

# Bango 1h2017 results presentation

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# Highlights

## Launched Direct Carrier Billing (DCB) for Amazon in Japan

- Sophisticated application of DCB to support Amazon shopping experience
- Only Bango technology can manage required level of complexity
- Significantly increases the range of goods available to purchase through Bango Platform

## New billing routes

- Activated Direct Carrier Billing (DCB) routes in Indonesia, Italy, Austria, Denmark, UK, Hong Kong, Japan, USA and more
- Two Google Play routes migrated from 3rd party providers to Bango Platform - more in pipeline

## Operational cash flow positive

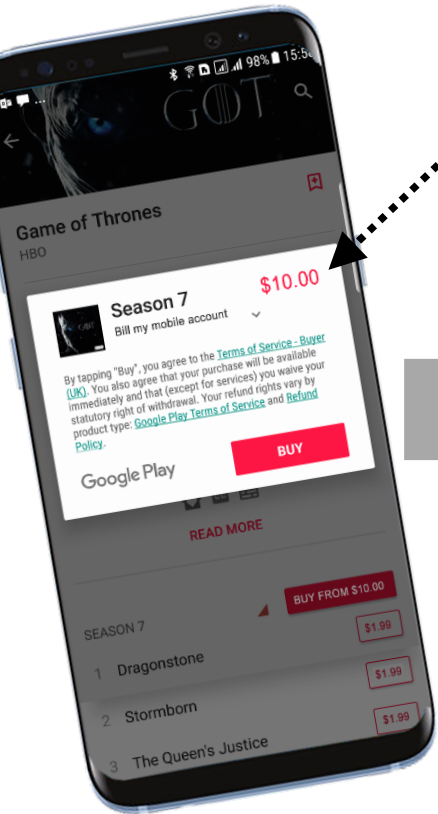
- Operational cash flow for 1h2017 £0.2m improved from -£1.8m in 1h2016
- £5.6m cash at 30 June 2017 (£5.7m at 31 December 2016)

# Financial review 1h2017

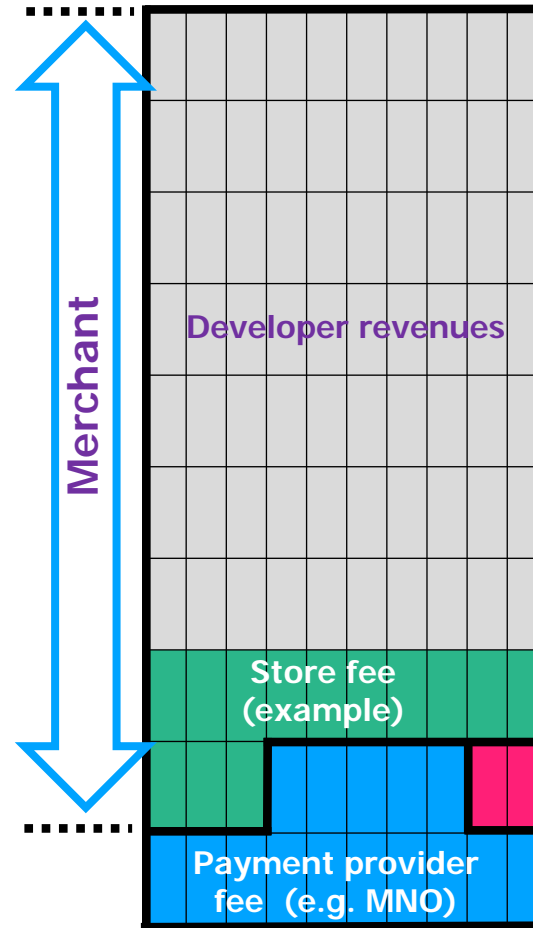
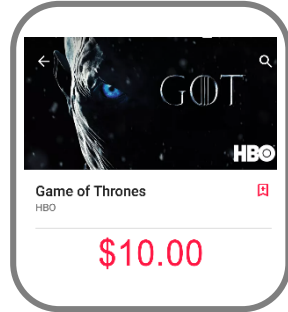
Rachel Elias-Jones, CFO

# Bango revenue model

## \$10.00 purchase from store (EUS)



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



\$7.00 **HBO**

\$1.30 Google play

\$0.20 **bango** Bango fee = Bango revenue

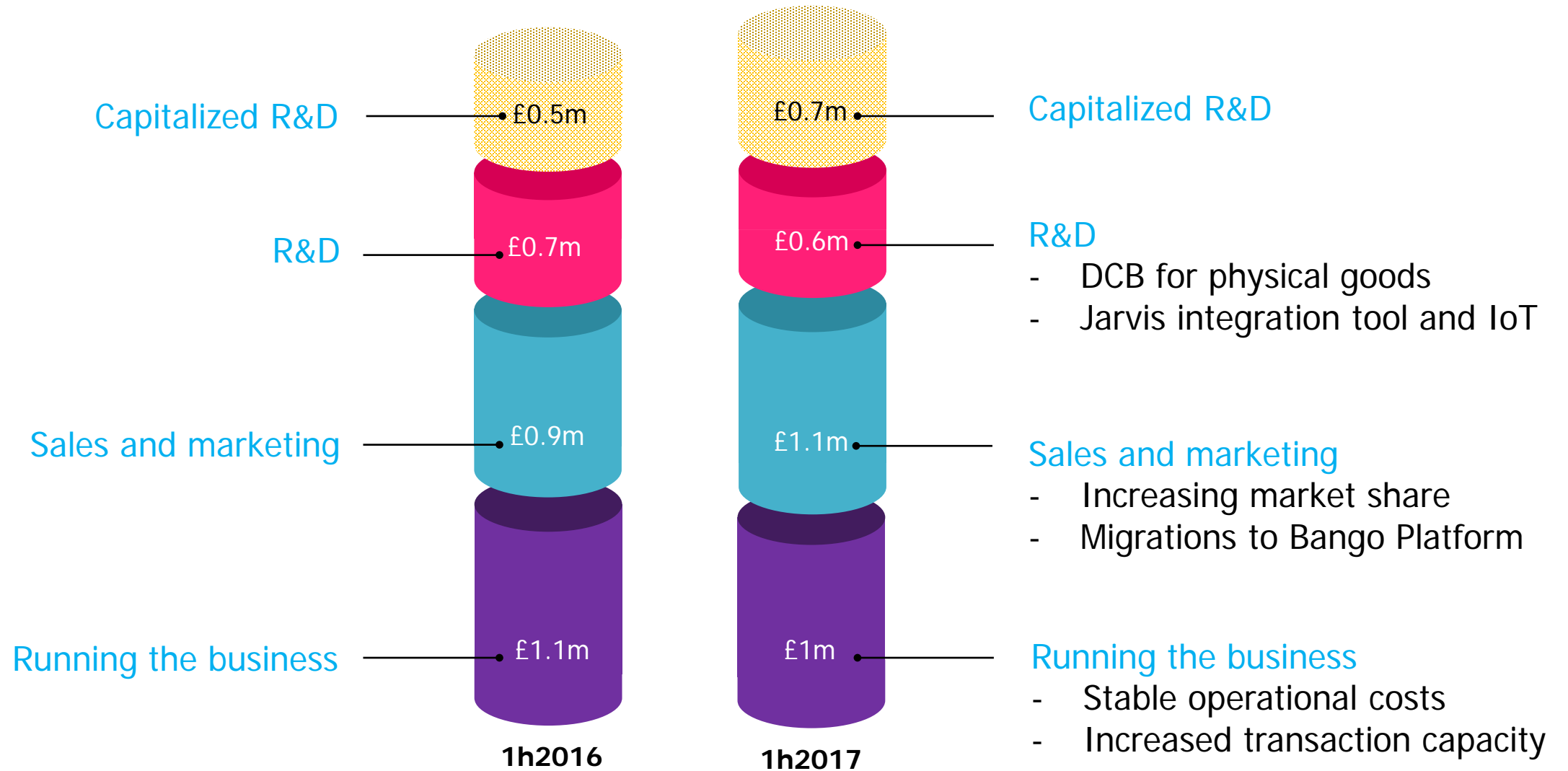
\$1.50 cel Bell ROGERS TELUS

**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

	1h2016	1h2017	
	Unaudited	Unaudited	
	£m	£m	
<b>End user spend</b>	<b>46.17</b>	<b>92.31</b>	⇒ 100% growth
Sources of revenue			
End user	0.77	1.65	⇒ 114% growth
Platform fees	0.08	0.06	
Total revenue	0.85	1.71	
Operating costs	(2.49)	(2.72)	⇒ In-line with forecasts
Loss after tax	(2.67)	(1.75)	
Cash	7.24	5.56	⇒ Sufficient to reach profitability

# Operational costs



# User experience in Amazon Japan retail

1 Customer selects goods



2 Customer selects to buy using carrier billing



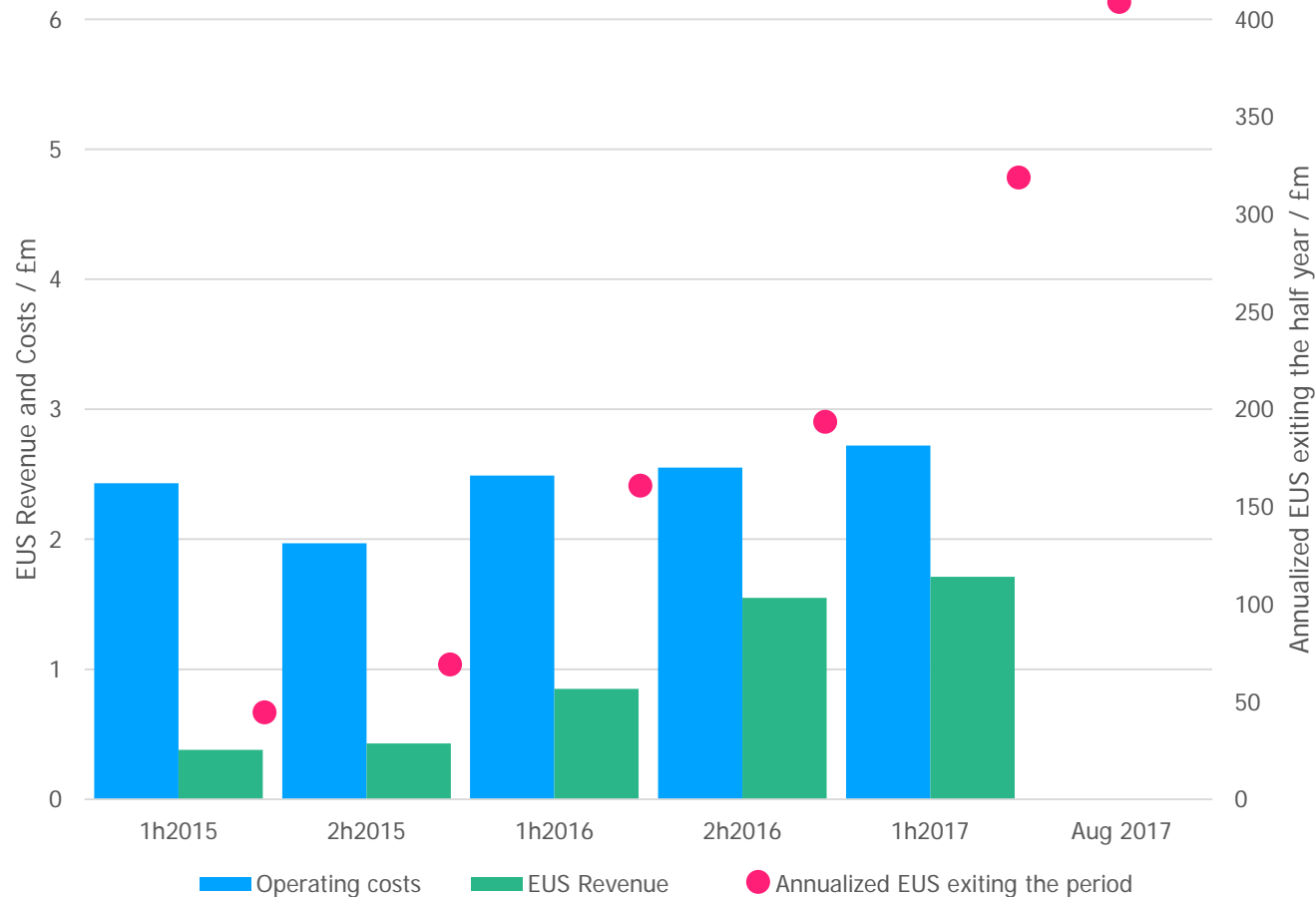
3 Payment is confirmed



4 Order is confirmed



# EUS and path to profitability



- Growth in EUS
  - 1h2017: £92.31m  
(FY2016: £132.29m)
- Termination of BilltoMobile routes with low growth potential
- Amazon, Google and Microsoft activations will bring more EUS in 2h2017
- Bango Boost will accelerate EUS growth in 2h2017



# Business review and outlook

Ray Anderson, CEO and co-founder

# Drivers of continuing high growth

## More content

- First DCB launch for Amazon, biggest online retailer, opens-up vast retail opportunity
- Expanding beyond smartphones – consoles, TV, in-car, IoT











## More payment routes

- Many new billing routes for major merchant partners across EMEA, Americas and Asia
- Further migrations of Google Play routes to Bango Platform from other providers

## More users

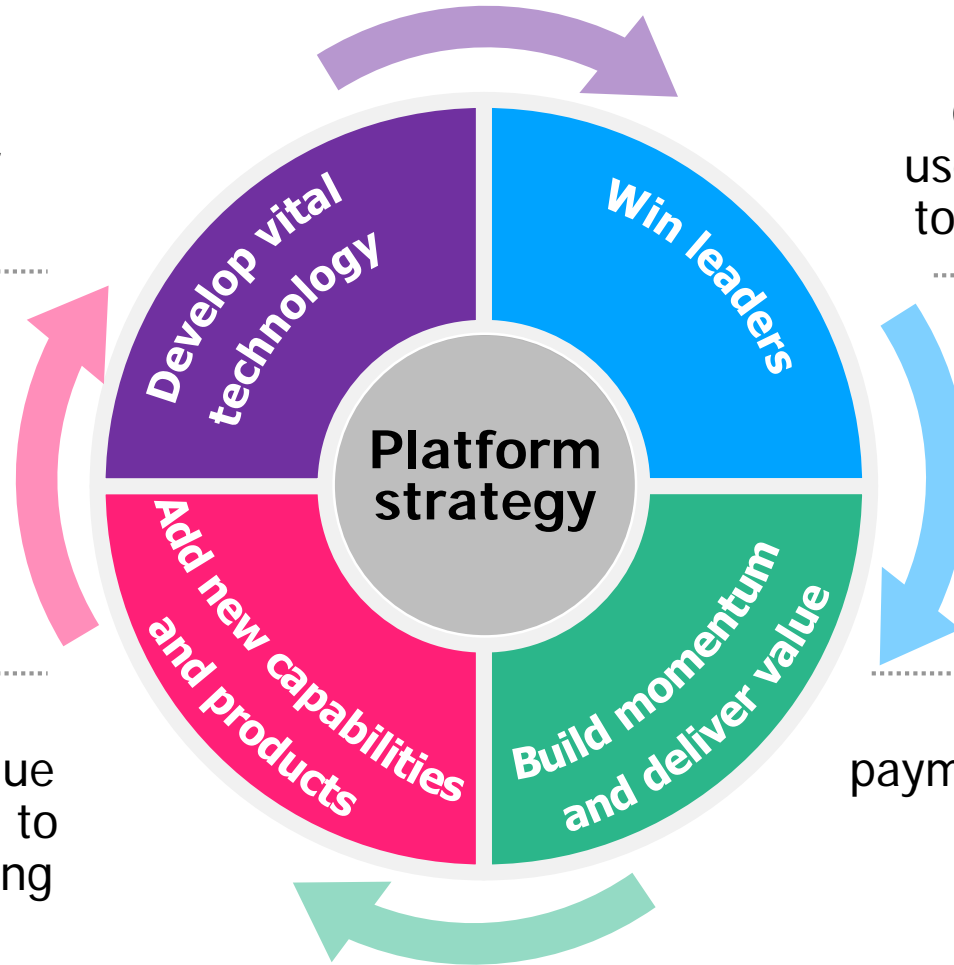
- Bango Boost v2 – insights for developers to maximize marketing effectiveness
- Supporting growth across the entire customer base
- 900 Million Android phones now capable of using DCB to pay in Google Play (Google I/O 2017) and Windows 10 now running on 500 Million active devices (Microsoft Build conference 2017)

# Market leader

Android platform	App store deployments	Market leading stores	Product type
Samsung  <input checked="" type="checkbox"/>	Asia <input checked="" type="checkbox"/>	Google Play  <input checked="" type="checkbox"/>	Physical  <input checked="" type="checkbox"/>
Amazon  <input checked="" type="checkbox"/>	Europe <input checked="" type="checkbox"/>	Windows Store  <input checked="" type="checkbox"/>	Digital  <input checked="" type="checkbox"/>
Google  <input checked="" type="checkbox"/>	Australia <input checked="" type="checkbox"/>	Amazon  <input checked="" type="checkbox"/>	Streaming  <input checked="" type="checkbox"/>
	North America <input checked="" type="checkbox"/>		Games <input checked="" type="checkbox"/>
	South America <input checked="" type="checkbox"/>		
	Africa <input checked="" type="checkbox"/>		

# Delivering on platform strategy

Evolved 5<sup>th</sup> generation platform technology to enable DCB for physical goods – opportunity for IoT, AI and other devices

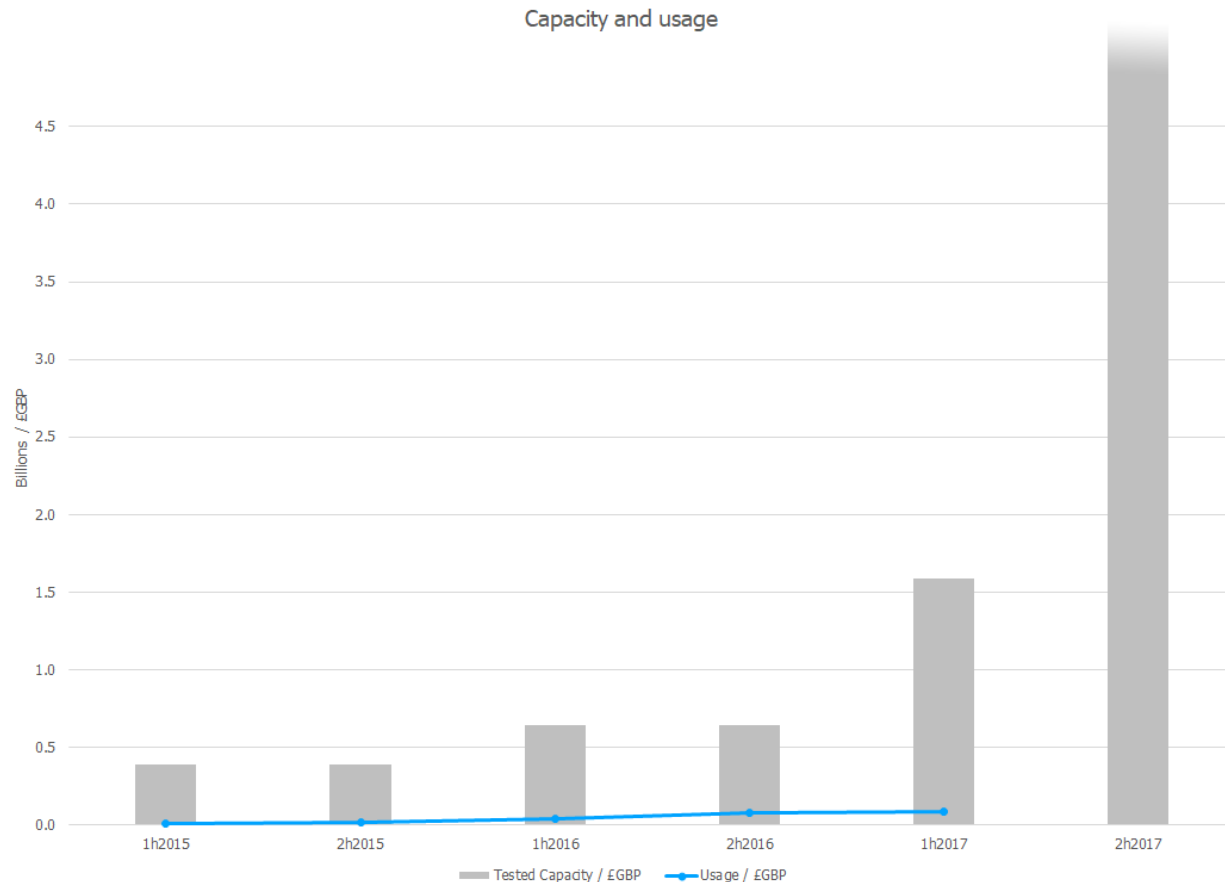


Chosen by Amazon to launch first use of DCB in retail store – capacity to scale retail with further launches

Bango Boost v2 launched, providing major developers unique data analysis and benchmarking to boost revenue growth – increasing revenue opportunities and partnerships

Migrated established Google Play payment routes to the Bango Platform – gaining further market share

# Massive operational leverage



1. Bango Platform transaction capacity tested to over £5Bn/year
2. Platform headroom anticipates significant growth
3. Additional EUS generates revenue which drops through to gross profit

# Summary and outlook

	Strong delivery	Confident outlook
<i>EUS growth momentum...</i>	<ul style="list-style-type: none"><li>• Increased EUS 100% y.o.y to £92m for the half year</li><li>• Annualized run rate over £400M exiting Aug 17</li></ul>	<ul style="list-style-type: none"><li>• Activation of new routes including further migrations</li><li>• Expanding range of products and services</li></ul>
<i>... while focused on bottom line...</i>	<ul style="list-style-type: none"><li>• EUS growth on stable cost base</li><li>• Savings redeployed to sales and marketing</li></ul>	<ul style="list-style-type: none"><li>• Platform enables significant further growth on stable cost base</li><li>• Demonstrate profitability of business model in near term</li></ul>
<i>... and continuous innovation.</i>	<ul style="list-style-type: none"><li>• API v5 enables physical goods sales for world's leading online retailer</li><li>• Migrated two Google Play routes to Bango Platform</li></ul>	<ul style="list-style-type: none"><li>• Unique Bango data encourages further consolidation of market</li><li>• Ability to charge for broader range of content and services</li></ul>

**Q & A**

# The Bango pedigree

- Number 1 for app store carrier billing
- Founded in 1999 to enable effective collection of mobile payments
- Chosen by the world's 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:





## Profit and Loss - Appendix

	1h2016	1h2017	
	Unaudited	Unaudited	
	£m	£m	
<b>End user spend</b>	<b>46.17</b>	<b>92.31</b>	⇒ 100% growth
Total revenue	0.85	1.71	
Operating costs including non-recurring	(2.64)	(2.72)	⇒ In-line with forecasts
Depreciation & Amortization	(0.81)	(0.69)	⇒ In-line with forecasts
Share based payment charge	(0.21)	(0.32)	
<b>Operating Loss</b>	<b>(2.83)</b>	<b>(2.03)</b>	
Income tax and interest	0.17	0.28	
<b>Loss for the financial year</b>	<b>(2.66)</b>	<b>(1.75)</b>	

# The power of the platform - Appendix

