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Bango PLC
28 March 2023

Bango PLC

("Bango")

2022 Preliminary Results

Strong growth, accelerated by the acquisition of DOCOMO Digital

Cambridge, UK, 28 March 2023 - Bango (AIM: BGO), the global platform for data-driven commerce, today announces its unaudited preliminary results for the 12 months ended 31 December 2022.

Financial highlights:

- Revenue up 38% to $28.5M (FY21 $20.7M).
- Accelerated organic growth in annual recurring revenue[1] (ARR) to $5.0M (2021: $1.1M), driven by multi-year SaaS contract wins with T-Mobile, Televisa Univision and Liberty Global, alongside the launch of Verizon +Play in December 2022.
- Trading momentum in 2023 has continued, in particular for Bango Digital Vending Machine ("DVM") technology. 2023 exit ARR is now expected to reach $10M, comfortably ahead of previous $7M guidance.
- End User Spend (EUS) $5.6B (2021 $4.1B). Run rate EUS exiting 2022 was $8.6B/yr.
- Adjusted EBITDA[2] of $5.0M (2021 $6.1M), ahead of market expectations[3], including the initial negative contribution from the DOCOMO Digital acquisition as planned.
- $11M of the planned $21M/year cost synergies from the acquisition of DOCOMO Digital in August 2022 had been executed as of 31 Dec 2022. The acquisition remains on track to deliver $10M of incremental Adjusted EBITDA in 2024.
- Cash at period end of $12.7M (30 June 2022: $5.7M). This includes $2.9M of restricted cash related to a discontinued business segment from the DOCOMO Digital acquisition.

Adjustments from 24 January 2023 Trading Update

Adjusted EBITDA

- $0.9M higher largely due to further restructuring costs related to the acquisition of DOCOMO Digital moving to exceptional costs.

Revenue

- $1.1M from the DOCOMO Digital acquisition has been reclassified as other income.
  - The $1.1M cash has been received in full.
- A $3.3M non-recurring fee (and the associated costs) connected to one large contract that commenced in 2H 2022 will now be recognized across 2022-2024 rather than in 2022, based on an alternative interpretation of IFRS 15.
  - The $3.3M cash has been received in full.
  - There is no impact on ARR or profit.
  - There is no impact to any prior periods or guidance.

Operational highlights:

Bango Payments & DOCOMO Digital Acquisition

- Transformational acquisition of DOCOMO Digital in August 2022 solidifies Bango market leadership. The deal brings significant scale to the business, adding an additional $3.5B EUS and $16M in annual revenue from 2023, as well as over 100 new customers including Telefonica, Hutchison, Discovery+, Jetstar & Shopify.
- Migration of services from the legacy DOCOMO Digital system to the Bango Platform is underway and on track to complete in early 2024.
- Long-term strategic agreement with NTT DOCOMO (the world's largest provider of direct carrier billing) for integration of global merchants into Japan.

- Strong positive feedback from existing and acquired customers, creating new sales opportunities across the business.

Digital Vending Machine
- New Digital Vending Machine (DVM) deals with T-Mobile, Televisa Univision and Liberty Global. These, alongside the December 2022 launch of Verizon +Play, drove ARR growth.
- 44 new organic merchant customers including McAfee, HBO, Paramount, NFL and Duolingo, plus major win in June of the 'Global Tech Leader'. These merchants can now offer their products to all the operators connected to the Bango Platform.
- Strong pipeline of DVM deals expected to close during 2023.

Bango Audiences
- Growing demand for Bango Audiences in existing sectors including gaming and more broadly with e-commerce retailers such as Adidas.

Sustainability
- Record employee engagement score of 83%.
- Reduced carbon intensity by 12% and committed to net zero by 2040.

Post period highlights:

- New DVM contract win with Benefit One, the leading employee benefits provider in Japan. This highlights an expanding market opportunity beyond the telco space. Using the DVM, Benefit One will offer its 10M+ customers bundled subscription services as additional employee incentives.
- Dropbox joined the Bango Platform to grow its subscriber base globally. Productivity services like Dropbox broaden the range of subscription products for offers and bundles, alongside traditional TV & music streaming services.

Outlook:

- Trading in the current year has started well, and the Board remains confident in Bango prospects for the year ahead.
- Well placed to grow ARR from existing and new Bango DVM customers. The current industry move to online subscriptions has the potential to accelerate demand for DVM technology across multiple sectors including telcos, employee benefits, utilities, financial services and retailers.
- Board now expects Bango to exit 2023 with $10M of ARR, providing good visibility of sustainable, profitable growth.
- Well-funded to deliver on the growth strategy and enhance Bango profit margins.

Investor Presentation:

Bango is hosting a presentation, open to all existing and potential shareholders, at 10.30am today. Investors can sign up to Investor Meet Company for free and register to join the call here:

https://www.investormeetcompany.com/bango-plc/register-investor

Bango CEO, Paul Larbey, said:

"2022 was a transformative year for Bango. The business delivered double digit revenue growth together with accelerated progress in annual recurring revenue, supporting strong forward momentum.

At the October 2021 investor strategy day, I talked about Bango approaching an inflection point in its growth trajectory. In 2022, we passed though that inflection point driven by rapid, organic growth, and then accelerated our strategy by 2 years with the transformational acquisition of DOCOMO Digital.

The acquisition not only increases the scale of Bango financially and operationally, but it solidifies our leading position in the market. Feedback from customers and partners has been overwhelmingly positive as we position ourselves to deliver even greater value to the world's largest online merchants and their partners.

There is a large and accessible market opportunity ahead for Bango. We enter the remainder of the year in a strong position with a healthy pipeline and a profitable and cash generative business which, combined with our strong balance sheet, enables us to continue investing in our growth strategy. I am hugely excited for the year ahead as we continue to focus on helping our customers and partners increase their revenues, fuelling further growth for Bango and delivering increasing value for our shareholders."

Notes:

The Annual Report, including full accounts, will be published and sent to shareholders shortly.

[1] Annualized December revenues derived from ongoing, repeating contracts.

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

[3]Market consensus can be found here: https://bangoinvestor.com/analyst-consensus/

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

Chair statement:

In nuclear physics, a chain reaction can occur if a single nuclear reaction causes an average of one or more subsequent nuclear reactions, leading to a self-propagating series of reactions. Critical mass is the smallest amount of material needed for a sustained nuclear chain reaction - which depends on its structure, enrichment and surroundings.

The Bango Platform, following the acquisition of DOCOMO Digital, has now reached its own critical mass with its unique structure, financial strength, and its surrounding partners. Bango is unleashing explosive growth with rising energy, momentum and awesome power that is harnessed by merchants to grow their businesses faster.

$200B/year of digital services will flow though telcos in the coming year. Bango is expanding into this huge market opportunity as our unique technology and market position replaces legacy methods. Without Bango, the market

is large but fragmented and inefficient. Hundreds of one-to-one integrations, with no easy way for consumers to get to grips with their multiple subscriptions.

The emergence of the Bango Platform as a global standard, and its innovative Digital Vending Machine, is catalyzing a new wave of efficiency and effectiveness for merchants, telcos and consumers. Adoption of Bango technology is accelerated by the increasing demand from consumers for greater choice and better value in online content and services. With leading telcos such as NTT DOCOMO, Verizon and LGI backing the Bango Platform, merchants offering these services have confidence in the Bango vision. As one of these said to me recently: "At last there is a standard model that the industry can rally around to drive the next wave of growth."

The flow of digital commerce enabled by Bango doubled over 2022 to a run rate of well over $8B/year. The power of a common platform means the additional revenue generated by this growing volume does not add extra cost, so revenue flows through to operating profit, providing Bango with increasing firepower to drive more growth.

Every new adoption of the Bango Platform adds value to those already on the Platform, so existing customers encourage more customers to join.

Bango proved that a Platform approach streamlines assimilation when we acquired US based Billtomobile in 2016. Dozens of customers were seamlessly migrated to the Bango Platform within sixteen months, enabling the closure of legacy systems and software and delivering the expected synergies. Eight months into the process with the DOCOMO Digital acquisition, and with the added benefit of critical mass and market momentum, the team is on plan and synergies are flowing. This should give you confidence that Bango is in a strong position to drive further consolidation and able to add new capabilities into the Bango Platform as the chain reaction effect drives increasing market share.

Part of my role as Chair is to catalyze high level relationships with companies that are synergistic with Bango. In addition to developing our relationships with industry giants like NTT DOCOMO in Japan and NHN Corporation in Korea, we continue to innovate. Beyond the existing $200B digital services opportunity, the broader subscription economy is growing fast. There is nothing to prevent Bango expanding into this space in future, building on our success in digital.

The importance of Bango is not just shown by its financial metrics. In the coming year, you will see the increasing adoption of Bango Platform to deliver the Digital Vending Machine model across the industry and the increasing adoption of the privacy safe Bango model for Purchase Behavior Targeting. I look forward to working with the Board as Bango progresses through this significant value inflection point.

Ray Anderson
Executive Chair

CEO statement:

Introduction

2022 was a transformative year for Bango.

1. The traction with the Digital Vending Machine increased 5x over the year. This technology enables telcos to make life easier for all of us by creating a single portal to manage subscriptions.

2. The acquisition of DOCOMO Digital and the signing of a new, long term strategic agreement with NTT DOCOMO solidified our position as a leader in payments, accelerating the Bango strategy by over two years and supporting our medium-term goal of moving towards hundreds of millions of dollars of revenue.
3. Bango Audiences, implementing unique Purchase Behavior Targeting ("PBT") technology, expanded its customer base beyond App Developers targeting new paying users, to major brands such as Adidas who are focused on the early identification of prospective customers higher up the marketing funnel.

I have always believed in the momentum of Bango. In Physics, momentum is velocity multiplied by mass. Bango has always had the velocity; moving quickly to capture new markets with technologies such as Purchase Behavior Targeting and solutions like the Digital Vending Machine. What 2022 brought was a substantial increase in mass; a doubling in scale with an EUS run rate ending 2022 of $8.6B/year. This serves only to compound our momentum, accelerating Bango growth.

This momentum delivered 38% revenue growth in a year where a strong dollar reduced the financial benefit from contracts in Euros and Japanese Yen and inflation & interest rates soared bringing a cost-of-living crisis at a level not seen for a generation. The momentum of Bango makes these major events minor bumps in the road rather than barriers or obstacles.

Bango progress is evident not only in the financial statements and major customer wins but in the recognition from across the industry. Awards such as "Diversity Champion" at the AIM Awards and "Quoted Company of the Year" at the Business Weekly Awards, in addition to numerous product awards, provide acknowledgement that Bango is an exceptional business; a point further reinforced by our annual employee engagement score which increased yet again to 83%.

Digital Vending Machine

How many subscriptions do you pay for? A recent Bango survey revealed that 78% of consumers want a single place to manage their subscriptions with most voting for their telco, broadband or PayTV provider to offer this service. This is the problem the Bango Digital Vending Machine solves.

The Digital Vending Machine is the Bango Platform connecting multiple subscriptions to one consumer bill, for example, a telco bill, in a single online experience. The telco chooses which subscription products to stock the Digital Vending Machine with, and provides a way to pay, but it is the Bango Platform that 'dispenses' those subscriptions.

The Digital Vending Machine has created a recurring revenue stream for Bango. The telco providers pay a setup fee and then a monthly or quarterly license fee that scales with the number of subscriptions being managed. More users and more subscriptions per user moves telcos into the next license tier increasing Bango recurring revenue.

The world's largest telcos and merchants rely on Bango to drive their growth. In 2022, as a direct result of the Digital Vending Machine telco wins, 44 merchants joined the Bango Platform. This momentum puts clear distance between us and the nearest competitor in terms of connected merchants. Each new merchant makes the Bango proposition even more compelling to prospective customers. The addition of the "Global Technology Leader" back in June 2022 added the one missing logo to the list of mega merchants in the Digital Vending Machine.

The power of the merchants connected to the Bango Platform along with the rich feature set have led to some of the world's largest telcos including BT, Verizon, T-Mobile US, Optus Australia and Liberty Global adopting the Digital Vending Machine. Bango is rapidly becoming the de facto standard.

Payments & DOCOMO Digital Acquisition

The Bango Payments business allows global merchants to find new customers through alternative payment methods - simply put, this is anything other than credit cards, including both wallets and carrier billing. This business is built on the same Bango Platform that powers the Digital Vending Machine and Bango Audiences. Bango charges a percentage of the retail price to process the payment transaction. The organic growth of this business, coupled with the leverage in the Platform, has allowed us to generate profits and cash that we have chosen to invest in new growth areas such as the Digital Vending Machine and Bango Audiences. During 2022 the business continued to grow and the "Global Technology Leader" win announced back in June added another leading app store to the list of large global merchants using the Bango Platform.

In August, the strategic value of the Bango Platform was further evidenced when NTT DOCOMO (the world's largest carrier billing operator) selected Bango as the acquirer of DOCOMO Digital and simultaneously signed a multi-year strategic agreement that positions Bango as the platform to connect global merchants into Japan. This acquisition brought new operators such as Telefonica, Three and Millicom to Bango for the first time. It also solidified our position with existing operators such as Vodafone. The same story is reflected on the merchant side,

Bango and DOCOMO Digital were, together, number 1 & 2 for both Google Play and Amazon integrations - when you combine the number 1 & 2 in any business, a clear leader emerges.

The acquisition accelerated our growth by over two years. It brought additional data to monetize in Bango Audiences, along with more merchants and operators for the Digital Vending Machine, adding further momentum to the Bango virtuous circle. On announcing the acquisition, we were very clear that in 2024 it would bring $16M of revenue and $10M of EBITDA. To get to this we must realize $21M of synergies by combining the companies and migrating all the routes to the Bango Platform. In the first four months we executed over half of the targeted savings. More work is needed but, although time consuming, it is neither difficult nor complex. The hard steps are behind us and we are executing to plan.

Bango Audiences

Payment data from the Bango Platform, along with third party data sources (such as credit card processors), are combined using unique Bango Purchase Behavior Targeting (PBT) technology to create Audiences of users, which allow marketers to target their marketing campaigns at consumers who have actually paid for similar products previously. Bango Audiences are much more effective (2-9x) than relying on soft indicators such as "searched for" or "like" data provided by platforms such as Google and Facebook.

2022 was certainly not a dull year for marketers; the aftershocks of Apple's IDFA privacy changes, along with Facebook pricing and a certain degree of chaos at Twitter, created lots of uncertainty. One thing is certain however; as the dust settled, the value of Bango Audiences and PBT became even clearer.

PBT is a new concept to many marketing teams. In previous years, our own marketing campaigns have focused on raising awareness about the value this technology brings to ad targeting. In 2022, amid the turmoil, the industry started to see the benefits of Bango technology for itself as Bango won both the "Most Effective User Acquisition Company" at the Mobile Marketing Awards and the Sales & Marketing Technology Award 'The Sammy' for Ad Technology Product of the Year.

In 2022, we added support for Snapchat to the Bango Audiences product and, for the first time, attracted brands such as Adidas, who used Bango Audiences both at the bottom of the marketing funnel to drive the conversion of paying users and higher up the funnel in their brand awareness campaigns to find more interested and engaged customers.

2022 also saw the beginnings of Digital Vending Machine merchants becoming Bango Audience customers as they look to find new users for their subscription services.

Outlook

The Digital Vending Machine is our number one priority for 2023. We will invest to reduce sales cycles and deployment times, speeding-up the start of license revenue. Investments will include adding new features to the product and "pre-stocking" the vending machine with subscriptions using the Bango e-distribution ("e-Disti") model. The e-Disti model standardizes the technical and commercial model for selling digital subscriptions through channel partners. Bango acts as the merchant, supplying subscription services directly into the vending machine. The e-Disti model provides a faster launch of services and has already been successful with merchants such as Microsoft and McAfee.

We had previously stated our expectation was for $7M of ARR by the end of 2023. Given the progress so far and ongoing traction we now expect to reach $10M by 31 December 2023 (double that reported for December 2022).

Bango Audiences will focus on growing its share of the largest app developers' ad spend and expanding into brand marketing higher up the funnel. And, by using Bango Audiences to help Digital Vending Machine merchants target new customers, we not only generate revenue from the use of Bango Audiences but create more subscriptions to drive up ARR.

Inside Bango, our goals for 2023 are grouped in to three categories:

- Growth - Accelerating our growth
- Simplify - The team, processes and tools to deliver growth with increased profitability
- Sizzle - Making Bango THE winner - the company everyone wants to work with or at

The growth will be evident both in the announcements of new customers as well as in the financials. The simplification of the business will be evident in the EBTIDA as the cost synergies from the DOCOMO Digital Acquisition drop to the bottom line. The sizzle comes from the accelerating momentum of the Platform. The intersection of consumer subscription services delivered through a channel (e.g. a telco) is one where a single platform such as Bango will dominate.

We are excited by the opportunity as we enter the next stage of our growth journey, our 2023 results will demonstrate progress on our growth and simplify objectives, as for sizzle, ultimately, you will need to judge that for yourself - the Bango team certainly feels it.

Paul Larbey
Chief Executive Officer

CFO statement:

This financial year saw Bango continue to grow revenue organically, growth that was accelerated by the acquisition of DOCOMO Digital Limited at the end of August 2022. Even with increased and some replicated costs arising from the acquisition, the enlarged Bango still returned a positive Adjusted EBITDA and remained cash positive with no debt.

Bango revenue model

Bango continues to generate revenue from several streams. Transactional revenue which covers the transactional payments business and data monetization through Bango Audiences' purchase behavior targeting and non-transactional revenue which encompasses platform license and integration fees for the Digital Vending Machine. Where the business engages in distribution activities, it assesses the nature of that business against the Agent/Principal principles outlined in IFRS15 (Revenue from Contracts with Customers). Bango has been assessed to act in some cases as a principal and others as agent dependent upon its involvement.

Acquisition of DOCOMO Digital

On 29 August 2022, Bango completed the acquisition of the entire issued share capital of DOCOMO Digital Limited and its associated Group from NTT DOCOMO, Inc. of Japan. This acquisition has accelerated Bango growth by over two years and has added new customers, routes and relationships.

During the acquisition process, Bango undertook robust due diligence on the acquired entities, including financial and tax investigation and research with assistance from Grant Thornton and EY respectively, to identify risks and opportunities. Detailed financial projections were prepared outlining significant financial synergies and by the end of FY2022 Bango had executed on $11M of a targeted $21M of these savings with the balance expected by the end of FY2023.

Post-acquisition, Bango engaged with Grant Thornton in respect of the Purchase Price Allocation with assets and liabilities recognized based on the fair valuation on the date of acquisition per IFRS3. Bango identified two key areas to be considered and valued, customer relationships and technology IP with two other areas, non-competition agreements and trade names/brands considered but not valued. The outcome of these valuations resulted in a negative goodwill figure as the purchase price was lower than the total fair value of the assets and liabilities acquired and this recognized as an exceptional gain in the income statement.

End User Spend (EUS)

EUS is calculated based on the total value of transactions processed by the Bango Platform (excluding taxes) together. EUS, increased by 35.7% in the year from $4.1B to $5.6B. This measure, although less correlated than ever with revenue, continues to be an important Key Performance Indicator for the business and an essential provider of Purchase Behavior Targeting information for Bango Audiences.

Revenue and costs of sale

Total revenue from continuing operations increased 37.6% to $28.5M (2021: $20.7M). Bango continues to break this down into transactional payments & data monetization revenue and non-transactional payments revenue (encompassing platform & technology, licensing of software and integration) and has added a new metric for revenue monitoring during the period by breaking out Annualized Recurring Revenue (ARR). This metric, which is calculated by annualizing the December revenue derived from ongoing, contracted, repeating revenues, showed a 4.7x increase from December 2021 to $5.0M. This is a very strong indicator of the continuing, sustainable growth of the company.

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. Revenue, such as integration fees, is recognized on completion of contractual milestones and after consideration of the requirements of IFRS15 (Revenue from Contracts with Customers). Further consideration was also given to the separation between the integration fees and the subsequent ongoing platform license fees. It was judged, based on the contractual agreements, individual orders and discussions between customers and Bango, that these were two distinct revenue events.

Bango has seen gross profit margins reduce slightly this year to 90.6% (2021: 94.1%). This is the result of increasing revenue derived from the growing Audiences business, which shares revenue back with the data provider, additional cost of sales where a third party is used to provide connections to the local payment provider together with some costs associated with new Digital Vending Machine customers, and some short-term higher costs of sale from the newly acquired DOCOMO Digital business, which currently runs on a different platform and low distribution margin where Bango has acted as Principal.

Operating expenditure

The combination of the inclusion of DOCOMO Digital costs from the beginning of September with the ongoing planned, strategic investment in the development of the Bango Platform, saw administrative expenses increase to $30.3M (2021: $18.9M).

Adjusted EBITDA* for the year reduced to $5.0M, (2021: $6.2M). This reflects the impact from the additional costs taken on as part of the acquisition of DOCOMO Digital and before the impact of the $21M of annualized synergy savings that will be achieved by the end of FY2023.

The share-based payment charge was $1.6M (2020: $1.5M) calculated using the Black-Scholes 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. Share options are allocated to employees twice a year. It is a vital recruitment and retention tool in an increasingly competitive employment market.

Exceptional items

As explained above, Bango undertook a provisional Purchase Price Allocation process upon acquisition of DOCOMO Digital which resulted in a negative goodwill adjustment of $10.2M which is reflected within the consolidated statement of comprehensive income.

As part of the ongoing integration of DOCOMO Digital, Bango incurred certain costs related to personnel and overheads that are not part of the normal course of business. These have been included as exceptional costs within our profit & loss. These include both incurred costs and costs which have been communicated but not executed.

Financial results and earnings per share

The total loss after tax of $2.1M (2021 Profit : $0.4M) includes exceptional costs of $11.0M, exceptional income through recognition of negative goodwill of $10.2M, the Bango share of net loss from the NewDeep associate of $1.4M (2021 : loss £2.1M), share-based payments of $1.6M (2021 : $1.5M) and R&D tax credits from Bango investment in driving forward its technology of $1.2M (2021: $0.7M).

Basic loss per share was 2.81 cents (2021 earnings: 0.58 cents).

Statement of financial position

Net assets at 31 December 2022 decreased to $31.4M (31 December 2021: $36.8M). Investment in intangible assets that form the core of the business continue to be key and increased from $18.6M to $27.2M. Receivables and payables both increased as a result of the acquisition, reflecting the large cost burden of the acquired business against payables which includes liabilities under IFRS16 for leased offices and a deferred tax liability in respect of some withholding taxes. Receivables were again boosted by contracts converted late in the final Quarter with no abnormal debt payment issues. Accruals growth includes exceptional costs that will be expensed in FY2023.

Cash

Cash balance, including cash equivalents and cash held in short-term investments, at 31 December 2022 increased to $12.7M (2021: $9.7M) assisted by increasing sales, cash from the acquisition, favorable payment terms for a distribution contract and proceeds of share options exercised. Of this $2.9M is considered to be restricted and related to a discontinued business segment from the DOCOMO Digital acquisition. There are no bank borrowings.

Intangible assets

Intangible assets net book value of $27.2M (2021: $18.6M) showed an increase of $8.6M and includes acquired contract intangibles, as well as internally developed capitalized R&D. Intangible asset costs relating to capitalized internal R&D increased $7.3M, after a reduction of $2.4M due to foreign exchange movements to $30.8M from $23.5M in 2021 reflecting the continued drive to innovate for future growth. The net value of internally developed capitalized R&D also increased from $9.8M to $15.0M at the end of 2022. Internally generated R&D is amortized over 5 to 7 years, commencing upon deployment, with projects assessed in relation to their individual cash generation ability.

Liabilities

Lease liabilities at 31 December 2022 were $2.6M (2021: $0.1M) and have increased post-acquisition as a result of leased offices included with the DOCOMO Digital business.

Going concern

The combination of good operating cash flow and strong revenue growth supports the Directors' view that Bango has sufficient funds available to meet its foreseeable working capital requirements including costs related to any restructuring following the DOCOMO Digital acquisition. These requirements support the planned investment 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, exceptional items, negative goodwill and share based payment charge

Consolidated statement of comprehensive income for the year ended 31 December 2022

	2022	2021
	$ 000	$ 000
Revenue	**28,490**	20,704
Cost of sales	**(2,671)**	(1,231)
Gross profit	**25,819**	19,473
Other operating income	**1,123**	-
Administrative expenses	**(30,343)**	(18,928)
Adjusted EBITDA	**4,951**	6,178
Exceptional items	**(10,960)**	-
Negative goodwill	**10,203**	-
Share based payments	**(1,634)**	(1,547)
Depreciation	**(760)**	(224)
Amortization	**(5,201)**	(3,862)
Operating (loss) / profit	**(3,401)**	545
Finance costs	**(58)**	(10)
Finance income	**57**	11
Share of net loss of associates accounted for using the equity method	**(1,393)**	(2,081)
Loss before taxation	**(4,795)**	(1,535)
Income tax expense	**2,655**	1,977
(Loss) / profit for the financial year (attributable to equity holders of the company)	**(2,140)**	442
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign exchange on consolidation	**(4,921)**	(214)
(Loss) / profit and total comprehensive income for the financial year	**(7,061)**	228

(Loss) / earnings per share attributable to the equity holders of the parent

	2022	2021
Basic (loss) / earnings per share	**(2.81)c**	0.58c

Consolidated statement of financial position as at 31 December 2022

	2022	2021
	$ 000	$ 000
ASSETS		
Non-current assets		
Property, plant and equipment	**1,145**	242
Right of use assets	**2,640**	83
Intangible assets	**27,244**	18,645
Investments accounted for using the equity method	**3,766**	5,630
	34,795	24,600
Current assets		
Trade and other receivables	**22,016**	7,099
Research and development tax credits	**2,030**	778
Short-term investments	**41**	945
Cash and cash equivalents	**12,657**	8,706
	36,744	17,528
Total assets	**71,539**	42,128
EQUITY		
Capital and reserves attributable to equity holders of the parent company		
Share capital	**24,471**	24,392
Share premium account	**62,411**	62,057
Merger reserve	**2,886**	2,886
Share-based payments reserve	**4,029**	3,635
Foreign exchange reserve	**(2,812)**	2,109
Accumulated losses	**(59,541)**	(58,265)
Total equity	**31,444**	36,814
LIABILITIES		
Current liabilities		
Trade and other payables	**32,533**	5,209
Lease liabilities	**841**	56
	33,374	5,265

	2022	2021
	$ 000	$ 000
Non-current liabilities		
Trade payables	**512**	-
Lease liabilities	**1,801**	49
Deferred tax	**4,408**	-

	6,721	49
Total liabilities	**40,095**	5,314
Total equity and liabilities	**71,539**	42,128

Consolidated cash flow statement for the year ended 31 December 2022

	2022 $ 000	2021 $ 000
Cash flows from operating activities		
Net cash flow from operating activities	**5,867**	6,001
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	**9,179**	-
Acquisitions of property plant and equipment	**(1,435)**	(209)
Expenditure on capitalized development costs and intangible assets	**(9,640)**	(5,102)
Acquisition of other intangible assets	**-**	(1,048)
Short-term investments	**904**	(945)
Interest received	**57**	11
Net cash flows from investing activities	**(935)**	(7,293)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of issue costs	**433**	2,243
Interest paid	**(10)**	(7)
Repayment of other borrowing	**-**	(3)
Payments to finance lease creditors	**(451)**	(97)
Interest payment on finance	**(48)**	-
Net cash flows from financing activities	**(76)**	2,136
Net increase in cash and cash equivalents	**4,856**	844
Cash and cash equivalents at 1 January	**8,706**	7,958
Effect of exchange rate fluctuations on cash held	**(905)**	(96)
Cash and cash equivalents at 31 December	**12,657**	8,706

Consolidated statement of changes in equity for the year ended 31 December 2022

	Share capital	**Share premium account**	**Merger reserve**	**Share based payment reserve**	**Foreign currency translation**	**Retained earnings**	**Total**
	$ 000	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**
At 1 January 2022	**24,392**	**62,057**	**2,886**	**3,635**	**2,109**	**(58,265)**	**36,814**
Loss for the year	-	-	-	-	-	(2,140)	(2,140)
Foreign exchange translation	-	-	-	(376)	376	-	-
Foreign exchange on consolidation	-	-	-	-	(5,297)	-	(5,297)
Total comprehensive	-	-	-	(376)	(4,921)	(2,140)	(7,437)

income							
Share-based payment transactions	-	-	-	1,634	-	-	1,634
Transfer for exercised options	-	-	-	(864)	-	864	-
Exercise of share options and warrants	79	354	-	-	-	-	433
Transactions with owners	**79**	**354**	**-**	**770**	**-**	**864**	**2,067**
At 31 December 2022	**24,471**	**62,411**	**2,886**	**4,029**	**(2,812)**	**(59,541)**	**31,444**

	Share capital	Share premium account	Merger reserve	Share based payment reserve	Foreign currency translation	Retained earnings	Total
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
At 1 January 2021	**24,033**	**60,173**	**2,886**	**3,306**	**2,323**	**(59,804)**	**32,917**
Profit for the year	-	-	-	-	-	442	442
Foreign exchange translation	-	-	-	(121)	121	-	-
Foreign exchange on consolidation	-	-	-	-	(335)	-	(335)
Total comprehensive income	-	-	-	(121)	(214)	442	107
Share-based payment transactions	-	-	-	1,547	-	-	1,547
Transfer for exercised options	-	-	-	(1,097)	-	1,097	-
Exercise of share options and warrants	359	1,884	-	-	-	-	2,243
Transactions with owners	**359**	**1,884**	**-**	**450**	**-**	**1,097**	**3,790**
At 31 December 2021	**24,392**	**62,057**	**2,886**	**3,635**	**2,109**	**(58,265)**	**36,814**

1 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. The financial information for the year ended 31 December 2022 is unaudited.

Bango has prepared these accounts for the year ended 31 December 2022, in accordance with UK-adopted International Accounting Standards ("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. The financial information included in this preliminary announcement does not include all the disclosures required in accounts prepared in accordance with UK adopted International Accounting Standards (IFRS) and accordingly it does not itself comply with UK adopted International Accounting Standards.

The audit of the statutory accounts for the year ended 31 December 2022 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the directors in this preliminary announcement.

The financial information for the period ended 31 December 2021 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors have reported on the accounts for

the year ended 31 December 2021; their report was unqualified, did not include any matters to which the auditor drew attention by way of emphasis and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

These financial statements are presented in US Dollars (USD), the presentation currency of Bango PLC Group. The Group's functional currency is GBP Sterling. The directors have reviewed the functional currency of the group in light of the change in presentational currency and are comfortable that their assessment of GBP remains appropriate for the Group's functional currency.

2 Revenue

Revenue by product:

	2022	2021
	$ 000	$ 000
Payments - transactional & data monetization	**18,185**	15,684
Payments non-transactional (licensing of software, platform & technology), and integration	**10,305**	5,020
	28,490	20,704

Most income is currently recognized at a point in time rather than over time. Bango Plc believes that any further breakdown could reveal commercially sensitive information.

	2022	2021
	$ 000	$ 000
Annual recurring revenue	**4,963**	1,053
	4,963	1,053

Geographical analysis

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

	2022	2021
	$ 000	$ 000
United Kingdom (country of domicile)	**1,242**	948
EU	**3,765**	2,213
USA and Canada	**8,078**	4,428
Rest of the World	**15,405**	13,115
	28,490	20,704

All turnover is spread over many territories, of which $8.7M comes from two partners in the Rest of the World and $3.5M comes from a partner in USA and Canada. (2021: $2.6M from the partner in the USA and Canada, $6.7M from two partners in the Rest of the World).

3 Basic (Loss) / earnings per share

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

	2022	2021
Basic (loss) / earnings per share	**$ 000**	$ 000

(Loss) / profit for the financial year	**(2,140)**	442
Weighted average number of ordinary shares in issue	**76,173,439**	75,640,815

Basic (loss) / earnings per share	**2022**	2021
Basic (loss) / profit per share attributable to equity holders	**(2.81) c**	0.58 c

Basic adjusted earnings per share

Adjusted earnings per share is a key financial information which discloses the financial performance of the core business for which the directors have direct control. Adjusted basic earnings per share is determined as the profit attributable to equity holders of Bango Plc excluding the Bango Plc share of the net loss of associate for the period, negative goodwill and exceptional items divided by the weighted average number of ordinary shares in issue during the year.

	2022	2021
	$ 000	$ 000
Profit attributable to equity holders of Bango PLC:		
From continuing operations	**(2,140)**	442
Exceptional items	**10,960**	-
Negative goodwill	**(10,203)**	-
Share of net loss of associates accounted for using the equity method	**1,393**	2,081
Profit attributable to equity holders of Bango PLC	**10**	2,523
Weighted average number of ordinary shares in issue	**76,173,439**	75,640,815

Adjusted basic earnings per share attributable to equity holders (c)	**0.01 c**	3.34 c

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