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Bango PLC
15 September 2020

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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 2020.

1H2020 Financial highlights

- Revenue grew by 50% to £4.77M, up from £3.19M in 1H19
- Adjusted** EBITDA for 1H20 was £1.09M, 23% of revenue and more than double the entire FY2019 EBITDA of £0.45M
- End User Spend (EUS) for 1H20 was £743M and remains on track to reach £2B in 2020, continuing the exponential growth in EUS over the last 6 years
- Adjusted Operating costs*** of £3.60M is in-line with forecast (1H19: £3.25M)
- The Bango Platform generated cash in 1H20. Cash on 30 June 2020 was £4.18M (31 December 2019: £2.69M)
- Total comprehensive income was £3.92M**** (1H19: loss £1.19M)
- Basic EPS 4.94p per share from continuing and discontinued operations (1H19: loss 1.82p)

** NHN acquired 60% of Audiens in April 2020. The associate is accounted for using the equity method for consolidation purposes.*
*** Adjusted EBITDA is operating profit before depreciation, amortization, share based payments and exceptional items from continuing operations*
**** Operating costs before depreciation, amortization, share based payments and exceptional items from continuing operations.*
***** Includes income from the platform and the gain from the creation of the JV (see note 7) with NHN*

1H20 Operational highlights

- Joint Venture created with NHN Corp of South Korea to drive the Audiens CDP business forward. Bango retains 40% of the JV, allowing benefits to be realized from the growth anticipated following the NHN investment of cash and know-how.
- Signed 3-year platform deal with a leading global telecoms provider, worth at least

£1.5M, with opportunities for further revenue growth.

- Expansion of carrier billing for Amazon Japan to SoftBank customers extending the service to over 100M people in Japan driving new EUS and revenue growth.
- Continuing growth across all existing routes for merchants including Google, Amazon and Microsoft.
- Bango Marketplace now offers payment audiences in 7 out of the top 8 countries ranked by app store revenue.
- Over 1,600 app developers are now registered and engaged with Bango Marketplace, compared to 207 at the end of 2019.

Innovation powering growth

- Expanded into the "bricks and mortar" retailer sector with the first launch of bundled merchant services by major US retail giants through the Bango Platform.
- Enabled the first "pure-play 5G" streaming games service with Hatch Inc. in the US.

Post-period

- Partnership with ODK Media Inc., a provider of subscription video services targeting Korean and Chinese diaspora, driving future EUS and revenues.
- Expansion of Bango Marketplace across Asia with new partnerships announced in China, Hong Kong, Taiwan, India and Indonesia. The power of Bango Audiences to acquire new paying users is increasingly recognized by app-focused agencies, publishers and app developers around the world.

Paul Larbey, Chief Executive Officer at Bango, commented:

"Bango has delivered continued growth during a period of worldwide social and economic turbulence. Record revenue growth of 50%, adjusted EBITDA over double the entire FY19 amount, and an EBITDA margin of 23% during this period demonstrates the relevance and resilience of the Bango Platform.

Most revenue growth results from contracts and routes won in previous years, so it is encouraging for future growth that the payments business launched new merchants and new routes during a period when online spending surged. With retailers now joining the Bango circle and new wins such as the major telco platform deal announced in May, Bango is ideally positioned to continue delivering exponential growth.

The first half of the year has firmly established Bango Marketplace as an invaluable tool for App Developer marketing teams. Gaming giants such as Nexon and Nimble Neuron have joined the Bango ecosystem to increase the revenue generated through their marketing activities. The recent Bango Marketplace partnerships will allow Bango to grow the business even faster.

While our successes are global, the opportunity in Asia and the progress Bango is making in that region is particularly exciting and positions us well to meet our goal of being the technology behind every payment choice".

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Ray Anderson, Exec Chair	Matt Dixon	James Thompson
Carolyn Rand, CFO	Darius Alexander	Matthew Radley
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About Bango

Online businesses join the Bango ecosystem where merchants and payment providers converge, grow and thrive.

Being inside the Bango circle means global merchants including Amazon (NASDAQ: AMZN), Google (NASDAQ: GOOG) and Microsoft (NASDAQ: MSFT) are able to work together with payment partners from Africa to the Americas, accelerating the performance of everyone. By bringing these businesses together with unique data-driven insights, Bango delivers new dimensions of growth and new experiences for people around the world.

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

CEO statement

Payments business and EUS growth

Bango has always focused on growth for our partners; when they are successful, so is Bango. This focus clearly differentiates us in the market and is the reason why more partners continue to join the Bango circle to thrive.

The formula driving growth for Bango is:

More Users X More Routes X More Merchants X More Data Insights = Sustained Exponential Growth

More Users: 1H20 has seen a surge in online commerce. With restrictions on movement from COVID-19 measures, people across the world turned to online commerce with many purchasing apps, food and streaming services for the first time. This extended period of home stay has resulted in 45% more users making payments using the Bango Platform compared to 1H19. This growth in online commerce will benefit Bango moving forward.

More Routes:

- Expansion of carrier billing for the Amazon Japan store to SoftBank customers extending the service to reach over 100M Japanese consumers.
- During the peak of lockdown new Google routes were launched across three continents, adding first-time users from Asia to Africa to LATAM.
- Major deal (worth >£1.5M over 3 years) with global telecoms provider who joins the Bango circle, using Bango as their sole integration point for all third-party services.
- Expansion into the "bricks-and-mortar" retail sector, with the first retailers offering

multimedia bundles to their customers using the Bango Platform, initially in the USA.

More Merchants: Bango launched the first "pure 5G" service with streaming games provider Hatch in the USA. The recent announcement with ODK provide further growth opportunities for Bango as the OTT streaming market continues to expand.

More Insights: Bango Boost delivered good growth across all existing connections for merchants including Google, Microsoft and Amazon. In 1H20, two new technology enhancements were launched as part of the next generation of Bango Boost.

- Using Bango technology, customers of du Telecom (UAE telco) wanting to use carrier billing in the Google Play store were identified and targeted with an engagement message. Within two weeks of launching the campaign, 20% of the segment were making purchases using carrier billing.
- By analyzing the data insights in the platform, Bango helped an operator in Asia deliver an increase in subscription renewals from 85% to 95% for one merchant.

Data monetization

The Bango Platform offers unique insights into payment behavior. Bango Marketplace provides these insights as anonymized payment audiences, used to focus digital marketing campaigns run by app developers through Facebook, Google etc.

Just as Google allow marketing to be targeted based on what people "search for" and Facebook allow marketing to be targeted based on what people "like"; Bango Marketplace allows marketing to be targeted based on what people actually "buy". This focus on users more likely to pay helps marketers increase end user spending from their campaigns.

Bango Marketplace has made good progress in the 18 months since it was launched. More granular audiences are now available, distribution deals with marketing agencies increase coverage and more data is available than ever before. There are three good indications of success:

1) Proof of the value
    - Bango Audiences deliver up to nine times more paying users, boosting marketing effectiveness. This has been proven across app categories (from games to music to lifestyle apps) and across varying subscriber bases (from 20,000 to 55 million app installs). These users are typically more engaged and deliver a greater return to the developer as a result. In one campaign, app developer Nimble Neuron doubled the number of paying users acquired and found that those users showed a 15% increase in engagement. Korean App giant Nexon found that Bango Audiences perform better, with higher conversion rates compared to standard demographic targeting.

2) App developer engagement
    - Over 1,600 app developers are now registered and engaged with Bango Marketplace, compared to 207 at the end of 2019.

- New partnerships have been signed with leading games publishers, agencies and performance networks who promote and distribute Bango Marketplace.
- Recognizing the high revenue potential of new apps optimized for 5G mobile data networks, Bango has partnered with 5G app agency Non-Voice Inc. to accelerate the adoption of these 5G specific apps.

3) Value of payment data available
    - Bango Audiences are now available in 7 out of the top 8 markets measured by app store revenue. (US, Japan, UK, Taiwan, Canada, South Korea and Australia)
    - Bango Audiences were enhanced with more third-party non-DCB payment data including credit card data.
    - AI-driven analysis enables Bango to provide more granular audiences that complement payment data with app genre information (such as role-playing gamers, puzzle gamers etc). Additionally, audiences can be increased in size by analyzing users with similar profiles across a larger data set. These techniques build larger audiences of highly relevant users, which drive even better results for app marketers.

Strategic Partnership with NHN and Audiens Customer Data Platform (CDP)

The Audiens CDP business achieved targets ahead of plan in 2019. Nonetheless, Bango recognized that an increased focus and investment would boost the market opportunity in a world where the role of data for businesses continues to grow in importance. In April, Bango completed the creation of a joint venture with NHN Corp of South Korea to drive the Audiens CDP business forward. Bango retains a 40% shareholding in Audiens allowing Bango to fully benefit from the expanded opportunities for Audiens from NHN's technology expertise and investment.

NHN also extended its partnership with Bango, becoming a strategic investor by taking a 4.7% stake. This partnership opens-up global opportunities for both companies and highlights Bango's strong relationships in the Asia Pacific region.

Strengthened team

In January, several governance changes were announced to strengthen Bango for accelerated growth.

- Ray Anderson, previously Chief Executive Officer of Bango, became Executive Chair of Bango, focusing on developing strategic partnerships with large global partners in Asia and the USA.
- Paul Larbey joined the Bango Board as Chief Executive Officer after having served as Chief Operating Officer since March 2019.
- Eric Peacock took on the position of Senior Independent Director on the Bango Board, overseeing corporate governance.

The Bango culture remains as strong as ever. The team moved seamlessly to a home working model following COVID-19 restrictions and, as these results demonstrate, Bango delivered significant growth across the business despite the challenges of lockdown to businesses everywhere.

During the peak of lockdown Bango conducted the annual employee engagement survey. Bango has always ranked amongst the best in class for employee engagement, but this year saw the highest ever score, demonstrating the strength of employee engagement that underpins these high levels of growth.

Outlook

Bango maintains a confident outlook for the future and remains on track for £2B EUS in 2020, continuing the exponential growth delivered by Bango over the last 6 years. This will be driven by several factors:

Strong pipeline

- The second half of 2020 will see the benefit of the new contracts and connections made in 1H20, including the launch with SoftBank, especially in 4Q20 which is traditionally a period of high online spend.
- The deal pipeline for 2H20 is strong as new streaming, games and lifestyle brands join the Bango circle to help them attract, retain and monetize new customers.

Expanding addressable market

- In 2019 the Bango Payment business expanded from Mobile Network Operators to include PayTV, cable and fixed-line operators. In 2020, this has expanded further into the retail sector. This expansion takes Bango from a primary focus on mobile commerce to a global platform for data-driven commerce across multiple sectors.
- Bango signed an agreement with an agency who will use Bango Audiences in marketing campaigns for their retail customers. Taking Bango Audiences beyond app developers for the first time promises growth into new markets, to further increase the size of the opportunity for Bango Marketplace.

Increased adoption of mobile commerce

- The restrictions on movement from COVID-19 lockdowns triggered an acceleration of online commerce (ref: IBM Retail Index, August 2020). For the Bango business this is evident in the 45% growth in users on the Bango Platform. Many new users made their first in-app purchase in the Google Play store and subscribed to a streaming service for the first time. For many of these new users, what started as a lockdown trend will become a long-term habit, which gives Bango partners a larger base of customers for their businesses. These new users give app developers more opportunities for focused marketing using the audiences from Bango Marketplace.

Launch of new services

- The low latency and high data speeds of 5G will see the launch of sophisticated new services which were not previously viable. From games to virtual and augmented

reality, these new services will benefit from Bango's payment connections and from Bango Audiences as they launch and look to acquire paying customers.

Summary

This has been a strong period of continuing growth and expansion into new sectors for Bango and the Board is very pleased with the growth and the move into profitability. The Board has confidence in the virtuous circle strategy where more payment data produces more data insights, which drives more payments and the circle thrives and grows.

Paul Larbey

Chief Executive Officer

CFO statement

The Bango Platform continues to grow strongly and delivered revenue growth of 50% and an Adjusted EBITDA margin of 23% in 1H20.

On 6 April 2020, Bango completed a strategic partnership with NHN Corp, a South Korean data and payments company. NHN invested $8M for a 60% shareholding in Bango Deep Limited (the holding company of Audiens), now known as NewDeep Limited, with Bango retaining 40%. The consolidated income statement reports the results for the Deep Group as discontinued and these are consolidated under equity accounting. The combined continuing and discontinued operations reported revenue of £4.95M, excluding the revenue of the associate.

Bango business model

Bango reports on one line of business, payment transactions processed by the Bango Platform for the world's leading merchants for both physical and digital goods and data activity from the monetization of payment data.

End User Spend (EUS)

EUS is total value of transactions processed by the Bango Platform (excluding taxes). It is the most significant Key Performance Indicator that management uses to measure the growth of the business and data within the platform and the continued success of Bango customers and partners.

EUS for 1H20 was up 59% to £743M (1H19; £467M).

Revenue

Total revenue from continuing operations increased 50% YoY to £4.77M (1H19: £3.19M).

Bango earns payment revenue from transactions processed through the Bango Platform and data monetization revenue from the insights provided through this activity. Bango also earns other fees, such as integration fees, which are recognized on completion of contracted milestones.

Gross margin was 98% of revenue in 1H20; the same as 1H19.

Operating expenditure of continuing operations

Bango Group operating costs of £3.60M for the first half of 2020 (1H19: £3.25M) were in-line with forecast.

Bango Group Adjusted EBITDA was a positive £1.09M, (1H19: -£0.12M) as a result of significant revenue growth (Adjusted EBITDA is operating profit before depreciation, amortization, share based payments and exceptional items from continuing operations)

The share-based payment charge for 1H20 was £0.28M (1H19: £0.44M) 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 1H20 was £1.04M (1H19: £0.73M) as R&D projects capitalized were deployed (£0.85M) and new IP was acquired in the strategic partnership (£0.19M). Depreciation for 1H20 was £0.18M (1H19: £0.23M)

Prior year restatements and reclassifications

The 1H19 consolidated income statement has been restated to include the impact of operations now classified as discontinued (see note 7).

Adjusted exceptional items in discontinued operations

In 1H20 Bango Plc entered a strategic partnership with NHN Corp, following an investment through a share issue by Bango Deep Limited which resulted in NHN Corp owning 60% and Bango retaining 40%. In addition, NHN injected its data and science know-how to accelerate the Audiens data business.

The Bango Deep Group was renamed Newdeep Limited in May 2020 and owns the Audiens SRL and Audiens Limited subsidiaries.

The retained 40% interest held by Bango has been accounted for by the group as an associate. The interest in the associate has been determined by measuring the fair value as a proportion of the value invested in the Newdeep Group and this includes the acquired intangible assts and proprietary software retained in the Group. A gain of £4.11M (net of transactional costs) resulted on the sale of the 60% as detailed in note 7.

In 1H20 Bango incurred and separately disclosed items that are considered non-recurring and exceptional. These comprise non-recurring legal and advisor fees, and other expenses due to the divestment of Audiens into the strategic partnership with NHN Corp.

The Board is of the opinion that the nature and materiality of these items makes it appropriate to classify these as 'exceptional' and that this provides a more useful presentation of the underlying performance of the Group.

In determining whether an event or transaction is exceptional, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence as well as the size and nature of an item both individually and when aggregated with similar items for example restructuring costs, product development or asset write-offs.

This presentation is consistent with the way that financial performance is measured and reported to the Board and assists in providing a meaningful analysis of our trading results.

Profit and earnings per share

The total comprehensive income after tax was £3.92M (1H19: loss £1.19M) including the accounting profit on the disposal of 60% of Bango's shareholding in in Bango Deep Limited.

Basic earnings per share from continuing and discontinued operations was 4.94p(1H19: loss 1.82p).

Cash

Cash balances at 30 June 2020 stood at £4.18M (31 December 2019 £2.69M).

Going concern

A combination of strong operating cash flows 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.

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.

Carolyn Rand

Chief Financial Officer

Consolidated statement of comprehensive income
for the six months ended 30 June 2020

	Notes	Six months ended 30 June 2020 Unaudited £ '000	Six months ended 30 June 2019 Unaudited £ '000
Alternative performance measure (Non-IFRS)			
End User Spend	**4**	**743,045**	**467,236**
Revenue		4,770	3,186
Cost of sales		(77)	(53)
Gross profit		**4,693**	**3,133**
Operating costs		(3,599)	(3,253)
Operating profit before depreciation, share based payments, amortization and exceptional items *		**1,094**	**(120)**
Share based payments		(284)	(435)
Depreciation		(179)	(234)
Amortization		(1,042)	(733)
Exceptional items*		-	(165)
Total administrative expenses		**(5,104)**	**(4,820)**
Operating loss		**(411)**	**(1,687)**
Net interest payable		(27)	(2)
Share of net loss of associates accounted for using the equity method		(230)	-
Loss before taxation from continuing operations		**(668)**	**(1,689)**
Income tax		271	215
Loss from continuing operations**		**(397)**	**(1,474)**
Profit from discontinued operations	7	3,962	190

Profit / (loss) for the period (attributable to equity holders of the company)		**3,565**	**(1,284)**
Other comprehensive income			
Foreign exchange on consolidation		320	90
Foreign exchange realized on discontinued operations	7	33	-
Total comprehensive income for the period attributable to equity holders of Bango PLC		**3,918**	**(1,194)**
Basic earnings /(loss) per share	**5**		
From continuing operations		(0.55)p	(2.09)p
From continuing and discontinued operations		4.94p	(1.82)p
Diluted earnings /(loss) per share			
From continuing operations		(0.55)p	(2.09)p
From continuing and discontinued operations		4.88p	(1.82) p

*Exceptional Administrative items relate to the business rebranding
Notes 1 to 9 are an integral part of the consolidated interim financial statements.
** Includes £0.19M of Amortization of IP gained from the strategic partnership and £0.23M loss from the associate

Consolidated statement of financial position as at 30 June 2020

	Notes	30 June 2020 Unaudited £ '000	31 December 2019 Audited £ '000
ASSETS			
Non-current assets			
Property, plant and equipment		195	283
Right of use assets		496	931
Intangible assets		12,574	12,201
Investments accounted for using the equity method	8	5,986	-
		19,251	**13,415**
Current assets			
Trade and other receivables		2,295	2,588
Research and development tax credits		736	597
Cash and cash equivalents		4,183	2,687
		7,214	**5,872**

Total assets		**26,465**	**19,287**
EQUITY			
Capital and reserves attributable to equity holders of Bango PLC			
Share capital	6	14,879	14,137
Share premium account		38,706	36,057
Merger reserve		2,175	2,175
Other reserve		4,810	4,526
Foreign exchange revaluation reserve		430	77
Accumulated losses		(38,710)	(42,275)
Total equity		**22,290**	**14,697**
LIABILITIES			
Current liabilities			
Trade and other payables		2,565	3,421
Lease liabilities		212	303
		2,777	**3,724**
Non-current liabilities			
Lease liabilities		375	748
Deferred tax liability		1,023	118
		1,398	**866**
Total liabilities		**4,175**	**4,590**
TOTAL EQUITY AND LIABILITIES		**26,465**	**19,287**

Notes 1 to 9 are an integral part of the consolidated interim financial statements.

Consolidated cash flow statement for the six months ended 30 June 2020

	Six months ended 30 June 2020 Unaudited	Six months ended 30 June 2019 Unaudited
	£ '000	**£ '000**
Net cash generated / (used by) operating activities	**217**	**(412)**

Cash outflow from investing activities		
Purchases of property, plant and equipment	(44)	(77)
Addition to intangible fixed assets	(1,004)	(1,046)
Purchase of remaining shares in Audiens	(989)	-
Interest received	-	12
Net cash outflow from investing activities	**(2,037)**	**(1,111)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	3,391	136
Interest payable	(18)	(7)
Interest payments on finance lease obligations	(14)	(15)
Capital repayments on finance lease obligations	(123)	(133)
Net cash generated from financing activities	**3,236**	**(19)**
Net increase / (decrease) in cash and cash equivalents	**1,416**	**(1,542)**
Cash and cash equivalents at beginning of period	2,687	3,815
Exchange differences on cash and cash equivalents	80	(19)
	2,767	**3,796**
Cash and cash equivalents at end of period	**4,183**	**2,254**

Notes 1 to 9 are an integral part of the consolidated interim financial statements.

Consolidated statement of changes in equity for the six months ended 30 June 2020

	Share capital	Share premium account	Merger reserve	Other reserve	Foreign exchange reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2019	**14,054**	**35,797**	**2,175**	**3,880**	**161**	**(40,099)**	**15,968**
Share based payments	-	-	-	436	-	-	**436**
Exercise of share options	37	98	-	-	-	-	**135**
Transactions with owners	**37**	**98**	**-**	**436**	**-**	**-**	**571**
Loss for the period	-	-	-	-	-	(1,284)	**(1,284)**
Foreign exchange of consolidation	-	-	-	-	90	-	**90**
Total comprehensive income for the period	-	-	-	-	**90**	**(1,284)**	**(1,194)**
Balance at 30 June 2019	**14,091**	**35,895**	**2,175**	**4,316**	**251**	**(41,383)**	**15,345**
Balance at 1 January 2020	**14,137**	**36,057**	**2,175**	**4,526**	**77**	**(42,275)**	**14,697**
Share based payments	-	-	-	284	-	-	**284**
Exercise of share options	39	161	-	-	-	-	**200**
Issue of new shares	703	2,488	-	-	-	-	**3,191**

Transactions with owners	**742**	**2,649**	**-**	**284**	**-**	**-**	**3,675**
Profit for the period	-	-	-	-	-	3,565	**3,565**
Foreign exchange realized on discontinued operations	-	-	-	-	33	-	**33**
Foreign exchange of consolidation	-	-	-	-	320	-	**320**
Total comprehensive income for the period	-	-	-	-	**353**	**3,565**	**3,918**
Balance at 30 June 2020	**14,879**	**38,706**	**2,175**	**4,810**	**430**	**(38,710)**	**22,290**

Notes 1 to 9 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 and principal place of business is at 5 Westbrook Centre, Cambridge CB4 1YG, UK.

The interim financial statements have been approved for issue by the Board of Directors on 14 September 2020.

2. Basis of preparation

The condensed interim financial information for the half year ended 30 June 2020 has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRS). They do not include all of the information required in the annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

The consolidated interim financial information has been prepared under the historical cost convention.

The cash flow forecasts of Bango anticipate increased cash generation from trading operations, therefore the Directors have a reasonable expectation that there are adequate resources to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

3. Principal accounting policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2019 except as noted below.

Changes in ownership interest

Following a loss of control, the subsidiary's net assets including any goodwill will be disposed from the Group's accounts. The gain on disposal is determined by offsetting the net assets against the fair value of consideration and assets received. In addition, any

amounts previously recognized in other comprehensive income in respect of the former subsidiary are reclassified to the income statement. The results of the subsidiary to the date of disposal and the profit or loss on the disposal are shown in discontinued activities.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights of an entity. Investments in associates are initially recognized at cost and thereafter accounted for using the equity method of accounting.

Under the equity method of accounting, the investment is adjusted from its initial cost with the Group's share of the post-acquisition changes to shareholders funds from the associate entity and recognized in the consolidated statement of financial position. In addition, the Group's share of the post-acquisition profit or losses are recognized in the income statement with any movement in the associate entity's other comprehensive income reported in the Group's other comprehensive income. Dividends received or receivable from associates are also adjusted against the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in
the entity, including any other unsecured long-term receivables, the Group does not recognize further
losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment annually or when events would indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognized immediately in profit or loss

4. Turnover

Bango, based on the information reviewed by the chief operating decision maker, reports on one segment of turnover following the disposal of the former subsidiary.

(a) End User Spend
As a non IFRS alternative performance measure, Bango has identified EUS as its key performance indicator on which all management decisions surrounding investment in the platform and development of intangible assets are based.

	Six months ended 30 June 2020 Unaudited £ '000	Six months ended 30 June 2019 Unaudited £ '000
End User Spend	**743,045**	**467,236**

Key business decisions are based on the total value and volume of transactions that Bango has processed in each month through its payment platform.

Management reporting is based principally on information on the type of customer and strategic decisions are made after consideration of the gross profit generated from the Group and growth objectives.

5. Earnings / (loss) per share

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

	Six months ended 30 June 2020 Unaudited £ '000	Six months ended 30 June 2019 Unaudited £ '000
Loss from continuing operations	(397)	(1,474)
Profit from discontinued operation after tax	3,962	190
Profit / (loss) attributable to equity holders of Bango PLC	3,565	(1,284)
Weighted average number of ordinary shares in issue	72,156,812	70,361,350
Basic earnings / (loss) per share		
From continued operations	(0.55)p	(2.09)p
From discontinued operations	5.49p	0.27p
Basic earnings / (loss) per share attributable to equity holders from continuing and discontinued operations	4.94p	(1.82)p

Diluted earnings / (loss) per share

At 30 June 2020 5,093,478 options over ordinary shares of (30 June 2019: 4,744,439) were outstanding. 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.

For diluted earnings per share for continuing and discontinued operations for the current period the dilutive effect of share options is 847,989 shares which reduces the basic earnings per share by 0.06p to 4.88p.

6. Share capital

Allotted, called up and fully paid:
Ordinary shares of 20p each in Bango PLC

	No	£
As at 31 December 2018	**70,267,908**	**14,053,582**
Exercise of share options	417,834	83,566
As at 31 December 2019	**70,685,742**	**14,137,148**
Issue of new shares	3,515,500	703,100
Exercise of share options	194,292	38,859
As at 30 June 2020	**74,395,534**	**14,879,107**

7. Discontinued operations

a) Bango Plc lost control of the Bango Deep Limited on 6 April 2020, following a share issue by Bango Deep Limited which resulted in NHN Corp owning 60% of the share capital. The Bango Deep Limited Group including its subsidiaries Audiens Srl and Audiens Limited is reported in the current period as a disposal within discontinued operations. Bango Plc still retains a 40% interest in the Newdeep Group and has accounted for the Bango Deep Limited Group as an associate using the equity method of accounting.

(b) Financial performance and cash flow information of the associate

Financial performance and cash flow information presented are for the period ended 6 April 2020

	30 Jun 2020 Unaudited £ '000	30 Jun 2019 Unaudited £ '000
Revenue	184	1,134
Expenses	(326)	(1,009)
Depreciation & amortization	(13)	(126)
Exceptional items - transactional costs	(738)	-
Profit on sale of the subsidiary (Note 7c)	4,846	-
Profit before tax	**3,953**	**(1)**
Taxation	42	191
Profit after tax from discontinued operation	3,995	190
Exchange differences on translation of discontinued operations	(33)	-
Profit after tax	**3,962**	**190**
Total comprehensive income from discontinued operations	**3,962**	**190**

Cash movements from discontinued activities

Net cash inflow from operating activities	150	355
Net cash flow from investing activities	(208)	(336)
Net cash flow from financing activities	(2)	-
Net decrease in cash generated by the subsidiary	**(60)**	**19**

(c) Details of the disposal of the subsidiary

	2020
	£ '000
Intangibles, property, plant and equipment	2,976
Goodwill	2,548
Trade receivables, cash & other debtors	969
Research and development tax credits	187
Total assets	**6,680**
Trade creditors	833
Deferred tax liability	114
Total liabilities	**947**
Net assets	**5,733**

	2020
	£ '000
Fair valuation of 40% investment in associate	6,216
Acquired Intangible assets - proprietary software retained in Group	5,386
Carrying amount of net assets	(5,733)
Deferred tax on acquired intangible assets	(1,023)
Profit on sale of subsidiary	**4,846**

8. Interest in associates

The table below provides the summary of the financial information of the associates that is material to the Group. They have been amended to the reflect the adjustments using the equity method and modifications and differences in accounting policy. The interest in

the associate has been determined by remeasuring the fair value as a proportion of the value invested in the Bango Deep Group by NHN Corp.

	£ '000
Opening balance as at 1 January 2020	-
Addition - fair value of interest retained in the Bango Deep Group	6,216
Share of operating losses	(230)
Closing balance as at 30 June 2020	5,986

9. Publication of non-statutory accounts

The condensed consolidated interim financial information was approved by The Board of Directors on 14 September 2020. 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 2019 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 2019 is unaudited. The interim report together with an analyst briefing presentation will be distributed to all shareholders shortly and will be available on the Bango investor site at www.bangoinvestor.com.

Independent review report to Bango PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 June 2020 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. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The interim financial report is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing and presenting the interim financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements as adopted by the European

Union. 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 International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements, as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board 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.

Conclusion

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 2020 is not prepared, in all material respects, in accordance with the presentation, recognition and measurement criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements as adopted by the European Union, and the AIM Rules of the London Stock Exchange.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "'Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. 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
North Wing East
126-130 Hills Road
Cambridge
CB2 1RE

Date 14 September 2020

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