M (1H21: $2.78M).

Bango business model

Bango continues to report on one line of business, being payment transactions processed by the Bango Platform for both physical and digital goods and data activity from the monetization of payment data. For the first time, Bango is reporting the level of contracted Annual Recurring Revenue (ARR) generated from Platform Agreements.

End User Spend (EUS)

EUS continues to be calculated from the total value of transactions processed by the Bango Platform (excluding taxes). Although not directly linked to revenue, it is a Key Performance Indicator for the business and gives an indication of the growth of Bango customers and partners as well as showing the extent of data available for monetization through unique Bango Purchase Behavior Targeting technology.

EUS for 1H22 was up 16% to $2.09B (1H21: $1.80B).

Revenue

Total revenue increased 9.0% to $10.79M (1H21: $9.90M). This includes non-transactional payments (licensing of software, platform & technology) and integration totaling $4.0M (1H21: $2.35M), which are additional ways to monetize the Bango Platform.

This revenue increase has been achieved against the backdrop of a significant strengthening of the US Dollar against other major currencies and despite the shift of Amazon Prime day from 1H in 2021 to 2H in 2022.

For the first time, Bango is reporting an annual recurring revenue. As at 30 June 2022, ARR was $3.41M ($0.97M at 31 December 2021) from Platform deals with Verizon, T-Mobile, BT, Entel Chile and others.

Bango earns further payment revenue from transactions processed through the Bango Platform, license fees from Platform Agreements, data monetization revenue from the insights provided through this activity and through other methods, such as integration fees, which are recognized on completion of contracted milestones and in line with International Financial Reporting Standard 15; Revenue from Contracts with Customers.

Gross margin remains high at 92.8% of revenue in 1H22 (1H21: 96.2%).

Operating expenditure of continuing operations

Bango group adjusted operating costs of $7.16M for the first half of 2022 (1H21: $6.74M) were in-line with forecasts and reflect the continuing investment by Bango in developing the Platform and enhancing the capability of Bango Products to expand the customer base and drive growth.

Bango group Adjusted EBITDA was $2.85M, (1H21: $2.78M) driven by significant, high margin revenue growth which allowed for continued investment.

The share-based payment charge for 1H22 was $0.82M (1H21: $0.47M) 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 1H22 was $2.35M (1H21: $1.85M) as R&D projects previously capitalized were deployed. Depreciation for 1H22 was $0.10M (1H21: $0.12M).

Loss and loss per share

The loss after tax was $0.50M (1H21: $0.52M) and included a $0.80M (1H21: $0.96M) share of the net loss of associates (NewDeep JV) accounted for using the equity method. Excluding the associate loss, the underlying business showed a profit of $0.30M (1H21: $0.44M). The total comprehensive income for the period includes

adjustments for foreign exchange on consolidation reflecting the major change in the strength of the US dollar against Sterling.

Basic loss per share was a loss of 0.65c (1H21: 0.69c). Adjusted basic earnings per share, which excludes the share of net loss of associates, was a profit of 0.40c (1H21: profit of 0.59c).

Cash

Cash and short-term cash investments as at 30 June 2022 stood at $5.70M (31 December 2021: $9.65M) reflecting the strong investment Bango is making in its platform and technology to drive the next level of growth and increased receivables from revenue timing. With the reduction in these receivables and some customers now choosing to prepay on their contracts, Bango expects to maintain a strong cash position.

Going concern

A combination of strong operating cash flows, positive net cash of $5.70M and revenue growth generated by the business supports the Directors view that the group has sufficient funds available to meet its foreseeable working capital requirements. These requirements support planned investments to grow marketing and sales, and to develop new products to ensure Bango benefits from the continued growth of EUS through the Bango Platform that the Board expects over the coming years.

Bango acquired the global payments business of NTT DOCOMO on 29 August 2022 and expects to fund the integration of the Acquisition, including the migration of customers to the Bango Platform, from cash generated 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. Bango strategic partner and shareholder, NHN Corporation, has also stated its intention to offer Bango a $10M three-year term loan on commercial terms. 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.

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

Matthew Garner
Chief Financial Officer

Consolidated statement of comprehensive income
for the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 Unaudited $ '000	Six months ended 30 June 2021 Unaudited $ '000
Revenue	3	10,789	9,903
Cost of sales		(781)	(380)
Gross profit		**10,008**	**9,523**
Administrative expenses		(10,431)	(9,174)
Adjusted EBITDA		**2,851**	**2,784**
Share based payments		(819)	(469)
Depreciation		(103)	(117)
Amortization		(2,352)	(1,849)
Operating (loss) / profit		**(423)**	**349**
Interest payable		(1)	(5)
Interest income		12	3
Share of net loss of associates accounted for using the equity method	6	(799)	(964)
Loss before taxation from continuing operations		**(1,211)**	**(617)**
Income tax		714	97
Loss for the period (attributable to equity holders of the company)		**(497)**	**(520)**
Other comprehensive income			
Foreign exchange on consolidation		(3,773)	303
Total comprehensive income for the period attributable to equity holders of Bango PLC		**(4,270)**	**(217)**
Basic and diluted loss per share	4	(0.65)c	(0.69)c

Notes 1 to 8 are an integral part of the consolidated interim financial statements.

* Adjusted earnings per share excludes the share of net loss of associates

Consolidated statement of financial position as at 30 June 2022

	Notes	30 June 2022 Unaudited $ '000	31 December 2021 Audited $ '000
ASSETS			
Non-current assets			

Property, plant and equipment		514	242
Right of use assets		49	83
Intangible assets		19,115	18,645
Investments accounted for using the equity method	6	4,372	5,630
		24,050	**24,600**
Current assets			
Trade and other receivables		9,319	7,099
Research and development tax credits		1,412	778
Short-term investments		-	945
Cash and cash equivalents		5,705	8,706
		16,436	**17,528**
Total assets		**40,486**	**42,128**
EQUITY			
Capital and reserves attributable to equity holders of Bango PLC			
Share capital	5	24,426	24,392
Share premium account		62,195	62,057
Merger reserve		2,886	2,886
Share based payment reserve		3,891	3,635
Foreign exchange reserve		(1,269)	2,109
Accumulated losses		(58,594)	(58,265)
Total equity		**33,535**	**36,814**
LIABILITIES			
Current liabilities			
Trade and other payables		6,883	5,209
Lease liabilities		68	56
		6,951	**5,265**
Non-current liabilities			
Lease liabilities		-	49
		-	**49**
Total liabilities		**6,951**	**5,314**
Total equity and liabilities		**40,486**	**42,128**

Notes 1 to 8 are an integral part of the consolidated interim financial statements.

Consolidated cash flow statement for the six months ended 30 June 2022

	Six months ended 30 June 2022 Unaudited $ '000	**Six months ended 30 June 2021 Unaudited $ '000**
Cash flow from operating activities		
(Loss) / profit for the period	(497)	(520)
Adjusted for:		
Depreciation for property, plant & equipment	103	117
Amortization of intangibles	2,352	1,849
Net finance costs	(11)	2

Share-based payments	819	469
Share of loss of associate	799	964
Taxation credit	(714)	-
Increase in receivables	(2,570)	(1,594)
Increase in payables	1,162	450
Cash generated from operating activities	1,443	1,737
Corporation tax received	62	-
Net cash generated from operating activities	**1,505**	1,737
Cash outflow from investing activities		
Purchases of property, plant and equipment	(368)	(92)
Addition to intangible fixed assets	(4,601)	(1,842)
Short-term investments	945	-
Interest received	11	3
Net cash outflow from investing activities	**(4,013)**	**(1,931)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	172	1,919
Interest payable	-	(3)
Interest payments on finance lease obligations	-	(2)
Capital repayments on finance lease obligations	(37)	(45)
Net cash generated from financing activities	**135**	**1,869**
Net (decrease) / increase in cash and cash equivalents	**(2,373)**	**1,675**
Cash and cash equivalents at beginning of period	8,706	7,958
Exchange differences on cash and cash equivalents	(628)	218
	8,078	**8,176**
Cash and cash equivalents at end of period	**5,705**	**9,851**

Notes 1 to 8 are an integral part of the consolidated interim financial statements.

Consolidated statement of changes in equity for the six months ended 30 June 2022

	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 2022	**24,392**	**62,057**	**2,886**	**3,635**	**2,109**	**(58,265)**	**36,814**
Share based payments	-	-	-	819	-	-	**819**
Transfer for exercised options	-	-	-	(168)	-	168	**-**
Exercise of share options	34	138	-	-	-	-	**172**
Transactions with owners	**34**	**138**	**-**	**651**	**-**	**168**	**991**
Profit for the period	-	-	-	-	-	(497)	**(497)**
Foreign exchange on translation	-	-	-	(395)	395	-	-
Foreign exchange on consolidation	-	-	-	-	(3,773)	-	**(3,773)**

Total comprehensive income for the period	-	-	-	**(395)**	**(3,378)**	**(497)**	**(4,270)**
Balance at 30 June 2022	**24,426**	**62,195**	**2,886**	**3,891**	**(1,269)**	**(58,594)**	**33,535**
Balance at 1 January 2021	**24,033**	**60,173**	**2,886**	**3,306**	**2,323**	**(59,804)**	**32,917**
Share based payments	-	-	-	469	-	-	**469**
Transfer for exercised options	-	-	-	(756)	-	756	**-**
Exercise of share options and warrants	303	1,616	-	-	-	-	**1,919**
Transactions with owners	**303**	**1,616**	**-**	**(287)**	**-**	**756**	**2,388**
Loss for the period	-	-	-	-	-	(520)	**(520)**
Foreign exchange on translation	-	-	-	28	(28)	-	**-**
Foreign exchange on consolidation	-	-	-	-	303	-	**303**
Total comprehensive income for the period	-	-	-	28	**275**	**(520)**	**(217)**
Balance at 30 June 2021	**24,336**	**61,789**	**2,886**	**3,047**	**2,598**	**(59,568)**	**35,088**

Notes 1 to 8 are an integral part of the consolidated interim financial statements.

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. Bango PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM"). The Bango registered office is at Botanic House, 100 Hills Road, Cambridge, CB2 1YG, United Kingdom. The Bango principal place of business is 326 Science Park, Milton Road, Cambridge, CB4 0PZ, United Kingdom.

2. Basis of preparation

These interim financial statements are for the six months ended 30 June 2022. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021, which have been filed at Companies House with an unmodified audit report.

These interim financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS"). These financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2021. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements and are expected to be followed throughout the year ending 31 December 2022.

These financial statements are presented in US Dollars (USD), the presentation currency of Bango PLC Group. The Group's functional currency is GBP Sterling.

Going concern

A combination of strong operating cash flows, positive net cash of $5.70M and revenue growth generated by the business supports the Directors view that the group has sufficient funds available to meet its foreseeable working capital requirements. These requirements support planned investments to grow marketing and sales, and to develop new products to ensure Bango benefits from the continued growth of EUS through the Bango Platform that the Board expects over the coming years.

Bango acquired the global payments business of NTT DOCOMO on 29 August 2022 and expects to fund the integration of the Acquisition, including the migration of customers to the Bango Platform, from cash generated 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. Bango strategic partner and shareholder, NHN Corporation, has also stated its intention to offer Bango a $10M three-year term loan on commercial terms. 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.

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

3. Revenue

Bango, based on the information reviewed by the chief operating decision maker, reports on one segment of revenue.

Revenue by product:

	2022	2021
	$ '000	$ '000
Payments - transactional & data monetization	**6,793**	7,557
Payments non-transactional (licensing of software, platform & technology), and integration	**3,996**	2,346
	10,789	9,903

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

4. Earnings / (loss) per share

Basic earnings / (loss) per share are calculated by dividing the profit / (loss) attributable to equity holders of Bango PLC by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June 2022 Unaudited $ '000	Six months ended 30 June 2021 Unaudited $ '000
Loss from operations	**(497)**	(520)
Loss attributable to equity holders of Bango PLC	**(497)**	(520)
Weighted average number of ordinary shares in issue	**76,074,109**	75,342,006
Basic loss per share		
Basic loss per share attributable to equity holders	**(0.65)c**	(0.69)c

Diluted loss per share

At 30 June 2022 6,554,141 options over ordinary shares of (30 June 2021: 5,118,727) were outstanding.

	Six months	Six months

	ended 30 June 2022 Unaudited	ended 30 June 2021 Unaudited
Weighted average number of ordinary shares in issue	**76,074,109**	75,342,006
Options	**-**	-
Weighted average number of ordinary shares in issue (including options)	**76,074,109**	75,342,006

Diluted loss per share

Diluted loss per share attributable to equity holders	**(0.65)c**	(0.69)c

The weighted average number of shares and the loss for the period for the purposes of calculating diluted loss per share are the same as for the basic loss per share calculation. This is because the outstanding share options would have the effect of reducing the loss per share and would not, therefore, be dilutive under the terms of IAS 33.

Adjusted earnings per share

Adjusted basic earnings per share is determined as the loss attributable to equity holders of Bango PLC excluding the Bango share of the net loss of associate for the period divided by the weighted average number of ordinary shares in issue during the year.

	Six months ended 30 June 2022 Unaudited $ '000	Six months ended 30 June 2021 Unaudited $ '000
Loss from operations	**(497)**	(520)
Share of net loss of associates	**799**	964
Adjusted profit attributable to equity holders of Bango PLC	**302**	444

Basic earnings per share - Adjusted

Basic earnings per share attributable to equity holders	**0.40c**	0.59c

Weighted average number of ordinary shares in issue	**76,074,109**	75,342,006
Options	**1,064,927**	2,410,009
Weighted average number of ordinary shares in issue (including options)	**77,139,036**	77,752,015

Diluted earnings per share - Adjusted

Diluted earnings per share attributable to equity holders	**0.39c**	0.57c

5. Share capital

Allotted, called up and fully paid:

Ordinary shares of 20p each in Bango PLC

	No	$ '000
As at 31 December 2020	**74,711,268**	**24,033**
Exercise of share options and warrants	1,302,391	359
As at 31 December 2021	**76,013,659**	**24,392**
Exercise of share options	126,421	34
As at 30 June 2022	**76,140,080**	**24,426**

6. Interest in associates

The interest in associate relates to the group's 40% interest in the NewDeep Limited group.

	$ '000
Opening balance as at 1 January 2021	7,771
Share of operating losses	(2,081)
Foreign exchange movements	(60)
Closing balance as at 31 December 2021	5,630
Share of operating losses	(799)
Foreign exchange movements	(459)
Closing balance as at 30 June 2022	4,372

7. Subsequent events

Bango acquired the global payments business of NTT Docomo on 29 August 2022. The Docomo Digital Limited Group was purchased for a cash consideration of €4M with a retained cash balance of €3.1M. In addition to the acquisition, Bango signed a long-term platform deal with NTT Docomo to provide payment services.

8. Publication of non-statutory accounts

The condensed consolidated interim financial information was approved by The Board of Directors on 28 September 2022. They are unaudited but have been reviewed by the auditors and their report is included within this note.

The financial information set out in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The figures for the period ended 31 December 2021 have been extracted from the Statutory Financial Statements of Bango PLC, which have been filed with the Registrar of Companies. The auditor's report on those financial statements is unqualified and did not contain any reference to any matters to which the auditors drew attention to by way of emphasis without qualifying their report a statement under section 498(2) or 498(3) of the Companies Act 2006. The interim financial information for the six months to 30 June 2022 is unaudited. The interim report together with an analyst briefing presentation will be distributed to all shareholders and will be available on the Bango investor site at www.bangoinvestor.com.

Independent review report to Bango PLC

Conclusion

We have been engaged by Bango PLC ('the Company') to review the condensed set of financial statements of the Company and its subsidiaries (the 'Group') in the interim financial report for the six months ended 30 June 2022 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated cash flow statement, consolidated statement of changes in equity and the related explanatory notes that have been reviewed. We have read the other information contained in the interim

financial report and considered whether it contains any apparent material misstatements of fact or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards and the AIM Rules for Companies.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ('ISRE (UK) 2410') issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards. The condensed set of financial statements included in this interim financial report has been prepared in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of Directors

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards and the AIM Rules for Companies.

In preparing the interim financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Information

In reviewing the interim financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the interim financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 "'Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

RSM UK Audit LLP
Chartered Accountants
Second Floor
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126-130 Hills Road

Cambridge
CB2 1RE

28 September 2022

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