RNS Number : 5244M
Bango PLC
17 September 2019

17 September 2019

BANGO PLC
("Bango")

Interim Results

Bango (AIM: BGO), the mobile commerce company, today announces its unaudited interim results for the six months ended 30 June 2019.

1H2019 Financial highlights

End User Spend (EUS) for 1H2019 exceeded £465m, more than double the £220m EUS for 1H2018. This marks the fifth consecutive year of growth in EUS of more than 100%.

- Revenues increased 64% to £4.32m (1H2018: £2.63m)
- Group Adjusted EBITDA* £0.01m (1H2018: loss £0.92m)
- Adjusted Operating Expenditure** £3.60m in-line with forecast (1H2018: £3.30m) including increased product development and investment in data business
- Cash £2.25m at 30 June 2019 (30 June 2018: £5.88m; 31 Dec 2018: £3.81m) Sufficient to fund the Group to cash generation, and support planned investment to grow sales and develop new products

** Adjusted EBITDA is Operating profit before depreciation, amortization, share based payments and exceptional items.*
*** Operating expenditure before depreciation, amortization, share based payments and exceptional items.*

1H2019 Operational highlights

- Demand for Bango Marketplace has grown with 9X increase in registrations
- New payment and resale routes launched in India, Philippines, New Zealand, UAE, Chile, Singapore and Spain. Partners include cable and fixed line providers, in addition to Mobile Network Operators
- New Bango resale technology opens-up the 3Bn+ pre-paid mobile market to OTT media companies
- Expansion of Amazon relationship to new markets and additional services, including Prime Now and Twitch Prime

Post-period

- Partnership with Spotify announced
- New major merchant signed, expected to launch during second half of current financial year
- Google Direct Carrier Billing (DCB) for first time in Morocco and Myanmar; Amazon resale in Europe; Spotify in North America
- Internet of Things (IoT) project for vehicles paying highway tolls in USA

Delivering the Bango Platform strategy

- Reliable and efficient processing of payments on a technologically advanced, fixed-cost platform
- Analysis and segmentation of payment data using advanced, privacy-enhancing techniques to generate high value marketing audiences
- Virtuous circle for Bango customers driving transaction growth through more effective marketing using Bango audiences

Ray Anderson, Chief Executive Officer at Bango, commented:

"The Bango strategy continues to deliver success for our customers and this is being demonstrated by the continued, rapid growth in the Bango business. 2019 has seen strong performance across the business, with payment and resale growing in multiple markets, and Bango Marketplace attracting more developers and delivering more audiences. The outlook is promising as the synergies across the Bango business deliver increasing value to our customers".

Contact Details:

Bango PLC	**FTI Consulting**	**finnCap**
Tel. +44 333 077 0247	Tel. +44 203 727 1000	Tel. +44 207 200 0500
Ray Anderson, CEO	Matt Dixon	Marc Milmo
Carolyn Rand, CFO	Darius Alexander	James Thompson
Anil Malhotra, CMO	Leah Dudley	Matthew Radley

About Bango

Cross the threshold into the thriving 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 on the inside. By bringing businesses together and powering e-commence with unique data-driven insights, Bango delivers new dimensions of growth and new experiences for people around the world.

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

CEO's statement

Payments business and EUS growth

The first half of 2019 has seen Bango deliver more merchants, more payment routes activated, more service offerings from existing customers and more efficient use of data to drive up transaction volumes, ultimately acquiring more users for Bango customers. End User Spend (EUS) in 1H2019 grew to £467m, more than double the value a year earlier (1H2018: £220m).

The fast growth of business from the increasing range of services launched, and established merchants and countries, supports Bango confidence that continued annual doubling of EUS is expected, driving more valuable data into the Bango Platform and more sales revenue for Bango and its partners.

Specific examples during 1H2019 include:

- New routes activated in India, Philippines, New Zealand, UAE, Chile, Singapore and Spain
- New partners include cable and fixed line providers, in addition to Mobile Network Operators
- Expansion of Amazon relationship to new countries
- More independent merchants on the Bango Platform including Spotify and AE Tolls

New and innovative Bango Resale technology released to our partners in 1H2019 opened-up 3Bn+ mobile pre-paid users to Over-The-Top (OTT) media companies that offer subscriptions for music, movies and other content and services. These pre-paid users are concentrated in markets where our partners are focusing their customer acquisition investments, making Bango technology highly significant to drive new revenue streams for Bango customers.

Bango's agreement with AE Tolls is enabling the use of the Bango Platform to collect automotive tolls on freeways using Direct Carrier Billing, opening up new opportunities for growth in the $21Bn electronic tolling market.

These examples of market-leading innovation underscore the importance of the continuing investment in R&D made by Bango management.

By ensuring there are no significant incremental costs for processing payment transactions, payment processing margins continue to be close to 100%. To stay ahead of this rapid growth in the business, Bango Platform capacity has again been increased, within current stable operating costs, by applying new techniques and increasing use of cloud-based, on-demand capacity to comfortably handle the short term peaks and surges in transaction volumes associated with merchant campaigns and user behavior.

Data monetization

Bango intelligently analyzes the large volumes of data it processes for payment providers to generate valuable audiences of users based on their payment behavior. For developers, acquiring customers that are known to actually pay in-app is hugely valuable.

With customer consent verified by payment partners, Bango offers these audiences to app developers though the Bango Marketplace at bango.com.

Audiences are used in Facebook and other marketing tools, with a focus on app developers, who may spend as much as half of their revenues on marketing to generate new paying users.

Following its launch in early 2019, Bango Marketplace now offers more than 60 audiences across more than 20 countries. The launch of Bango Marketplace is supported by a newly established sales and marketing team that focusses on app developers in countries including China, USA, Japan, Korea and others.

While Bango Marketplace is at an early stage in its evolution, it is beginning to generate revenue for Bango, creating case studies that can be used to confirm the unique value of these Bango generated audiences and the compelling economics of using them for app developers.

Payment providers earn a share of revenue generated from audience sales when they provide data to Bango as part of payment processing, or by other means.

Bango has been approached by providers of payment data beyond its powerful DCB partners and is currently investigating processing these new data sources to provide audiences that have a greater reach than carrier billing alone.

Audiens Customer Data Platform (CDP)

Audiens CDP makes it simple to collect, organize, activate and analyze customer data with no programming skills. With the knowhow and technology expertise that the Audiens acquisition brought to Bango now fully integrated with the Bango Platform, the Audiens business is focussed on its core CDP opportunity.
The Audiens Customer Data Platform (CDP) is performing very well. New customers won in 1H2019 include Experian (global data company), Iper (hypermarkets), Tamoco (location data), and Nextplora (insight management).

Strengthened team

The senior management team was strengthened with the appointment of Paul Larbey as Chief Operating Officer, announced in February. Paul joined from a senior role at Nokia. Nancy Cruickshank, SVP Digital Business Transformation at Carlsberg, joined Bango as Non-Executive Director, announced in January.

Bango also established a regional hub in Malaysia to support expansion plans in Asia. This will provide increased support for activities in India and service the strong interest in Bango Marketplace from Chinese app businesses.

Outlook

Continuing, strong EUS growth

Delivery of services via apps to billions of users worldwide is a fast growth opportunity. Amazon, Microsoft, Pandora, Google Play app developers and others, will drive continued EUS growth through the Bango Platform.

New payment routes into additional countries, and with additional payment partners and wallet providers, will add EUS growth for all merchants globally.

New opportunities that will add additional EUS in the short term and drive substantial growth in the coming years include: content types such as AR/VR; faster 5G networks enabling streaming games services; app developers such as Spotify; IoT.

Data monetization powers growth

The Bango Marketplace, launched in 1H2019, is beginning to generate revenues for Bango as it wins initial app developer customers.

The average marketing cost to get a user to install an app is $4 with only around 10% of those that install an app going on to make a payment, making the cost to acquire a paying user more than $35. In top markets, the cost rises to nearer $70, with only 5% of installs resulting in a paying user. (Liftoff, "*Mobile Gaming Apps Report: 2019 User Acquisition Trends & Benchmarks").*

Data gathered by Bango across hundreds of millions of users spending over $1Bn/year through apps is analyzed to generate unique, high value audiences of users that are proven to pay in apps. Facebook campaigns focused on using Bango generated audiences can be nine times

more effective in acquiring paying users than those without. App developers gain access to these audiences in Bango Marketplace (at bango.com). As app developers gain advantage using Bango, others will have to use Bango to remain competitive.

Bango payment data is an innovation in developer marketing. With consumer spending expected to be $190 billion by 2020, from the Google and Apple app stores alone (App Annie, 2019), competitive advantage is increasingly important.

Synergy between payment and data activity

By monetizing payment data through Bango Marketplace, payment providers will unleash substantial additional revenues from their un-tapped data. This will make the value of Bango as a payment platform higher, and drive more payment routes and payment data into the Bango Platform.

Increased marketing efficiency, higher EUS and more happy customers all drive the success of Bango virtuous circle strategy, making Bango the place where people and businesses converge, grow and thrive.

Capacity for Innovation: Data processing AI / Machine learning / hyper-scale

With volumes of data across hundreds of millions of purchasing transactions feeding into Bango, the opportunities to increase the use of machine learning and AI to extract more value from the data are increasing. Alongside internal Bango deep data projects to generate more value, Bango is in early stage discussions with several global leaders in data monetization to explore how to capture this value in a safe, secure and scalable way, outside the Bango primary market of app developers.

Summary

It has been a strong period for the Group and the Board is pleased with the continued growth in the Bango Platform and the encouraging engagement with customers for Bango Marketplace. The Board has confidence in the outlook for Bango as it continues to grow and deliver on the strategy.

Ray Anderson

Chief Executive Officer

CFO's statement

I am delighted with the financial performance of the Bango business in the first half of 2019.

Bango business model

Bango reports on two synergistic lines of business. EUS activity relates directly to payment transactions through the Bango Platform for the world's leading merchants for both physical and digital goods. Data activity business is from the monetization of valuable data from mobile operators and other payment providers, and includes business generated by the Audiens CDP which serves marketeers and advertisers monetizing data.

End User Spend

EUS is total sales value processed through the Bango Platform excluding taxes. EUS shows the growth of commerce through the Bango Platform. It is the most significant Key Performance Indicator that management uses to measure the growth of the business and the continued success of Bango customers and partners.

EUS for 1H2019 was up 112% to £467m, (1H2018; £220m) due to growth from existing activations and additional EUS from new activations in 1H2019. In 2019, Bango has seen growth across all major partners connected to Bango, including Google Play, Amazon, Microsoft and other streaming video and audio merchants. Streaming subscriptions (including Spotify announced post period) generate a recurring revenue stream for Bango, complementing the more transactional in-app and app store purchases. The Bango Platform is increasing transaction volumes at low fixed cost to drive revenue and profit to Bango in 2019 and beyond.

Revenue

Total revenues increased 64% YoY to £4.32m (1H2018: £2.63m). Revenue earned from processing EUS increased to £3.18m from £2.22m in 1H2019, an increase of 43%. Bango earns payment revenue from every transaction processed through the Bango Platform. Revenue is either a fee based on the value of the transaction or a fixed fee per transaction. Each additional sale by a merchant using the Bango Platform adds to EUS and increased revenue. Pricing is generally volume based, so the transaction price is lower for merchants processing the highest volumes of transactions.

Data monetization revenue increased to £1.14m from £0.42m in 1H2019, an increase of 173%. Bango earns data revenue either as a share of the fee earned by offering data audiences to merchants or other advertisers, or as a monthly SaaS fee for providing the Audiens CDP to create data segments advertisers directly develop and use.

From the cost of sales of £0.72m in the segmental reporting, £0.67m relates to data revenue. The cost of sales is the revenue paid to data suppliers, which is then turned into audiences and monetized by Bango.

Operating expenditure

The group adjusted operating costs (operating expenditure adjusted for depreciation, amortization, foreign exchange, stock option expense, exceptional items) of £3.60m for the first half of 2019 (1H2018: £3.30m) was in-line with forecast.

The EUS business was EBITDA positive for 1H2019. The Bango Platform can process EUS at many times current levels with no additional operational cost. The capacity of the platform is regularly tested to rates in excess of £15bn of EUS a year, and to hundreds of transactions per second to ensure there is always headroom in the platform to handle sudden surges in volume.

Costs related to Bango data business include the costs for operating the Audiens subsidiary and central costs necessary to support the business unit including accounting, IT and legal fees. Bango expects the costs for 2H2019 to be in line with 1H2019.

Key Audiens technology was replicated into the Bango Platform to support the launch of Bango Marketplace, and to enable Audiens CDP to provide similar services to marketers outside the Bango app developer base.

Bango has invested in more legal and security reviews to support the growth of Audiens as it benefits from regulatory clarity through the introduction of GDPR and improved consumer transparency offered by Facebook, Google and others.

The share-based payment charge for 1H2019 was £0.44m (1H2018: £0.45m) calculated using the Black-Scholes model. It relates 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 1H2019 was £0.85m (1H2018: £0.71m) relating to capitalized development costs and acquired intangibles from prior years were deployed.

Depreciation was £0.24m (1H2018:0.13m) reflecting the fixed asset additions in the period.

Loss and loss per share

The loss after tax was £1.24m (1H2018: £1.92m) Bango invested in acquiring and integrating the Audiens business in 2018 and has continued in 1H2019 to use discretionary spend to drive future growth from new Bango revenue streams.

Loss per share was (1.82p) (1H2018: 2.78p).

Cash

Cash balances at 30 June 2019 stood at £2.25m, (31 December 2018 £3.81m: 30 June 2018 £5.88m) but this excludes £0.63m cash R&D tax rebates, now expected in 2H2019.

Based on the growth of the business, cash generation from EUS activity and effective cash management, the cash burn in Bango in 1H2019 has significantly decreased. With further growth in revenue expected in 2H2019 and beyond, on a stable cost base, Bango will have sufficient cash resources to support both planned investments to grow sales and develop new products to ensure Bango has a strong slid pipeline of upgrades and benefits from the additional billions of dollars of EUS through the Bango Platform that the Board expects over the coming years.

Carolyn Rand

Chief Financial Officer

Consolidated statement of comprehensive income
for the six months ended 30 June 2019

	Six months ended 30 June 2019 Unaudited £	Six months ended 30 June 2018 Unaudited £	Year ended 31 December 2018 Audited £
Alternative performance measure (Non-IFRS)			
End User Spend	**467,235,662**	**219,956,688**	**558,172,507**
Revenue	4,320,099	2,634,411	6,619,728
Cost of sales	(721,877)	(252,018)	(796,180)
Gross profit	**3,598,222**	**2,382,393**	**5,825,548**

Operating expenditure	(5,280,074)	(4,586,000)	(9,340,563)
Operating profit/(loss) before depreciation, amortization, share based payments and exceptional items*	**10,961**	**(915,555)**	**(864,934)**
Share based payments	(435,213)	(448,439)	(1,034,824)
Depreciation	(238,423)	(128,209)	(270,070)
Amortization	(854,607)	(711,404)	(1,345,187)
Exceptional items*	(164,570)	-	-
Operating loss	**(1,681,852)**	**(2,203,607)**	**(3,517,015)**
Interest payable	(20,137)	(38,478)	(67,696)
Investment income	11,744	5,781	14,805
Loss before taxation	**(1,690,245)**	**(2,236,304)**	**(3,569,906)**
Income tax	406,308	313,097	706,367
Loss for the financial year	**(1,283,937)**	**(1,923,207)**	**(2,863,539)**
Other comprehensive income			
Foreign exchange on consolidation	89,954	58,511	(83,339)
Loss and total comprehensive loss for the period	**(1,193,983)**	**(1,864,696)**	**(2,780,200)**
Loss per share attributable to the equity holders of Bango PLC			
Basic loss per share	(1.82)p	(2.78)p	(4.11)p
Diluted loss per share	(1.82)p	(2.78)p	(4.11)p

All of the activities of the group are classified as continuing.
*Exceptional items relate to the one off costs of the business rebranding
Notes 1 to 7 are an integral part of the consolidated financial statements.

Consolidated statement of financial position
as at 30 June 2019

	30 June 2019 Unaudited £	31 December 2018 Audited £
ASSETS		
Non-current assets		
Property, plant and equipment	491,831	567,620
Right of use assets	897,195	-
Intangible assets	12,162,239	11,927,893

	13,551,265	**12,495,513**
Current assets		
Trade and other receivables	2,728,099	2,815,533
Research and development tax credits	1,026,786	634,889
Cash and cash equivalents	2,253,681	3,814,927
	6,008,566	**7,265,349**
Total assets	**19,559,831**	**19,760,862**
EQUITY		
Capital and reserves attributable to equity holders of Bango PLC		
Share capital	14,090,868	14,053,582
Share premium account	35,895,354	35,796,976
Merger reserve	2,175,470	2,175,470
Other reserve	4,315,893	3,880,680
Foreign exchange revaluation reserve	251,611	161,657
Accumulated losses	(41,383,802)	(40,099,865)
Total equity	**15,345,394**	**15,968,500**
LIABILITIES		
Current liabilities		
Trade and other payables	2,925,959	3,408,919
Finance lease liability for right to use assets	155,111	-
Finance lease liabilities	125,199	121,968
	3,206,269	**3,530,827**
Non-current liabilities		
Finance lease liabilities	88,674	152,081
Finance lease liability for right to use assets	790,989	-
Deferred tax liability	128,505	109,394
	1,008,168	**261,475**
Total liabilities	**4,214,437**	**3,792,362**
Total equity and liabilities	**19,559,831**	**19,760,862**

Notes 1 to 7 are an integral part of the consolidated financial statements.

Consolidated cash flow statement
for the six months ended 30 June 2019

	Six months ended 30 June 2019 Unaudited	**Six months ended 30 June 2018 Unaudited**
	£	**£**
Net cash used by operating activities	**(485,414)**	**(1,118,489)**

Cash flows used by investing activities		
Purchases of property, plant and equipment	(76,923)	(86,605)
Addition to intangible fixed assets	(1,046,371)	(1,205,627)
Purchase of subsidiary	-	(1,464,280)
Interest received	11,744	5,781
Net cash used by investing activities	**(1,111,550)**	**(2,750,731)**
Cash flows generated from financing activities		
Proceeds from issuance of ordinary shares	135,664	5,345,840
Costs associated with issuance of ordinary shares	-	(332,793)
Interest payable	(20,698)	(38,478)
Capital repayment of finance lease obligations	(60,176)	(56,087)
Net cash (used)/generated from financing activities	**54,790**	**4,918,480**
Net (decrease)/increase in cash and cash equivalents	**(1,542,174)**	**999,260**
Cash and cash equivalents at beginning of period	3,814,927	4,847,203
Exchange differences on cash and cash equivalents	(19,072)	47,750
	3,795,855	**4,894,953**
Cash and cash equivalents at end of period	**2,253,681**	**5,881,213**

Notes 1 to 7 are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity
30 June 2019

	Share capital	Share premium account	Merger reserve	Other reserve	Foreign exchange reserve	Retained earnings	Total
	£	£	£	£	£	£	£
Balance at 1 January 2018	**13,284,561**	**31,248,453**	**1,236,225**	**2,350,701**	**78,318**	**(37,474,820)**	**10,723,438**
Share based payments	-	-	-	448,439	-	-	**448,439**
Issue of warrants	-	-	-	733,649	-	-	**733,649**
Exercise of share options	63,336	262,502	-	-	-	-	**325,838**
Issue of new shares	662,139	4,462,224	939,245	-	-	-	**6,063,608**
Expense of share issue	-	(332,793)	-	-	-	-	**(332,793)**
Transactions with owners	**725,475**	**4,391,933**	**939,245**	**1,182,088**	**-**	**-**	**7,238,741**
Loss for the period	-	-	-	-	-	(1,923,207)	**(1,923,207)**
Foreign exchange of consolidation	-	-	-	-	58,511	-	**58,511**
Total comprehensive income for the period	-	-	-	-	58,511	(1,923,207)	**(1,864,696)**

Balance at 30 June 2018	**14,010,036**	**35,640,386**	**2,175,470**	**3,532,789**	**136,829**	**(39,398,027)**	**16,097,483**
Balance at 1 January 2019	**14,053,582**	**35,796,976**	**2,175,470**	**3,880,680**	**161,657**	**(40,099,865)**	**15,968,500**
Share based payments	-	-	-	435,213	-	-	**435,213**
Exercise of share options	37,286	98,378	-	-	-	-	**135,664**
Transactions with owners	**37,286**	**98,378**	**-**	**435,213**	**-**	**-**	**570,877**
Loss for the period	-	-	-	-	-	(1,283,937)	**(1,283,937)**
Foreign exchange of consolidation	-	-	-	-	89,954	-	**89,954**
Total comprehensive income for the period	-	-	-	-	89,954	(1,283,937)	**(1,193,983)**
Balance at 30 June 2019	**14,090,868**	**35,895,354**	**2,175,470**	**4,315,893**	**251,611**	**(41,383,802)**	**15,345,394**

Notes 1 to 7 are an integral part of the consolidated financial statements.

1. General information

Bango PLC ("Bango"), a United Kingdom resident, and its subsidiaries (together "the Group") provide services to facilitate commerce on the internet. Bango shares are listed on the London Stock Exchange AIM. The Bango registered office and principal place of business is at 5 Westbrook Centre, Cambridge CB4 1YG UK.

2. Basis of preparation

The condensed interim financial information for the half year ended 30 June 2019 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 2018.

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 2018, except for the adoption of new standards and interpretations effective for the first time for periods beginning on 1 January 2019 which will be adopted in the 2019 financial statements. The new standards impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Group's accounting policies are:

· IFRS 16 Leases

IFRS 16 brings all operating leases onto the statement of financial position. The leases effected are Bango's head office in Cambridge and the Audiens office in Milan.

The Group has used the modified retrospective transition approach on adoption of IFRS 16 Leases, where the initial right of use asset values recognized on property leases are equal to the present value of the future lease payments as at the date of transition (1 January 2019). The impact on the consolidated statement of comprehensive income is an increase to operating loss of approximately £33k as the pre-IFRS 16 rental charge is replaced by depreciation charge and interest cost. There has been no impact on cash flows, although the presentation of the Cash Flow Statement has changed in the period with an increase in net cash inflows from operating activities being offset by an increase in net cash outflows from financing activities (interest paid).There in no net impact on the opening balance sheet and the depreciation and interest payable have been increased by £87k and £15k respectively, with the rental cost in the period being reduced by £54k.

4. Segment reporting

(a) End User Spend
Bango has identified End User Spend a non IFRS alternative performance measure as its Key Performance Indicator on which management decisions surrounding investment in the platform and development of intangible assets are based. End User Spend is the total value in a specific time period of all sales processed using the Bango Platform excluding VAT and other sales taxes and converted using the exchange rate at the point of the sale.

	Six months ended 30 June 2019 Unaudited £	Six months ended 30 June 2018 Unaudited £	Year ended 31 December 2018 Audited £
End User Spend	**467,235,662**	**219,956,688**	**558,172,507**

(b) Revenue and gross profit

Bango, based on the information reviewed by the chief operating decision maker, identifies two operating segments. There are two separable revenue streams in Bango. End user activity and Data activity.

Management reporting is based principally on the type of customer and strategic decisions are made on the basis of the gross profit generated from each segment. The segments are not separately managed and therefore Bango's operations and its research and development activity are considered group operations and are not allocated to any operating segment. Segment information can be analyzed as follows for the reporting periods under review.

Six months ended 30 June 2019

	End user activity £	Data activity £	Group £	Total £
Segment revenue	3,178,496	1,141,603	-	4,320,099
Cost of sales	(52,851)	(669,026)	-	(721,877)
Segment gross profit	**3,125,645**	**472,577**	**-**	**3,598,222**

Administrative expenses	-	-	(3,587,261)	(3,587,261)
Share based payments charge	-	-	(435,213)	(435,213)
Depreciation	-	-	(238,423)	(238,423)
Amortization	-	-	(854,607)	(854,607)
Exceptional items	-	-	(164,570)	(164,570)
Interest payable	-	-	(20,137)	(20,137)
Interest income	-	-	11,744	11,744
Segment net profit / (loss)	**3,125,645**	**472,577**	**(5,288,467)**	**(1,690,245)**

Six months ended 30 June 2018

	End user activity	**Data activity**	**Group**	**Total**
	£	**£**	**£**	**£**
Segment revenue	2,216,519	417,892	-	**2,634,411**
Cost of sales	-	(252,018)	-	**(252,018)**
Segment gross profit	**2,216,519**	**165,874**	**-**	**2,382,393**
Administrative expenses	-	-	(3,297,948)	**(3,297,948)**
Share based payments charge	-	-	(448,439)	**(448,439)**
Depreciation	-	-	(128,209)	**(128,209)**
Amortization	-	-	(711,404)	**(711,404)**
Interest payable	-	-	(38,478)	**(38,478)**
Interest income	-	-	5,781	**5,781**
Segment net profit / (loss)	**2,216,519**	**165,874**	**(4,618,697)**	**(2,236,304)**

End user activity revenue is the Bango revenue share for processing transactions through the Bango Platform. Bango earns revenue calculated either as a share of the net of tax figure or as a fixed value per transaction. Assets for this segment are amounts due from merchants or payment providers. Liabilities for this segment are mainly fees payable to payment providers for provision of services and fees payable to merchants for provision of content sold by Bango to end users.

Bango data activity relates to revenues generated from fees and by third parties monetizing their data by using Bango technology to segment their data and sell it through the trading desk integrations. Revenue is either a monthly software as a service fee or a revenue share from selling the data to third parties. Assets from this segment are fees from data owners and liabilities relate to sums owed to data owners. Liabilities also relating to the deferred consideration for the Audiens are shown in this segment.

5. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of Bango PLC by the weighted average of ordinary shares in issue during the period.

Six months ended 30 June 2019 Unaudited	**Six months ended 30 June 2018 Unaudited**	**Year ended 31 December 2018 Audited**

	£	£	£
Loss attributable to equity holders of Bango PLC	**(1,283,937)**	**(1,923,207)**	**(2,863,539)**
Weighted average number of ordinary shares in issue	70,361,350	69,291,691	69,736,418
Basic loss per share	**(1.82) p**	**(2.78)p**	**(4.11)p**
Diluted loss per share	**(1.82) p**	**(2.78)p**	**(4.11)p**

At 30 June 2019 options over 4,744,439 (30 June 2018: 4,112,900) ordinary shares were outstanding. Given the loss for the year, these options are considered to be anti-dilutive. Such options could potentially dilute basic loss per share in the future.

6. Share capital

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

	No	£
As at 31 December 2017	**66,422,803**	**13,284,561**
Issue of new shares	3,310,693	662,139
Exercise of share options	534,412	106,882
As at 31 December 2018	**70,267,908**	**14,053,582**
Exercise of share options	186,431	37,286
As at 30 June 2019	**70,454,339**	**14,090,868**

7. Publication of non-statutory accounts

The condensed consolidated interim financial information was approved by The Board of Directors on 16 September 2019. 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 2018 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 2019 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 2019 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
City House
126-130 Hills Road
Cambridge
CB2 1RE

Date 16 September 2019

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

IR LFFIIASIRLIA