

Bango FY2016 results presentation

Anil Malhotra, CMO and co-founder

Rachel Elias-Jones, CFO

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Operational highlights

Acquisition of leading US Direct Carrier Billing (DCB) business BilltoMobile

- Brings new customers to Bango Platform
- Only processor of carrier billing transactions across all four major US MNOs

Added new DCB routes, devices, content and services

- First Google Play DCB launch in Indian Sub-Continent for Idea Cellular and multiple activations for Windows Store across all Windows 10 devices
- New services launched with DCB including Xbox One content and YouTube Red subscriptions

Stable operational cost base maintained

- Additional capacity added to the platform – tested to \$2bn per year
- Investment in market expansion for global partners in US and Japan

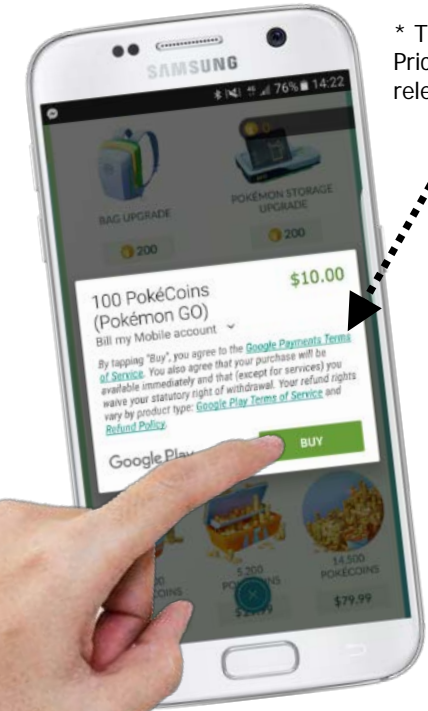
Financial review FY2016

Rachel Elias-Jones, CFO

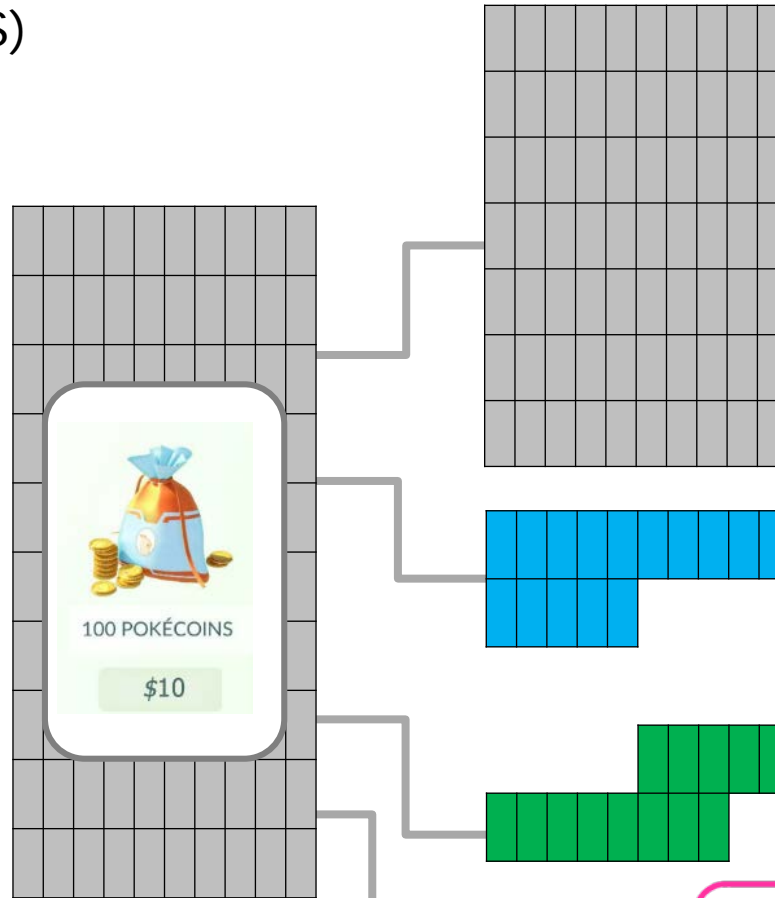
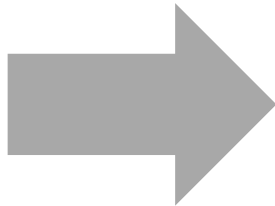
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Typical app store DCB revenue split

\$10.00 purchase from store (EUS)



* Tax is zero in this case
Price displayed is EUS +
relevant taxes



\$7.00

Developer revenues



\$1.50

Payment provider fee
(e.g. MNO)



\$1.30

Store fee
(example)



\$0.20

Bango fee = Bango revenue
bango

Important: Payment provider fees, Bango fees, store fees are illustrative and may vary depending on store, market, type of product and sales volumes

Financial highlights

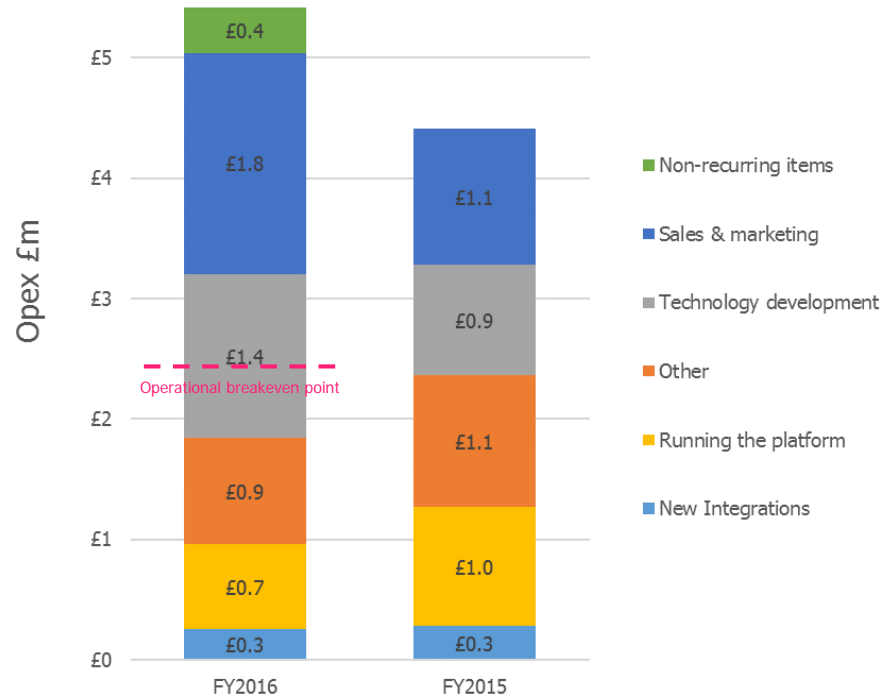
	FY2016	FY2015
	Audited	Audited
	£m	£m
End user spend	132.29	44.68
Sources of Revenue		
End user	2.41	0.84
Platform fees	0.21	0.46
Total Margin	2.62	1.30
Revenue expressed as % of EUS	1.80%	1.81%
Operating costs (excluding non recurring costs)	(5.04)	(4.41)
Loss after tax	(4.41)	(4.81)
Cash	5.70	12.14

- EUS £132.29m (FY2015: £44.68m)
 - 196% growth YoY
- Revenue on EUS £2.41m (FY2015: £0.84m)
- Stable cost base in line with forecasts
- Acquired BilltoMobile Inc for £2.15m cash and £0.35m shares on 9 May 2016
- £5.7m cash at year end - sufficient to support Bango to profitability

Profit and loss and operational costs

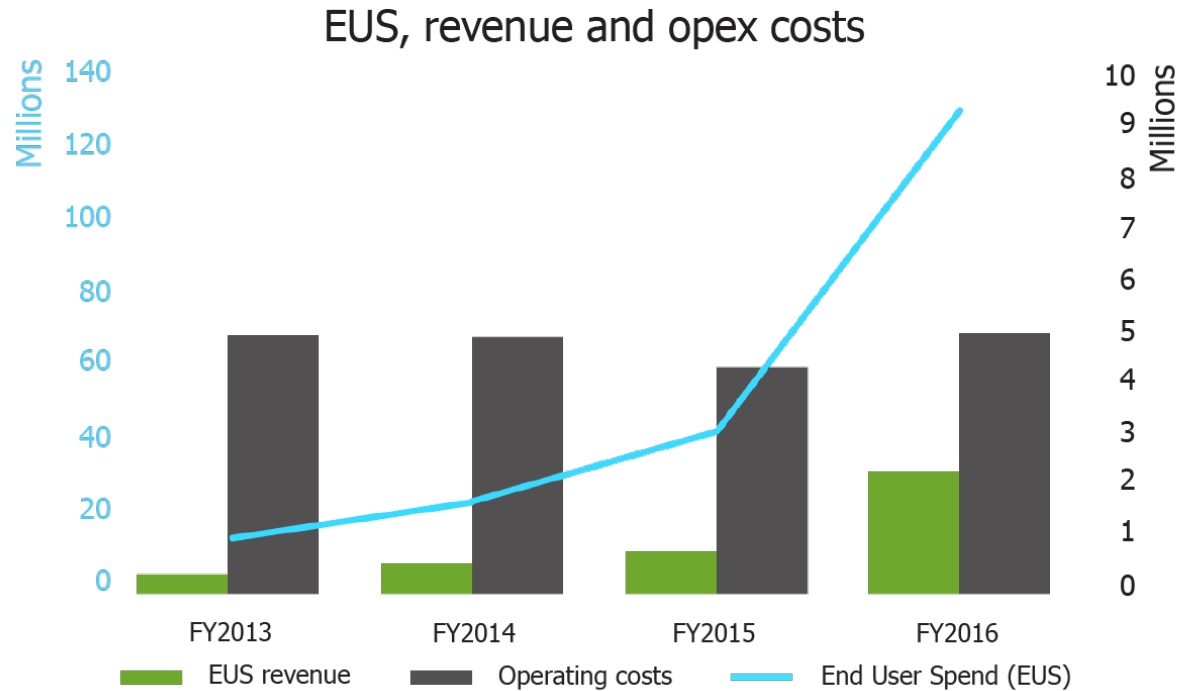
	FY2016	FY2015
	Audited	Audited
	£m	£m
End user spend	132.3	44.7
Revenue	2.62	1.30
Cost of sales	(0.01)	(0.03)
Total Margin	2.61	1.27
Operating costs	(5.04)	(4.41)
Non-recurring items	(0.38)	-
Adjusted LBITDA	(2.81)	(3.14)
Depreciation & amortisation	(1.47)	(1.45)
Share based payment charge	(0.36)	(0.43)
Loss before tax	(4.65)	(5.03)
Loss after tax	(4.41)	(4.81)

OPEX



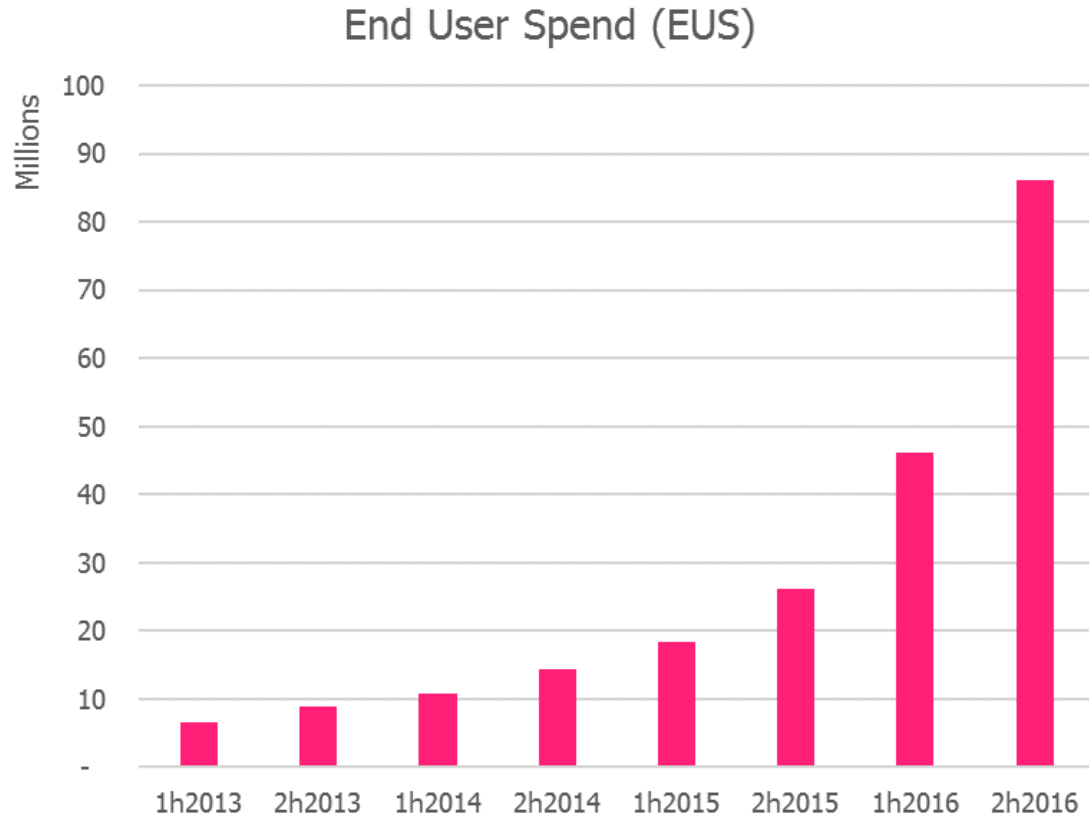
- Reached operational profitability (revenue from EUS greater than operational costs) in FY2016
- Investing in sales to grow market share and product developments for the future

Cash



- Cash at 31 Dec 2016 £5.69m (31 Dec 2015: £12.14m)
- Cash used by operating activities £2.65m (FY2015: £3.23m)
- £2.15m cash invested acquiring BilltoMobile
- No significant acquisitions of PPE expected in FY2017
- Growing revenues on a controlled cost base will lead to decreasing cash burn in FY2017

EUS outlook



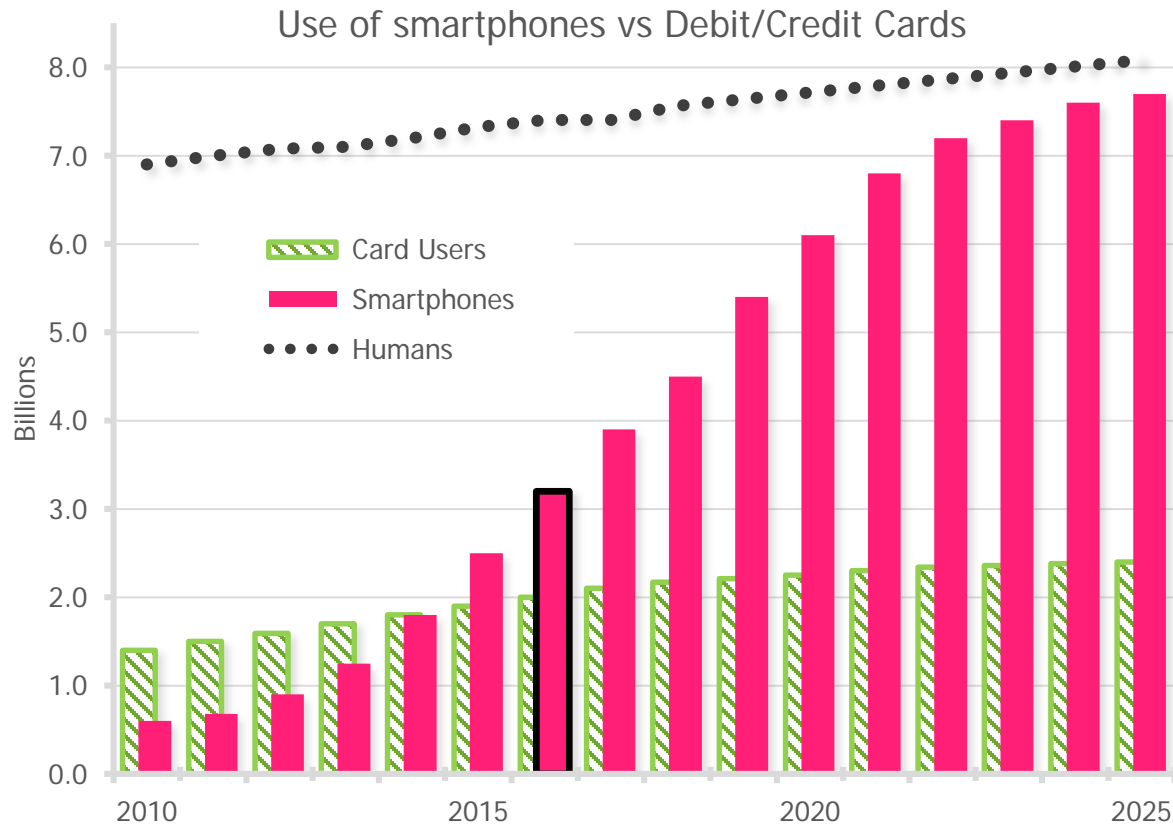
- Growth accelerating in line with expectations
 - FY2016 EUS grew to £132.3m (FY2015: £44.7m)
- New Google, Microsoft, and Samsung activations in FY2016
 - supported by Bango Boost will increase EUS in FY2017
- Strong pipeline of launches in FY2017 will build the EUS growth momentum

Business review and outlook

Anil Malhotra, CMO and co-founder

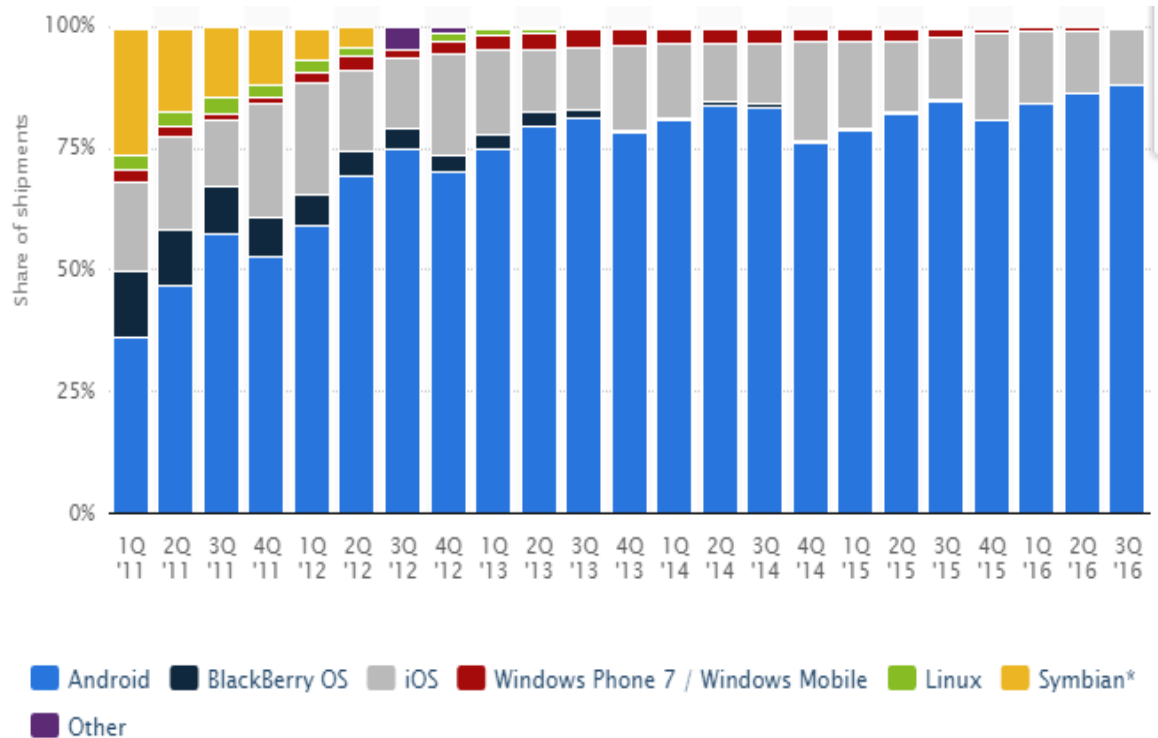
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Market opportunity: Need for universal payment method

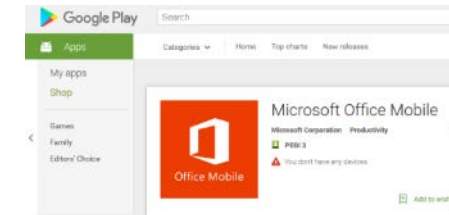
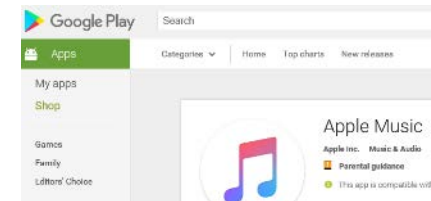


- Smartphones on track to take the internet to more than 7 billion people
- 1st generation internet payment methods are not keeping pace
- New payment methods such as DCB and stored value wallets are filling the gap left by the legacy industry
- Huge opportunity to provide easy access to these payment options
- Bango saw this opportunity in 2001

Market opportunity: Android growth



- In 2016, 4 out of 5 smartphones were Android (Gartner 2017, Worldwide Smartphone Sales to End Users by Operating System)
- Android is an open platform for developers, advertisers, payment providers and OEMs
- Major internet companies focus on Android
- Apple and Microsoft support Android users



Market leader



Bango market leadership confirmed with
40% of app store carrier billing routes
in 2016



Source: Progressive Equity Research estimates

App store DCB market leader: Key differentiators

Bango Grid - Launch acceleration

- App stores quickly, easily and cost effectively scale alternative payments globally using Bango Grid

Bango Platform - Power of a platform

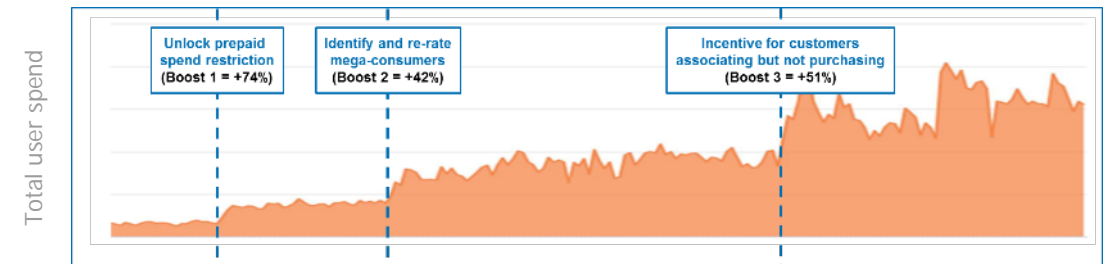
- The range and diversity of app stores and billing routes transacting through the Bango Platform provides insights that cannot be obtained anywhere else

Bango API v5 - Additional functionality

- Ensures that any payment method can be used to purchase any type of content or service, from any device

Bango Boost - Technology and techniques to grow revenue and users

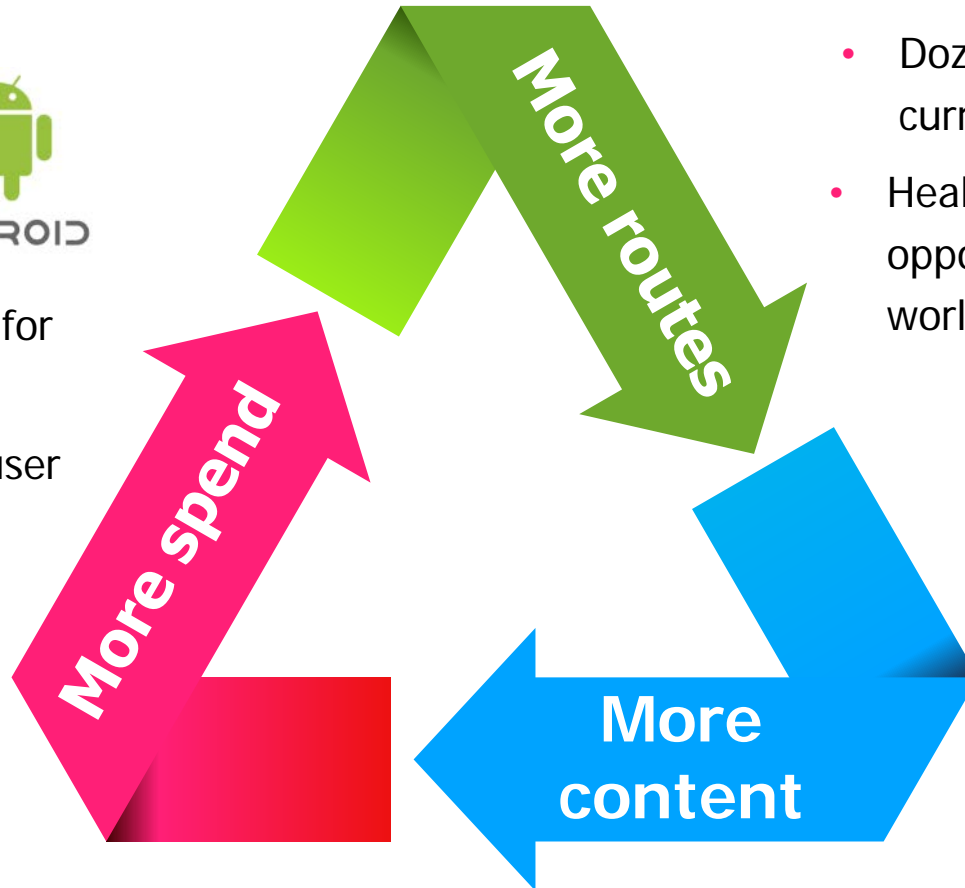
- Accelerating EUS and improving customer experience through unique data analysis and recommendations. Proven to grow revenue by up to 80%



Significant EUS growth ahead – three key drivers

1. More spend

- Android dominating smartphone market
- More consumers using DCB for first time
- Bango Boost growing DCB user base and driving revenues



2. More routes

- Dozens of new DCB routes currently being activated
- Healthy pipeline of opportunities around the world



3. More content

- Subscription based services and bundled products
- Wider breadth of devices e.g. home automation, Android TV



Summary and outlook

	Strong delivery	Confident outlook
<i>EUS growth momentum...</i>	<ul style="list-style-type: none">• Increased EUS 196% y.o.y to £132m• Growth in addressable user base to over 1.7bn	<ul style="list-style-type: none">• Expectations for annualized EUS to double by Dec 17• Activation of new products and services will accelerate EUS
<i>...while focused on bottom line...</i>	<ul style="list-style-type: none">• Cost base stable• Platform savings redeployed to sales and development	<ul style="list-style-type: none">• EUS growth on stable cost base• Move closer to cash generation in FY2017
<i>... and continuous innovation.</i>	<ul style="list-style-type: none">• Migration tools developed• API v5 enables any payment method on any device for any content type	<ul style="list-style-type: none">• Migrating payment providers to Bango Platform• Ability to charge for broader range of content and services

The Bango pedigree

- Number 1 for app store carrier billing
- Founded in 1999 to enable effective collection of mobile payments
- Chosen by the worlds leading app stores and mobile operators
- Bango technology delivers a superior user experience and higher revenues
- London Stock Exchange since 2005 (AIM: BGO.L)
- Offices in Cambridge, San Jose, Singapore, Lagos, Tokyo and Sao Paulo

Powering the major app stores:



Powering leading payment providers:



Award winning technology:

