



Annual Report 2020



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Financial highlights

- Revenue grew by 70% to £12.2M (2019: £7.2M)*.
- End User Spend (EUS) increased to £1.9B, the sixth consecutive year of strong growth (2019: £1.1B).
- Adjusted EBITDA** grew by 16x to £4.6M (2019: £0.3M)*.
- Cash at 31 December 2020 was £5.8M (31 December 2019: £2.7M).
- Net Profit was £4.7M (2019: loss £2.3M), including £3.9M profit from the creation of the JV with NHN.
- Net Profit from continuing operations was £0.7M (2019: loss £2.2M) comprising:
 - £1.27M profit from the Bango Platform
 - £0.53M loss from the 40% share of the NewDeep JV

* Adjusted to exclude discontinued operations

** Adjusted EBITDA is operating profit before depreciation, amortization, share based payments and exceptional items from continuing operations



Operational highlights

- Amazon.co.jp payment methods extended to SoftBank customers in June 2020.
- Three-year platform deal signed with a major telecoms provider for third party service bundling.
- Agreement with Microsoft to bring cloud gaming services to Telcos worldwide, starting with Xbox Game Pass Ultimate and Xbox All Access which extends subscriptions to hardware bundling.
- BT Group launched BritBox and Amazon subscriptions using the Bango Platform.
- Video streaming subscription services OnDemand Media (Chinese, Korean and Vietnamese content), EpicOn and DocuBay joined the Bango circle.
- Subscription bundling extended beyond telecoms to two of the largest US brick-and-mortar retailers.
- 10x growth in app developers engaged with Bango Marketplace and 20x more Bango Audiences used to target their marketing campaigns.
- Channel partner program launched with 12 partners for Bango Marketplace providing increased availability of Bango Audiences to app developers.
- Customer Data Platform business was divested into a JV (NewDeep Limited) with NHN Group. Bango Marketplace technology and business remains 100% owned by Bango.

Chair's statement

In turbulent times the commitment and efforts of the entire Bango team delivered FY2020 results exceeding ambitious expectations and built solid foundations for continued growth in the future.

As the effects of the COVID-19 pandemic tested business models, Bango proved itself to be a resilient and highly relevant company: one that Bango customers both trust and depend on and that investors can expect to deliver a strong, sustainable financial performance.

Lockdowns accelerated online activity and proved that Bango has positioned itself well. Bango technology enabled the major streaming services, education apps, wellbeing services and all forms of online entertainment to grow faster and win tens of millions of new paying customers. The rising End User Spend and volume of payment data feeding into the Bango Platform made it even more compelling to online merchants. The virtuous circle strategy demonstrated its power, and enabled Bango to win many new customers and partners in 2020, setting the foundations for continued rapid growth in the years to come.

Since the beginning of Bango, I have been passionate about creating win-win partnerships, as these are key to developing a powerful, long-term, valuable ecosystem for all. The strategic partnership with Korean internet giant NHN, announced in April 2020, is already providing access to cutting edge AI and machine learning technology to fuel the Bango data monetization business. In addition, our NewDeep joint venture with NHN is showing great progress and promise.

As the internet giants move to address

the huge growth opportunities across the Middle East and Africa, we formed a powerful new partnership with TPAY Mobile, the leading mobile commerce company in the region. This partnership will accelerate the roll-out of new online services for our customers across the Middle East, Africa and Turkey. It also enables innovators and entrepreneurs in the region to leverage the Bango Platform to expand globally.

Bango is becoming a vital part of global commerce, benefiting millions of people's daily lives. Innovation around the core Bango Platform continues - Bango technology is now deployed in new applications linked to brick-and-mortar brands and in the promising new business of bundling hardware with online services. Offered to new customers in the form of affordable, monthly subscriptions, Bango is backing this business through the investment we have made in our powerful and highly scalable open platform, providing huge untapped potential to serve large, new markets.

Bango employees come from a wide range of different backgrounds and we cultivate an environment of inclusion and belonging for them. This active support for diversity and expression is a key factor in enabling Bango to outperform the tech sector in employee engagement and to attract top talent to the team.

When purpose-led brands like Bango continue to trailblaze, it is vital we focus on operating in-line with the Bango THRIVE values, which complement our drive for fiscal performance. The Bango team across the world rose to both the challenges and opportunities of 2020, confirming the benefits of the corporate culture we have built to attract, support

and develop all Bango people. Among all our ESG initiatives, the Board is particularly proud of achieving certified carbon-neutral status for 2020.

Since the period end, we welcomed Matt Garner to the Board as CFO, who brings global experience that aligns with the Bango 2025 vision.

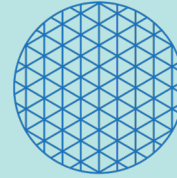
Looking ahead to our priorities for 2021 and beyond, the unique application of payment data, our reputation as a trusted partner, and our strong new partnerships give Bango additional competitive advantage in the market as we continue our progress to becoming the technology behind every payment choice.

We enter 2021 with a fast-growing and profitable business, a robust balance sheet, and with the people, partnerships and technology we need to achieve our ambitions and deliver continued growth in the years to come.

Ray Anderson
Chair



Group overview



Bango exists to make online commerce frictionless and ubiquitous. By providing technology that enables merchants to acquire more customers that pay for products and services online, Bango becomes the preferred platform for alternative payments and thus indispensable to online merchants. Bango collects significant quantities of data from processing online payments, and by applying advanced analytics, Bango generates insights that increase the effectiveness of online marketing. In addition to boosting marketing returns for merchants, this technology enhances the online experience for consumers by providing them with the most relevant and useful advertisements.

Bango customers are the biggest names in mobile commerce, reflecting our relevance and the trust they have in Bango technology. We are growing our list of customers continually, providing a platform for future growth and greater diversification in the business model.

Bango Payments enables online merchants and stores to reach over 3 billion users across the globe. The world's leading online businesses, including Amazon, Google, and Microsoft, use Bango Payments technology to deliver a frictionless experience to their customers.

Bango Marketplace enables app marketers to select Bango Audiences that reach new payers. Bango Audiences

are used in campaigns on Facebook and other digital marketing platforms to better target users who can and do pay, enabling faster revenue generation. Bango Audiences are created from payment insights gathered from billions of dollars of in-app payments, generated by hundreds of millions of users worldwide.

By focusing on what consumers actually buy, Bango is moving targeted online marketing beyond what was possible when focusing just on what users search for (e.g. Google) or what they 'like' (e.g. Facebook).

Twenty years ago, Bango envisioned consumers using mobile devices to access the internet, which would eventually lead to mobile commerce. We believed by creating the infrastructure to facilitate mobile commerce, Bango would become a trusted and valued partner of the key players in a high fast-growth, global market. This vision is unchanged, and Bango has become that trusted partner.

The Bango Platform is a vital connection between major global players in mobile commerce and payment partners in telecommunications and other mass market verticals. Over the years they have come to rely on Bango technology as a key driver of their business growth.

The audiences that Bango offers to online marketers through Bango Marketplace are the product of sophisticated analytics and a rich and growing database of

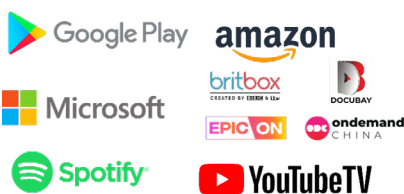
payment data. As a tool to improve the effectiveness of targeted marketing campaigns, we believe Bango Audiences are unmatched, and connect marketing investment directly to revenue outcomes in a way that has not been possible before.

The Bango strategy is ambitious and focused on driving growth:

1. Bango Payments expands payment reach for merchants to billions of potential customers. This is a volume-based business that grows quickly, generating revenue at very high margins and producing huge amounts of consumer purchase data.
2. Bango Marketplace is the platform that analyzes this data to create Bango Audiences (groups of users based on purchase history), making Bango technology indispensable to online merchants as they seek to attract paying customers as effectively and economically as possible.
3. The more payments Bango processes, the more effective and valuable Bango Audiences become.

The financial profile of the business is currently dominated by Bango Payments, which is delivering strong growth, is profitable and cash generative. Bango Marketplace is new and growing fast and, with the right investment, also has the potential to be highly profitable.

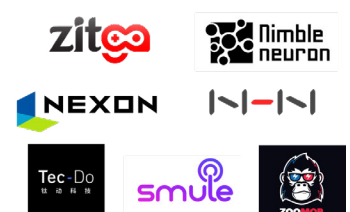
App stores, online merchants



Payment providers



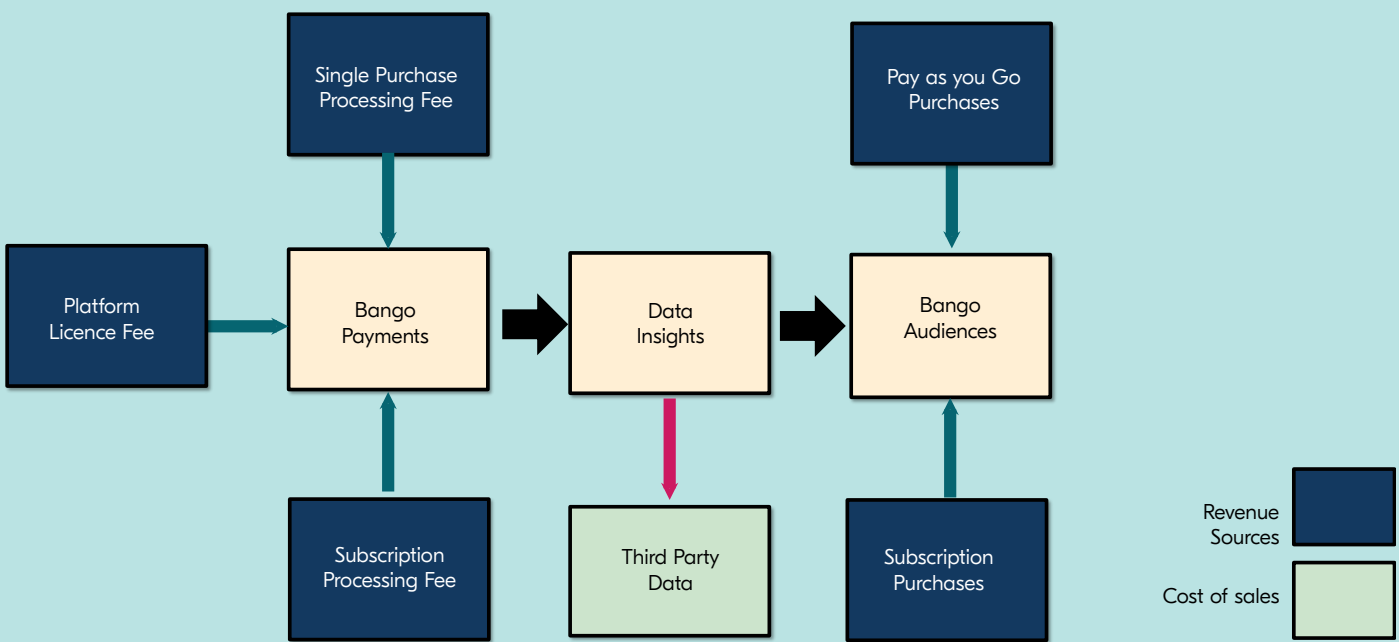
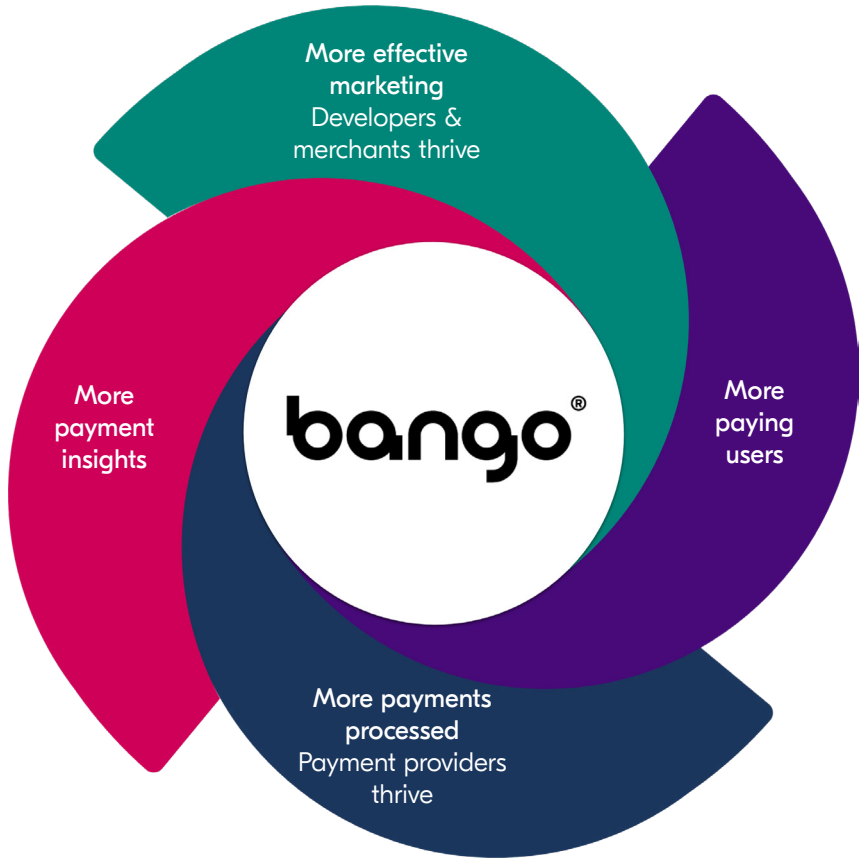
App developers



Business model

Bango Payments generates revenue by charging a fee, either to the merchant or to the payment processor. In the majority of cases, this fee is proportional to the value of consumer spending (End User Spend) processed, enabling revenue to grow as our customers' businesses grow. The fee charged varies with the volume of transactions from a partner and the nature of the goods sold.

Bango Marketplace generates revenue by charging fees to app marketers in order to benefit from Bango Audiences. Over time, more app marketers are moving to a subscription model to pay for Bango Audiences. Upon payment of the appropriate fee, the Bango Audience is applied to the merchant's online marketing campaign, acting like a lens that focuses ads on customers known to pay.



Every customer of the Bango Platform contributes revenue, most often by the merchant or payment provider paying fees proportional to value of transactions processed. These payment transactions also generate monetizable transaction data which we turn into Bango Audiences. App developers and other merchants can use Bango Audiences to reach paying customers. We also have the option to acquire third-party payments data to complement Bango generated data and satisfy particular customer needs.

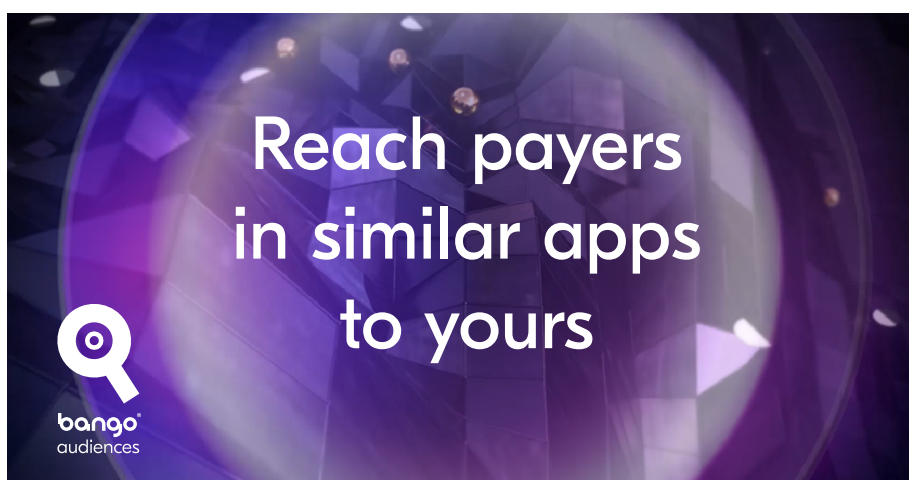
Income from Bango Audiences is either a fee per month of audience use or a subscription service for regular users that run multiple campaigns; the fee depends on the extent of the campaign. Each audience can be used by many different developers, and each developer uses multiple audiences for different app titles and markets. For each audience sale a usage fee (usually a % of the fee Bango charge the app marketer) is paid back to the originator of that data, for example a mobile operator.

Competition for the innovative technology developed by Bango comes from legacy

solutions and smaller players attacking the market through different product strategies. In the payments and resale business, legacy solutions — typically managed by in house teams — are the main source of competition however, Bango has a long track record of gradually replacing stagnating legacy technology.

In Bango Marketplace we are pioneering a

new approach to user acquisition, which is more tightly coupled to revenue outcomes than any digital marketing solution before it. The competition is therefore “legacy thinking”, which is being challenged by greater demands from management for bottom line marketing performance and by fierce competition for a bigger share of online spending.



Bango Audiences. The lens that brings new payers into focus.

[Watch the video](#)

Competitive advantages

Track Record	20 years of innovation and growth in online commerce
Trust	Long-term partnerships with the world's biggest internet companies
Platform effect	Each new partner connecting to Bango benefits from the activity of all existing partners and improves the performance of everyone across the platform
High margin business model	The cost of each additional transaction is zero, therefore incremental End User Spend is very profitable
Virtuous circle	Valuable purchase data boosts payment volumes, which produces more purchase data
First mover	Only platform applying payment insights to optimize online marketing campaigns

CEO's statement

Introduction

Achieving revenue growth of 70%, adjusted EBITDA of £4.6M (16x increase on 2019 adjusted EBITDA) and End User Spend (EUS) approaching £2B, Bango delivered revenue and profitability ahead of original market expectations. The growth in EUS represents both continuing strong growth in the payments business and the expanding pool of data that fuels the data business which we are starting to monetize through Bango Marketplace. This is the Bango virtuous circle strategy in action; the success in app developer campaigns drive even more payments which adds to the moat of data used to generate these insights and the process repeats.

Payments

Bango connects the world's largest merchants to customers who purchase goods using alternative payment methods including carrier billing (charged to a phone bill), digital wallets and through bundled subscription packages. Everyone connected to the Bango platform benefits as it grows; the benefits from the unique data insights fueling merchant growth.

2020 saw good growth across existing routes, driven in part by innovative features. Using the data insights in the platform, Bango enabled du (UAE mobile operator) to convert 20% of its inactive subscribers into active spenders. In Japan, we worked with one operator to deploy an adaptive algorithm that increased subscription renewal success by 10%. Innovative features such as these drive growth for merchants, payments providers and Bango – a great example of the virtuous circle in action.

Dozens of new routes were launched in 2020 across both Google and Amazon. First-time connections for the Google Play store spanned the globe from New Zealand to South Africa to Peru.

In addition to NTT Docomo and KDDI, we extended carrier billing to SoftBank customers shopping at Amazon Japan - for physical and digital goods - meaning even more customers can benefit from frictionless, cashless payments in Amazon's fourth largest market by revenue.

Subscription services continued to grow driven by a combination of increasing consumer demand and studios launching new direct to consumer packages. With a shift in distribution strategy that sees new releases going online concurrently with movie theatre distribution, this growth is set to continue. New streaming services such as BritBox, OnDemand Media (content for Chinese, Vietnamese and Korean diaspora), EpicOn and DocuBay joined the Bango circle to accelerate their global growth.

2020 also saw the launch of new ways for consumers to subscribe to these services, as two top US brick-and-mortar retailers selected Bango to help them bundle streaming media subscriptions with both physical goods (for example headphones and smart speakers) and as a benefit of their consumer loyalty programs.

The trend to deliver more customer value through subscriptions extended to the gaming market in 2020. Bango has been selected by Microsoft to offer bundles of the Game Pass Ultimate and All Access products. This is an exciting expansion of the Bango-Microsoft partnership, which

adds the Xbox games console to a cloud gaming subscription providing both an affordable option for consoles and an unlimited games streaming service that can be enjoyed both on consoles and 5G devices.

This surge in streaming services has led to telecoms providers moving to standardize on a common platform for bundling 3rd party services with their own broadband, TV and mobile plans. We announced a global telco platform deal in May valued at over £1.5M across 3 years; later followed the launch of BT bundles including BritBox and Amazon Prime video through the Bango Platform.

Data Monetization

2020 marked the first full year of trading for Bango Marketplace. Bango segments payment data based on what and how often people purchase, into Bango Audiences. App developers can then target their marketing campaigns at users who are known to have actually paid rather than relying on soft indicators such as "searched for" or "liked" provided by platforms such as Google and Facebook.

This first year saw a 10x increase in the app developers engaged with Bango, growing from 200 in January 2020 to over 2,000 by December. During this period there was also a 20x increase in the total number of days Bango Audiences were used in marketing campaigns.

To broaden the distribution of Bango Audiences, we launched a partner program in 2020. With 12 partners in countries as diverse as US, France, Hong Kong and Taiwan, the partner program

"Helios has a commitment to continuously invest into the African digital ecosystem, to back the entrepreneurs and innovations that unlock the value of digital commerce and financial inclusion across the continent. I am pleased to be working with Bango to reinforce our commitment to this mission, bringing global reach and powerful technology through the TPAY partnership."

Babatunde Soyoye Managing Partner/Co-Founder, Helios Investment Partners LLP

provides additional sales and marketing reach and allows smaller app developers – who often outsource their marketing budgets to agencies - to also benefit from Bango Audiences.

Towards the end of 2020 we launched tailored Bango Audiences. This new feature uses advanced data intelligence technology to allow app developers to benefit from very specific Bango Audiences based on the particular app genre or title, providing even more granular targeting with the promise of even higher returns from their marketing campaigns.

Outlook

Building on Bango accomplishments in 2020, the outlook for future growth in 2021 and beyond is clear and strong.

Continued growth in payments fuels the ever-increasing demand for data insights, and is best expressed by the formula:

$$\begin{aligned} & \text{More Users x More Routes x} \\ & \text{More Merchants x More Insights} \\ & = \text{Payment Data Growth} \end{aligned}$$

More Users: The restrictions due to COVID-19 lockdowns have accelerated the adoption of online commerce, creating more users than ever before who are buying and paying for goods online. Our data shows these new users have made a permanent switch to online commerce meaning Bango enters 2021 with a greater number of users than ever before, driving

future growth from a bigger user base.

More Routes: The routes launched in 2020, particularly large connections such as SoftBank and Amazon in Japan (which launched in June) will contribute to our growth in 2021 with a full twelve months of operation. Following the launch of bundled subscriptions with the US-based brick-and-mortar retailers in 2020, we expect to launch similar services in new vertical markets, for example with energy providers. These new verticals greatly expand the market opportunity for Bango.

The partnership with TPAY Mobile in the Middle East, Africa and Turkey provides a massive and instant expansion of the footprint available to Bango global merchants and provides access to the rest of the world for TPAYs regional merchants. Together Bango and TPAY provide the leading platform and unmatched operational capability across this fast-growing region.

More Merchants: New merchants that joined the Bango circle in 2020 will deliver revenue growth in 2021 and beyond as they launch new routes. The recent launch of Amazon's Prime Video Mobile Edition with Airtel in India is a great example of how new services from existing merchants can drive significant growth. Through the Microsoft Xbox distribution partnership won in 2020, Bango will launch several Xbox subscription services in 2021 and expect good growth from this high value, long term subscription service.

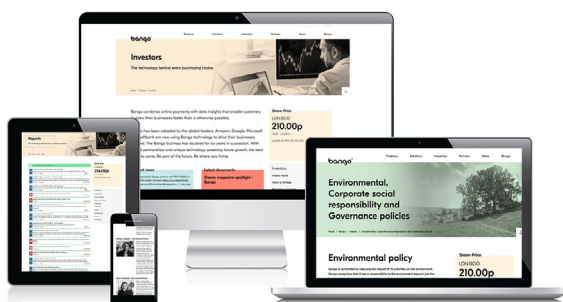
More Insights: 2021 will see the expansion and development of the data insight innovations launched in 2020 with one additional carrier in Japan already launching our predictive authorization algorithm to maximize subscription renewals.

Put together, these four elements create a rapidly growing source of payment data that can be monetized through Bango Marketplace. With the momentum built in 2020 the opportunity for significant Marketplace growth is exciting. Simply put:

$$\begin{aligned} & \text{More Data x More App Developers} \\ & \quad \text{x More Campaigns} \\ & = \text{Data Monetization Growth} \end{aligned}$$

More Data: In addition to the data from the payments business, more 3rd party data will be used to build Bango Audiences in 2021. With alternate sources of data for app marketers reducing because of changes such as Apple's removal of the automatic sharing of marketing data, the demand for Bango Audiences is set to grow.

More App Developers: We expect continued growth from our organic app developer sales. The newly launched www.bango.ai portal provides self-serve functionality, reducing the sales effort and increasing scalability. The channel partner program will continue to grow and we expect to see an increasing volume of sales driven through the channel partners we announced in 2020.



Visit Bango Investor online:
bango.com/investor

More Campaigns: With more options for audience segmentation and the increased adoption of our subscription pricing plans, we expect existing customers to increase their repeat use of Bango Audiences further driving sales with minimal sales effort.

These opportunities, which will drive Bango's continued growth have never been greater, making execution key to success. This is driven by four key pillars:

People

A talented and engaged team is critical for success. With a record employee engagement score in 2020, the focus on employee engagement is continuous improvement. With a combination of new hires and internal promotions, the leadership talent in Bango is stronger than ever:

- Matt Garner joined Bango as CFO bringing a strong track record in managing complex global technology businesses.
- Brett Orlanski joined to lead the Marketplace Product and Sales teams bringing market knowledge, contacts and expertise having led the marketing channel partnerships team at user acquisition specialist Bidalgo.
- Jim Plimmer, who joined Bango in 2013, was promoted to have responsibility for the Payments Product and Sales teams. Jim has been instrumental in the growth of

the subscription business in Bango.

- Maria Vidondo, having held numerous leadership roles in her 8 years at Bango, has taken on the role of VP Partnerships, to help Bango grow through strategic partnerships.
- Wayne Griffiths joined to evolve and lead the Engineering and Delivery team having previously led large global sales, services and technical teams in Velocix, Nokia and Alcatel-Lucent.
- Lisa Huxley joined Bango to lead account management having had senior roles in large global organizations such as Virgin Media and Nokia.

Innovation

"Innovative" is one of the Bango THRIVE values and is core to our continued growth. From the technology innovations that help partners attract more users to the use of new cloud technology and services to manage the exponential growth in the volume of transactions at zero incremental cost, technology has never played a more important role. The opportunity to help our partners grow using innovative cloud and AI solutions is exciting.

Partnerships

"Join the Bango circle and Thrive" is much more than a marketing slogan; it defines our approach to growth through partnerships. In 2020 new or strengthened relationships with companies such as

NHN, TPAY, Evergent and Amazon Web Services will be important to our growth.

Trust

For twenty years Bango has been at the forefront of mobile commerce. Over this period we have forged longstanding relationships with some of the world's largest internet companies. These relationships are built on trust. Trust that we will help them grow and trust that we will execute and support them as Bango plays an increasingly critical role in their success.

We are extremely excited by the future growth opportunities as we progress towards our 2025 vision of becoming the technology behind every payment choice.

Paul Larbey

Chief Executive Officer



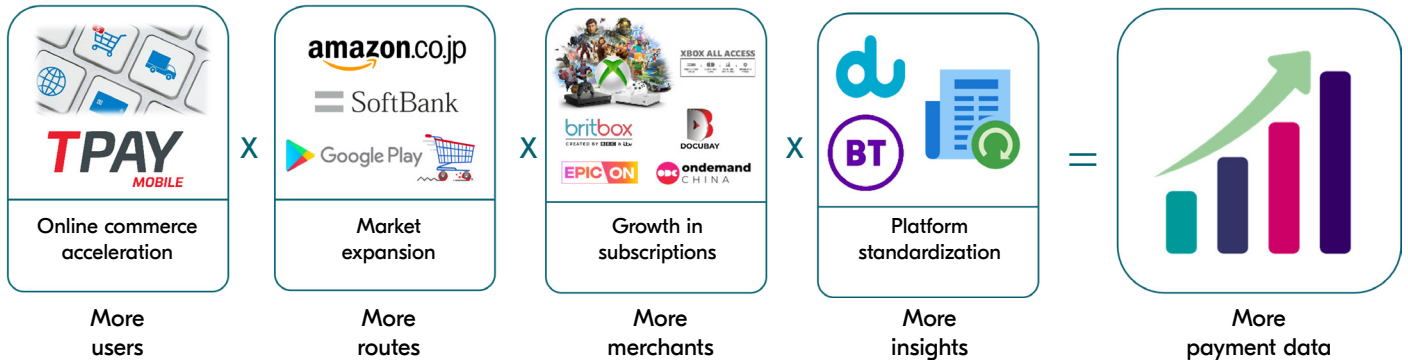
"Bango and TPAY MOBILE share a desire to push forward the frontiers of online commerce. Through collaboration we are making a real impact in the era of platform economy. There is a huge opportunity to unlock the potential of online commerce across the Middle East, Africa and Turkey, and to take innovations from this region to a global audience."

Sahar Salama, CEO of TPAY MOBILE

Strategy for growth

Online spending totalled \$1.2 Trillion in 2020, of which \$160B was spent in app stores and on streaming services. Bango Payments is driving the growth of the alternative payments market, which accounted for \$24B of the spend. By 2024 analysts estimate app store and streaming spend will grow to \$200B and the share of alternative payments to \$40B (TechNavio, 2020). Bango expects to increase our share of this growing market, complemented by continued growth in EUS from physical goods, through our partnerships with Amazon and other merchants.

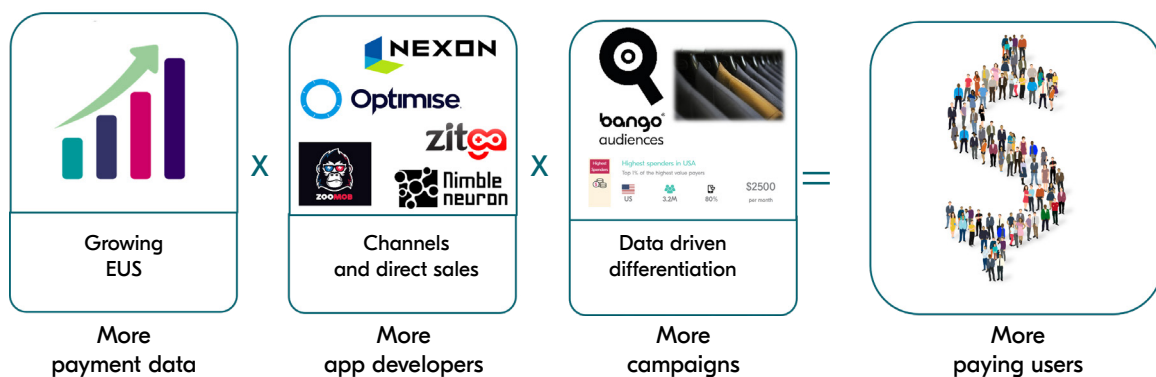
The foundations for continued Payments growth



Growth in the Bango payments business is fuelled by several factors. Underlying market growth causes an “organic” increase in the value of end user spend processed over time. Existing Bango customers launch additional services that drive more consumer spending through the Bango platform. Bango adds new payment routes and new payment methods, that help our customers acquire more paying users. And, uniquely, Bango applies data insights used by merchants to acquire more paying users, which drives up the volume of payments processed.

The Bango Marketplace business has value across the online advertising market. App developers alone spent \$80B in 2020, and approximately \$1B targeting specific users. By 2024 it is expected that marketing spend from app and streaming media players will have risen to at least \$120B and spending by marketers on ad targeting to \$2B. From start-up in 2020, Bango expects to deliver revenue growth from Bango Audiences at a higher rate than the overall growth in ad targeting spend, as marketers focus increasingly on the financial returns from their ad campaigns. Our growth will come from the growing application of payment insights by more app developers in more campaigns.

The foundations for continued Marketplace growth



To maintain high rates of growth, Bango focuses on:

1. Winning more payment relationships which builds EUS at >95% margin and generates audience data.
2. Increasing the number of audiences on the Marketplace platform.
3. Attracting more app developers onto the platform to increase usage of Bango Audiences.
4. Investing in Marketplace through R&D to further develop the technology, plus people and partnerships to market and sell the proposition.
5. Deploying cash generated from operations to fund future growth.

Sustainability and Section 172

Bango approaches sustainability and social responsibility from a pragmatic standpoint. The Bango ESG focus is not viewed as a separate exercise to be “completed”, but as a core part of the Bango strategy and integrated into work life and management processes. Through this integrated approach, Bango ensures every area of the business delivers sustainable benefits for our customers, employees and investors.

The four major areas of focus for Bango’s sustainability plan are:-

- Protecting the environment
- Employee engagement, diversity and inclusion
- Data security
- Governance

Protecting the environment

Bango is committed to reducing the environmental impact of its business and encouraging our partners and investors to take the same initiatives.

Bango has been certified as a carbon-neutral business to the PAS 2060 standard for the baseline period 1 January 2020 to 31 December 2020. The certification was provided by Go Green Experts Ltd who are an environmental consultancy. This is an important milestone that many of the largest technology companies have yet to obtain.

Bango has offset emissions in 2020, using Rimba Raya Biodiversity Reserve Project, Indonesia forestry scheme with 321 Verified Carbon Units (VCUs) carbon credits. Scope 1 & 2 emissions plus material scope 3 emissions were considered within the scope.

In 2021 Bango has a target to lower the total of scope 1, 2 and material scope 3 emissions by at least 7%. Progress will be reported to the Board regularly throughout the year. For more details please see the PAS 2060 Qualifying Explanatory Statement which contains information pertaining to Bango’s carbon neutrality - <https://bango.com/investor/environmental-corporate-social-responsibility-and-governance-policies/>

To reduce waste, Bango is introducing paperless systems. All Bango employees are provided with reusable, personalized and Bango branded hot and cold drinks bottles and coffee cups, eliminating the demand for disposable vessels.

During 2021, Bango will make a further drive to encourage 100% of Bango investors to switch to paperless communications. Bango already provides the majority of shareholders with electronic communications – including statutory notices – and with digital reports, such as this Annual Report. We will encourage those remaining investors that receive paper to switch to digital



only. Any investor that wishes to continue receiving printed paper through the post will be invited to make a small donation to cover production and mailing costs and contribute to carbon offset.

Bango adopted an electric car scheme so that employees can secure competitive financing to replace vehicles using carbon-based fuels with electric vehicles. This operates alongside a longstanding initiative to encourage bicycle and e-Bike usage.

Employee engagement, diversity and inclusion

Bango is a special place to work. The THRIVE values set high standards for everyone at Bango to hold themselves to. Each year employee engagement is measured against each of the THRIVE values. In 2020 Bango recorded its highest engagement score and biggest year on year increase, with an overall score of 78%. The process is administered by Unicus; a highly respected leadership development organization who work with some of the UK’s leading companies.



Commenting on employee engagement at Bango, Ian Palfreyman, Unicus CEO, said: “Bango’s Employee Engagement score reached a company record high in 2020 at 78%. This represents the biggest single annual increase of 7% since the survey was launched in 2013. The leadership team is committed to continuously improving the culture, workplace, and opportunities for its people, to ensure working at Bango is a place where people can Thrive. Bango significantly outperforms the overall tech sector score of 69%. A culture of openness and transparency, a belief in the power of diversity, promoting self-sufficiency and a wide variety of development opportunities are seen as the key drivers for engagement in the sector. The 2020 score is one the whole company can be proud of”.

Even such a high score provides opportunity for improvement. Actions coming out of the Engagement Survey are closely monitored by the Head of People and the CEO, and the Bango Board is presented with a detailed update twice a year on engagement measurement and actions.

Bango is a highly enjoyable business to work for and attracts talent in all areas. Bango is equally proud of the long-term commitment many employees make to the business. In 2020, Bango introduced employee long service awards to recognize people who have dedicated many years to the success of Bango. A total of 20 x “5 year”, 4 x “15 year” and 2 x “20 year” awards were made, with each employee presented with a special edition Bango hoodie.

Happy

The past 12 months have been most unusual, with lockdown restrictions dramatically changing the working environment however, across Bango the focus on communication, support and social interaction has been constant.

Bango has always endorsed a flexible working culture. During lockdowns Bango managers exercised this flexibility with their teams, so that home schooling commitments could be met, and single person households could socially interact with colleagues, friends and family during the working week. Weekly events that stimulate social interactions have been delivered to maintain the incredible social environment Bango is known for. In addition to the virtual events, gifts including a Fortnum & Mason Christmas



Hamper and surprise packages were sent to home addresses, recognizing the importance of people to the success of Bango.

In January 2020, before the world shut down, Bango was 20 years old. The 20 year anniversary was celebrated with a Mad Hatter’s Tea party themed carnival extravaganza. This turned out to be the last time all employees would be able to celebrate together in person in 2020, making it even more memorable.

Wellbeing

Bango employees dedicate a significant proportion of their time to Bango, which means people need to be able to take

care of their health and wellbeing – mental and physical – when working.

As people moved to working from home, Bango has provided ergonomically efficient chairs, desks, lights, monitors, webcams etc. and provided expert 3rd party advice on productive working patterns and routines. Everything that people need to allow them to work safely and productively from home is offered by Bango.

The additional pressures of lockdown impacted everyone differently. In line with the “Expressive” value, Bango created a broad range of support “tools” that people can use. These include: -

- Additional flexible Bendi-time to help with the challenges of home schooling.
- A running club where friendly competition encourages everyone to get outside and enjoy fresh air on a run or a walk.
- Weekly lockdown challenge encouraging everyone at Bango to step away from their desk for yoga, meditation or to start a new hobby.
- Promotion of the employee support facility so everyone knows help is close by if needed.
- Training for people managers on supporting their teams through remote working including training aimed to raise awareness of people presenting signs of mental health challenges.
- Planning post-lockdown events that we can all look forward to in the coming year

Giving back

Bango recognizes that the local community is a key part of the infrastructure that

enables us to succeed. Bango supports the communities in which we work through a variety of means. Rather than select one charity, Bango supports employees to raise money for a range of charities that are important to them, matching personal donations raised.

In 2021 Bango is committed to encouraging its people to do more work with the charities of their choice, and is aiming to increase this matched funding program by 5x.

Learning & Development

Bango designs development paths to support the individual through a combination of digital-learning formats and in-person sessions. While L&D in the classroom still has immense value, COVID-19 has pushed Bango to find new creative ways of learning away from in person settings. Despite lockdown, the Bango Buddy scheme has remained in place for new employees to have a “go to” person that will help them get up to speed quickly, find anything they want to know and get the most from their life at Bango.

Diversity & Inclusion

Expressive - We value difference, and we value choice as part of our day to day working. We embrace difference and focus on talent that everyone at Bango possesses.

With Expressive as a core THRIVE value, diversity is at the heart of the Bango culture. Bango believes that equality, diversity, and inclusion are three vital ingredients for a thriving, vibrant company. All Bango employees are encouraged to spend a few days visiting and working from regional offices if they can, to better understand the workplace and social cultures of the countries from which we operate.

With people from 18 different countries and 52% of managers and leaders identifying as non-male, Bango benefits from different backgrounds, perspectives, and talents. Bango is a global company

whose technology benefits hundreds of millions of people around the world, and we want to reflect that in the make-up of our workforce, partners and stakeholders.

Data security

Data security is core to the Bango Platform and services, and a key element underpinning the trust our partners and customers place in us. In 2020, there were no reported data breaches.

Bango applies appropriate data labeling, encryption and segregation to all app store, operator and other third-party data. All confidential data (Bango secret data) is stored encrypted and is only accessible with appropriate security granted permissions governed through strict Bango access control using Role Based Access multi factor authentication. The Bango Platform Operations Centre ensures the integrity and security of encryption keys with role-based access control and privileges verified at least annually.

Bango employs network protection as required by each partner and all data in transit is encrypted. Bango never stores or transports data on portable media. Core platform data and all associated payment and transactional data relating to app stores, operators and other third parties is never available outside of Bango datacenters. It is never copied to staff hardware, such as laptops, tablets or smartphones.

During 2020 Bango migrated to a new corporate platform providing best in class

security, with comprehensive protection that meets National Cyber Security best practices, with added protection from Microsoft's Enterprise Mobility and Security suite.

Bango operates in-line with the ISO27001 standard using equivalent controls and is also informed by other standards and best practice guidance where appropriate including ISO27002, ISO29147, Cloud Controls Matrix (CCM), OWASP and Centre for Internet Security (CIS) benchmarks. Bango aims to secure formal ISO27001 certification in 2021.

Bango commissions regular third-party penetration tests alongside routine vulnerability testing. All generated alerts are categorized based on business risk and dealt with by our 24x7 operations team.

There are mandatory security training programmes in place depending on employee role within the business. Bango achieved 100% against this objective.

Governance

Continuous measurement and reporting are key to continuous improvement. In each of the areas described above regular measures and reports are provided to the Board in the monthly management packs. These reports clearly document the actions being taken to improve and are visible not only to the Board to across the entire company. How the Board uses this data and the structure around corporate governance is described in the Corporate Governance Report on page 28 and in the Section 172 statement.

“I feel extremely lucky that Bango matches whatever I raise for charity. I raised over £900 for the Blue Cross including Bango's contribution. It has been nice knowing the company I work for is supporting the charities I value”.

Neena Patel, Digital Campaign Strategist at Bango

Section 172 statement

Decisions of the Board take into account not just short-term, but also medium- and long-term consequences, which are carefully considered and balanced, having regard to the various needs and priorities of Bango, our customers, partners, employees and other stakeholders.

The Board adopts and reports to the QCA Corporate Governance Code to further support these principles, with more detail of the steps Bango has taken set out in the QCA website disclosures against Principles 3 and 9 to the Code, which can be found on the Bango website at:

<https://bango.com/investor/aim-rule-26/>. Bango works with the global leaders of the technology and telecoms industries. Accordingly, the highest standards of business are demanded. Bango works with these global leaders, at the forefront of business, industry and technological innovation, to ensure these standards are constantly challenged and improved.

The competing needs of the various stakeholders of Bango are monitored and reviewed at management and Board level. Where conflicting needs arise, advice is sought from the wider Board and, as necessary, from Bango advisors. Through the careful balancing of stakeholder needs, Bango seeks to promote success for the long-term benefit of shareholders.

Examples of how Section 172 factors have been considered by the Board in 2020 include:

- Decision to invest cash generated from the payments business into the data business is based on the view that this strengthens customer relationships, creates a new revenue stream and boosts the value of the payment business in the long-term.
- Decision to divest the Audiens Customer Data Platform (CDP) business was taken to provide

additional investment allowing the growth of the business to be accelerated. The creation of a JV (NewDeep) in which Bango retained a 40% stake, with South Korea's NHN having a 60% stake, provided an opportunity for Shareholders to benefit from the long term growth while allowing Bango management to focus on the Payments and Data Monetization business. The JV also provided the best mechanism for Audiens employees to retain some connection with Bango as the transition occurred.

- Decision to partner with TPAY mobile for expansion into the Middle East, Africa and Turkey was taken as it provided the fastest possible way for Bango merchants to capture new customers and payment methods, and leverages Bango technology in markets that are more expensive to enter remotely.

The key stakeholder groups considered by the Board in decisions are:

Customers

Bango customers and partners are diverse. Large global merchants connect to the Bango Platform to reach new customers, and payment providers connect to offer a broader range of services to their customers. Bango Marketplace gives marketing teams in large and smaller companies the ability to target their marketing campaigns based on purchase behavior, to gain a higher ROI. In all cases our focus is to help our customers grow, which inevitably means Bango grows.

Communication:

- Monthly/quarterly business reviews are held with all major customers
- The Bango Dashboard provides a real-time view in to the Bango Platform
- Bango Boost provides quarterly reports to all payment providers and merchants with actions and results to further increase the EUS over the route.
- For Bango Marketplace, monthly data supply revenue reports are provided to all data suppliers.
- Support tickets provide an audited track of all customer communications for both outbound and inbound support requests.
- Newsletters and social media provide a regular mechanism for updating customers on the latest developments in Bango.

Measures:

- The ultimate measure is the End User Spend per customer. Good growth across all major merchants in 2020 saw total EUS rise to almost £2B.
- Support and performance key performance indicators (KPI) are reported quarterly to the Board
- Customer performance reports are reviewed quarterly, with issues and improvement actions reported to and tracked by the Board.

Employees

People are the heart of Bango and are critical to its success. The Bango values spell out the high standards we hold ourselves to that make Bango such a special place to work. A company-wide share option scheme means that all employees feel connected to, and benefit from, the growth of the company.

Communication:

- Monthly all staff meetings provide a regular engagement point to discuss the progress across Bango. With COVID-19 these have moved to be 100% virtual but remain a key forum for new starters to meet the wider team and for people to raise questions.
- All staff receive the monthly management pack that the Board receives. This is publicized and people are encouraged to read and raise questions from the report.
- Feedback forums in tools such as slack provide a more informal but rapid means of communication.

Measures:

- Bango conducts an annual engagement survey. For more details see the Sustainability section.
- Ad hoc Bango “Circles” provide a more regular and informal measure of employee engagement. These are usually completed within teams.
- Staff retention and churn measures are tracked with all leavers and starters reported to the Board.

Shareholders

Bango shareholders play an important role in monitoring the performance of the company.

Communication:

- In 2020 the bango.com/investor website was refreshed to provide easier access to the latest company information
- Regular RNS Reach and social medial communications are used to communicate the latest developments.
- Results videos have been used to support investor communication during lockdown and the AGM in May 2020 moved online. Regular in person AGM and Strategy Days are expected to resume in 2021
- investors@bango.com provides a simple way for all shareholders to raise questions with management. Common Q&A are posted on the investor website.

Measures

- All resolutions put to shareholders at the AGM in May 2019 passed with over 99.8% approval.
- A consultancy was used to conduct an investor perception study with four large investors. This, along with the regular feedback through Bango’s broker, helps inform the Board decisions.

Suppliers

Key suppliers to Bango have executive sponsors to ensure a close partnership exists in preference to a customer<->supplier relationship.

Communication:

- Regular business reviews are held with strategic suppliers.
- Clear escalation channels are in place for all suppliers providing for rapid resolution of any challenges.

Measures

- Key actions and issues from supplier reviews are reported to the Board in the monthly management reports.
- Regular security and process audits are carried out on critical suppliers when deemed necessary. Major non compliances are reported to the Board.

Community and environment

Bango is committed to making a positive contribution to the communities within which we operate, including supporting the local community and reducing our environmental impact and creating employment opportunities.

Communication:

- Bango is an active member in Cambridge Network (www.cambridgenetwork.co.uk) this provides excellent opportunities for sharing of information and best practice in the Cambridge area.
- Charities benefit from fundraising as employees select their own charity to raise money for, and Bango matches all funds raised.

Measures

- In 2020 Bango was certified as carbon-neutral, a scheme that will be extended to suppliers in 2021.
- Matched fundraising is measured and reported to the board. Bango aims to increase these funds raised year on year.

CFO's statement

Bango continued to grow strongly during FY2020, delivering a revenue increase of 70% and an adjusted EBITDA* up 16x.

Bango business model

Bango reports the revenue generated through payment transactions and through the monetization of payment data from these transactions as one segment, which is the monetization of the Bango Platform.

End User Spend (EUS)

EUS continues to be a significant Key Performance Indicator that management uses to measure the growth of the business. EUS is the total value of transactions processed by the Bango Platform (excluding taxes). During 2020, EUS grew 70% to £1.85B (2019: £1.09B).

Revenue and Costs of Sale

Total revenue from continuing operations increased 70% to £12.17M (2019: £7.17M).

This includes non-transactional payments (licensing of software, platform & technology) and integration totaling £2.78M, which are additional ways to monetize the Bango Platform.

Bango earns revenue from payment transactions processed by the Bango Platform, from platform and software licenses and from the data insights sold as Bango Audiences in Marketplace. Fees, such as integration fees, are recognized on completion of contractual milestones.

With cost of sales at £0.34M, Gross margin was 97.2% of revenue in 2020 down from 99.0% in 2019. This reduction reflects the additional cost of sales from the Bango Audiences business and some integration fee costs from the payments business.

Operating expenditure of continuing operations

Bango group operating costs increased to £7.27M, (2019: £6.83M) reflecting the increased investment in the business,

which was partially offset by some COVID-19 related savings in travel and site costs of £0.47M.

Bango Group Adjusted 2020 EBITDA* for continuing operations was £4.56M, (2019**: £0.28M) reflecting the benefit from increased revenues without an associated increase in fixed costs.

The share-based payment charge for 2020 was £0.81M (2019: £0.81M) 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.

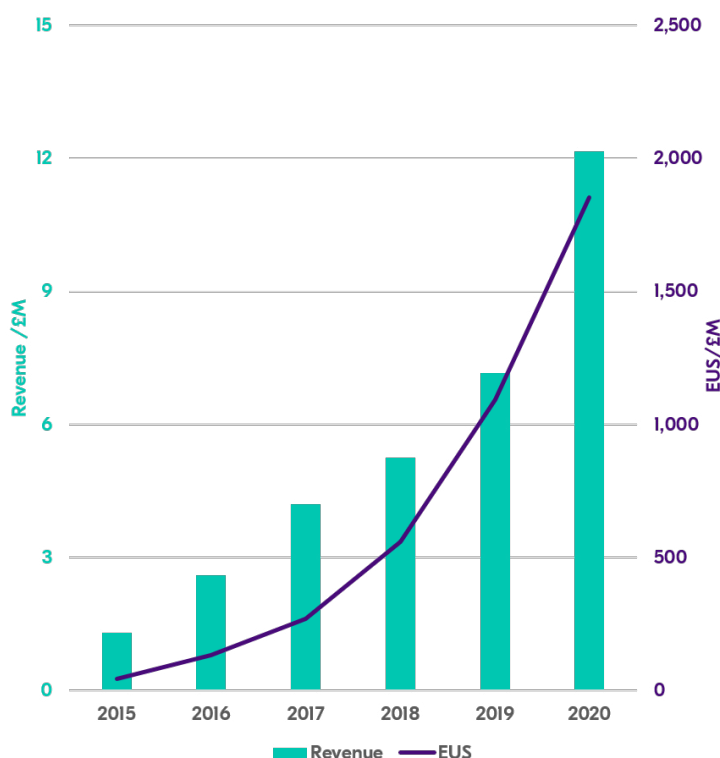
Amortization of intangible assets in 2020 was £2.25M (2019: £1.47M**) as R&D projects capitalized in prior years were deployed. In addition, there was an increase in amortization arising from the £5.39M acquired intangible software retained in the group following the creation of the joint venture with NHN.

Joint venture with NHN Corp

On 6 April 2020, Bango completed a Joint Venture 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 SRL and Audiens Limited (renamed NewDeep Limited in May 2020) - with Bango retaining 40%. In addition, NHN injected its data science know-how to accelerate the Audiens data business.

The combined continuing and discontinued operations reported revenue of £12.35M in 2020, excluding the revenue of the associate and including £0.18M of revenue from discontinued operations prior to creation of the Joint Venture.

The 40% interest held by Bango has been accounted for as an associate. The interest in the associate has been determined by measuring the fair value



as a proportion of the value invested in NewDeep including the acquired intangible assets and proprietary software retained by Bango. A gain of £4.08M (net of transactional costs) resulted from the sale of the 60% as detailed in note 16.

In 2020 Bango incurred, and separately disclosed, items totaling £0.77M that are considered non-recurring and exceptional. These comprise non-recurring legal and advisor fees, and other expenses related to the divestment of Bango Deep Limited into the Joint Venture with NHN Corp.

The 2019 consolidated income statement has been restated to include the impact of operations now classified as discontinued (see note 16) as a result of the NewDeep JV with NHN.

Profit and earnings per share

The total comprehensive income after tax was £4.90M (2019: loss £2.42M) including the profit on the disposal of 60% of Bango's shareholding in Bango Deep Limited. Profit from continuing operations (excluding the share of net loss from the associate of £0.53M) was £1.27M (2019: loss £2.16M).

Basic earnings per share from continuing and discontinued operations was 6.37p (2019: loss 3.32p) whilst diluted earnings per share from continuing and discontinued operations was 6.29p (2019: loss 3.32p).

Considering only continuing operations the basic earnings per share was 1.01p (2019: loss 3.07p) and diluted earnings per share was 1.00p (2019: loss 3.07p).

Statement of financial position

Net assets at 31 December 2020 were £24.09M (31 December 2019: £14.70M) driven by the fair value of interest retained in the NewDeep JV (£5.69M) and an increase in cash.

Cash

Cash balance at 31 December 2020 increased by £3.15M to £5.84M (2019: £2.69M). Net cash generated from operations was £3.01M. In addition, Bango received £3.19M from NHN's investment in newly issued shares of Bango plc.

Intangible assets

Intangible assets of £12.07M (2019: £12.20M) include goodwill as well as internally developed capitalized R&D. Intangible assets relating to capitalized internal R&D increased to £14.24M from £13.56M in 2019, following further investment in the Bango Platform and Bango Marketplace. The net value of internally developed capitalized R&D decreased to £5.91M from £6.57M in 2019 following the Bango Deep disposal and as more previously capitalized R&D projects were deployed in the year generating amortization costs. Internally generated R&D is amortized over 5 to 8 years with projects assessed in relation to their individual cash generation ability.

Liabilities

Total borrowings at 31 December 2020 were £0.15M (2019: £1.05M) consisting of Right of Use lease liabilities.

Going concern

The combination of strong operating cash flow and revenue growth supports the Directors view that the Group has sufficient funds available to meet its foreseeable working capital requirements. These requirements support the planned investments to grow marketing and sales, and to develop new products.

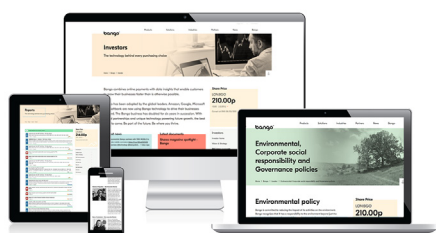
The Directors have taken into account the wider macro-economic effects, including foreign exchange and interest rate fluctuations, and have concluded that the going concern basis remains appropriate.

Matt Garner

Chief Financial Officer

*Adjusted EBITDA is earnings before interest, tax, depreciation, amortization, share based payment charge and exceptional items

** 2019 adjusted to consider only continuing operations



Visit Bango Investor online: bango.com/investor

Principal risks and uncertainties

Financial risk management objectives and policies

Risks and uncertainties are scrutinized and monitored by the Board continuously. The Board is supported in this task by the Bango senior legal counsel, solicitors, auditors and insurance brokers.

Risks are formally audited every year as a part of the standard audit process, and the CFO and Company Secretary undertake an annual review of risks and uncertainties with Bango's insurance brokers during the insurance renewal process.

The monthly Board meetings are the main forum for the discussion of risk by the Bango Board. Management reports, delivered to the Board in advance of each meeting, form the basis reviewing issues of risk, and relevant experts report and present to the Board on a regular basis. Where risk concerns arise, the Board is kept informed by the Executive Directors or Company Secretary.

Bango has a formal risk management policy and risk register which are actively maintained and available to any Bango employee to report on or review.

The Bango Board and key management personnel regularly review known and potential risks and assess the processes and controls that have been put in place to mitigate them. The implementation of risk management is delegated by the Board to the Bango leadership team and key management personnel.

Bango has identified the following financial and operational risks to which it is exposed through its business activities.

Liquidity risk and going concern

Bango ensures sufficient liquidity is available to meet foreseeable needs and invests in cash assets safely and profitably. See note 22 for further information. Due to the nature of the Bango business – built

on long term relationships with Telcos and global merchants - Bango does not have significant issues with bad debt and therefore the impact on liquidity is low. The Board reviews a detailed cash flow forecast every month to ensure that there is sufficient cash to continue to invest in the platform and future developments to meet the needs of current and future Bango customers.

Business interruption due to technology failure

Bango has customers across all continents. These customers expect 24/7 access to Bango customer operations and for service level agreements (SLAs) to be met. Bango makes significant and carefully considered investment in technology to ensure maximum uptime, resilience and robustness of services.

Software licensing

Bango use 3rd party software tools and systems from a variety of suppliers. These are normally restricted in use with user, capacity or enterprise software licenses. Controls for the introduction of a new tool along with procedures for granting users access ensure Bango remain within the licensing conditions.

Employee retention

Bango depends on its ability to recruit and retain people with the right experience and skills. Bango puts significant effort into providing an excellent working environment and benefits (see Sustainability section), including a highly attractive share option scheme available to all employees (note 7).

Currency risk

Bango revenue streams and the assets of some of the Group's subsidiaries are transacted or held in currencies other than sterling. This results in potential currency

risk, partly mitigated by sales and costs in the same country being largely offset and due to the natural hedge from conducting business in so many different currencies. As the cost of sales is extremely low there is no risk to the profitability level of any contract due to currency fluctuations. See note 23 for further information. Regular reviews of the impact of dramatic currency swings are undertaken to plan against any significant risks to Bango if these were to happen. No forward exchange or other such financial instruments have been used in the year for trading purposes.

Security risk

Bango undertakes an annual external security risk assessment covering sensitive assets, the protection of assets, and consequences for the loss or compromise of data. The review also considers breaches of legislation and regulation, and reviews the Bango risk register. The cyber essentials framework is used, with additional requirements from major partners. Recommendations are brought to the attention of the Board, prioritized and actioned. Further detail can be found in the Sustainability section.

Data risk

Bango processes data belonging to customers and individuals as part of its business. There is a risk that such data could become public if there were a failure of systems or security. Bango has implemented policies, systems and procedures which address privacy risks in accordance with widely adopted industry practices. The extensive testing of Bango systems by our major partners as part of ongoing supplier monitoring, gives assurance that this risk is appropriately mitigated. A data breach register is maintained and kept up to date. Further detail can be found in the Sustainability section.

Technology risk

Bango is dependent on its technology keeping pace with developments in internet, marketing and payment technology. Bango manages this risk with a continued investment in Research and Development (R&D), combined with regular technology reviews with trading partners and sector specialists to ensure that market developments are understood and managed.

Diversity of customers

The Bango strategy is based on a diversity of customers which use the Bango Platform because it can do things that no one customer can do themselves.

Extreme dominance of the market by one

merchant or mobile operator could reduce the value of Bango. Bango has secured deals with leading stores and expects diversity of customers and operators to continue and increase over time. Even the largest internet companies do not monopolize the global commerce market.

Bango Marketplace further diversifies the customer base with app developers joining the payment providers and global merchants inside the Bango circle.

EU related uncertainty

Bango leadership carefully monitors the impact of the UK exiting the EU. To date there has been no impact to the business. The benefits and drawbacks of having exited the EU and the new trade deals that

will be signed are continually evaluated but are expected to be manageable or insignificant.

COVID-19

While there is uncertainty about how long countries will be required to deviate from “business as usual” as a result of COVID-19, no negative impacts to the Bango business have been identified so far. Bango has always supported flexible working patterns and therefore adapted to lockdown conditions with little difficulty. Bango technology helps the acceleration of online commerce that has resulted from lockdowns.

Paul Larbey

CEO

KPIs

End User Spend (EUS)

EUS is the total value of payments processed by the Bango Platform. This metric is not only a measure of the payments processed, it is also a measurement of the volume of monetizable payment data.

Bango closely monitors EUS growth and forecasts, to ensure that there remains significant capacity in the platform to handle massive future volumes and temporary spikes in volume removing barriers to future growth.

Revenue

Bango reports revenue from the Bango Platform as one segment. This includes all revenue from the payments business and the data monetization business. Revenue

is recognized as described in note 3.12 of the financial statements.

Cash

The Bango Board reviews a cash forecast on a regular basis to ensure that Bango has sufficient cash to reinvest in research and development to support future growth.

Net profit

This is monitored monthly by the Board and key management. Bango is a highly scalable platform that can handle huge additional volumes of EUS without increasing processing costs allowing money to be re-invested in R&D and sales & marketing.

Bango Marketplace

Two additional, non-financial KPIs are used specifically to track the progress of Bango Marketplace. These are the number of app developers engaged and the Bango Audience Days (BAD). BAD is a measure of the number of days in a month that audiences were shared across all app developers when totaled.

Other non-financial KPIs

These are monitored monthly by the Board and key management, and include business forecasts from key partners, sales pipelines for new route activations & merchant onboarding, app developer audience sales pipelines, carbon emissions and employee engagement. All these indicators align towards growing market share and EUS.

NHN JV

“NHN is delighted to be partnering with Bango to drive new innovations in purchase behavior targeting. Bango has a strong desire to apply our proven AI technology and data science to benefit Bango merchants and partners, and we are eager to support that quest.” - Jinsoo Lee, CEO NHN ACE

NHN is a large South Korean internet infrastructure company. With businesses spanning payments, games, content, ticketing, IoT and streaming services, NHN has a deep level of expertise in payments and analytics in South Korea.

In April 2020, building on a data monetization partnership announced with NHN's ACE division in 2019, Bango entered into a strategic partnership with NHN Corp.

Bango will benefit from NHN's experience and knowhow in AI and Machine Learning as applied to payments and marketing, and NHN's commercial strength and resources in South Korea and Japan.

NHN sees benefits from working with Bango to support the global monetization of payment data insights and expansion outside South Korea, and will work closely with Bango as it plans for growth outside South Korea, especially in Europe and USA.

NHN took a 4.7% direct stake in Bango and has subsequently increased its stake to 6.9% by buying shares on the open market.

NHN also invested £6.5M into Bango Deep, the Bango subsidiary that owned the Audiens Customer Data Platform (CDP). This investment gave NHN a 60% stake in Bango Deep, now renamed NewDeep, with Bango carrying a 40%

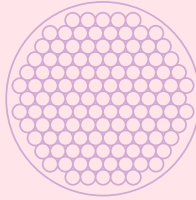
share into the future. In addition, NHN injected data science technology and knowhow into this exciting venture to accelerate its business globally.

The Audiens CDP business was acquired in 2018 to gain access to innovative technology that helped Bango speed up the development of Bango Marketplace. As a result, Bango was able to rapidly introduce its data monetization product

at least 12 months earlier than otherwise possible. The Bango Marketplace business – key to the Virtuous Circle strategy – remains wholly owned by Bango, with all necessary IP owned by Bango.

The future strategy of NewDeep is to accelerate its growth as it addresses a larger global market opportunity. NHN will provide additional resources including its advanced deep data capabilities. In less than a year, new technology injected into Audiens has augmented its capabilities, and it is now able to plug in directly to over 400,000 Shopify powered websites and automatically generate marketing recipes that will drive customer growth. From this solid foundation and with NHN's support, we expect NewDeep to show rapid growth.





Technology and innovations

Data science

Brands are wasting millions of dollars on campaigns that can only be measured with opaque metrics. Consumers are hit with ads that are of no interest to them. Marketing only proves its worth when someone pays for your product or service. When you know who buys, your targeting becomes valuable. Purchase behavior targeting is the ultimate marketing tool.

Bango Audiences are a revolution in marketing. Built on Bango Payment technology, Bango analyzes who spends their money on what and enables marketers to target based on these purchase behavior insights, providing an innovative new approach based on advanced technology and improved approaches to protecting user privacy.

“Seeing the potency of Bango Audiences, Nexon continues to adopt the Bango Audience model to our major titles’ UA.”

**Mr Lee WooChang Team
Manager UA Department at
Nexon**

Working with Amazon

Bango was an early adopter of Amazon Web Services (AWS). In 2012, the Bango Platform added innovative DNS routing systems to route transactions to Amazon Regions to prevent data loss during exceptional peaks in traffic. As AWS added capabilities needed by Bango, use of the cloud increased as a way to deliver parts of the Bango platform alongside Bango data-centers.

Bango embraces “continuous delivery”, making technology decisions that enable rapid scaling and innovation. Speed to market is vital for merchant and Telco partners. A decision was taken in 2018 to move to a “cloud-first” model, shifting the heart of the Bango Platform to the Cloud, and dealing with challenges of regional financial and date regulations in new ways to enable the shift.

Working with experts at Amazon, Bango was able to leverage the transition to AWS cloud infrastructure to further accelerate the deployment of new routes and features. Adapters between the Bango Platform and payment wallets or reseller partner systems were deployed into the AWS cloud, into one of 24 AWS geographic regions. Whether a tool is developed inside Bango or by a partner outside, it can now be managed by the Bango Platform team to deliver higher levels of service for everybody.

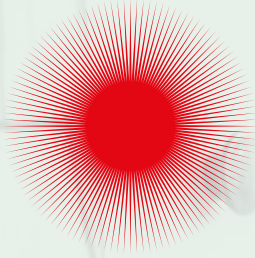
Bango Boost+

Growing the number of customers that activate and use Direct Carrier Billing (DCB), is a powerful way for Telcos to capture more value from the consumption of “OTT” content and services, for example from app stores.

Bango Boost+ uses powerful data insights to target customer segments most likely to take-up a promo offer, for example “interested” customers (window shoppers) vs. “actual” customers. It optimizes customer communication methods so the customers it identifies as having the highest probability of converting are reached with the right message, at the right time. These are just two of the powerful ways Bango technology drives acquisition, retention and revenue growth for Bango partners.

“The success we have experienced with the latest Bango technology is significant, we are excited to apply this technology to activate and grow new audiences for our mobile commerce offerings.”

**Baseil Zaki, Head of VAS, Devices
& Loyalty, du Consumer Services**



“Bango technology has ensured that our customers can enjoy a simple and successful way to buy on Amazon.co.jp” said Toshiaki Hirata, Board Director, Senior Vice President & CSO, SB Payment Service Corp., a subsidiary of SoftBank Corp. “We look forward to benefiting from Bango data insights to accelerate the growth of our new business”.

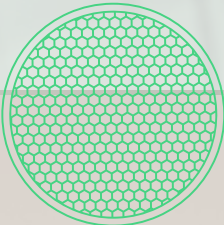
Subscriptions – Predictive Authorization Technology

Key to a successful subscription product is making sure consumers enjoy a seamless experience throughout the lifetime of their service.

For most consumers, payment behavior follows a regular pattern. We are paid on the same day each month, our bills go out on the same days. This means the payment cycle can be a challenge for subscription relationships if the renewal coincides with a monthly low point in funds on the customer’s account, or the customer’s payment method exceeds a spending limit at the time of renewal. This can lead to a loss of customers.

Bango innovation has solved this problem, by applying data insights from a unique data pool across a wide range of subscription models, covering over 20 million + people. With Bango’s powerful machine learning technology, merchants can apply prediction of spending patterns to maximize revenues.

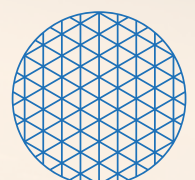
Innovative Bango Predictive Authorization Technology™ analyzes customers that regularly pay for subscriptions, and predicts the best time to renew the subscription. Merchants use this technology to maximize the percentage of customers that can enjoy their subscriptions each month.

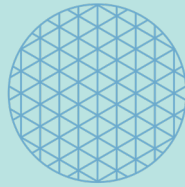


Unified, standardized solution

The Bango API provides an “integrate once” capability that enables Telcos to enhance the content ecosystem available to their customers, rapidly and at scale so they can enjoy greater freedom and flexibility in the range and way they consume content. The opportunities available to Telcos standardizing on the Bango Platform encompass world class content and subscription services from the leading online stores including Google Play, Amazon, Xbox, Spotify and more.

Essential features powered by Bango enable accurate offer targeting, simple activation of offers by customers, management of customer entitlements during offer periods, and one-click billing when customers choose to continue enjoying these services at the end of the offer period. Crucially, the Bango Platform enables Telcos to offer multiple third-party product bundles, and bundles combining first and third party products. Bango provides powerful data insights to ensure the most attractive offers are presented to each selected customer segment, all through one common platform.





Directors

Paul Larbey - Chief Executive Officer

Paul leads the talented Bango team as they continue to innovate with industry leading technology. With years of experience scaling up businesses, Paul has a passion and track record in driving growth and transformational change which aligns to the creation of an ecosystem where merchants and payment providers converge, grow and thrive. Paul joined Bango following his role as CEO at Velocix, a global leader in streaming technology. Paul grew Velocix from a small start-up to the world's leading IP video streaming specialist. As CEO, Paul led the Velocix team through its integration into Alcatel-Lucent and then Nokia. In 2018, Paul orchestrated the spin out of the division from Nokia to create a pure-play streaming technology company. With over 20 years experience in the telecoms market, having held leadership positions in Cray Communications, Lucent, Alcatel-Lucent and Nokia, Paul has a strong track record of successfully bringing new technologies to market.

“
With more users making payments across more merchants and in more countries, Bango generated a significantly larger pool of payment data during 2020. We are excited about how our technology and data insights will continue to drive high growth in the years ahead.
”

“
The power and simplicity of the virtuous circle strategy is leading to partnership opportunities around the world. I look forward to applying my global trading experience to capitalize on these opportunities, while maintaining simplicity and efficiency in Bango operations as revenues scale up.
”

Matt Garner - Chief Financial Officer

Matt leads the finance team and has responsibility for ensuring robust financial systems and controls are in place to underpin Bango's growth. Supporting the development of our partners, Matt is responsible for mid and long term strategic financial planning and has a wealth of international experience managing hi-tech businesses. Previously at Global Invacom Group Limited, a manufacturer and designer of satellite ground equipment, Matt led the successful IPO of the business on AIM and the continuing listing on the mainboard in Singapore, a world first dual listing. He also drove the acquisition and integration of five companies across the globe. Prior to Global Invacom, he was in financial leadership roles at the Amphenol Corporation and at Simrad, part of the Kongsberg Group, where he also served as a director for local entities. Holding an Honours degree in Law from the University of Liverpool, Matt has been certified as an Associate Chartered Management Accountant since 1996.

“
The strategic partnership with NHN in South Korea brings Bango significant technological advantage and has already started bearing fruit for Bango customers across the globe. In parallel, the TPAY partnership opens the door to accelerated growth in Africa. The skills and energy of the Bango team, combined with the diverse talents of our partners, are driving real growth for our customers worldwide.
”

Ray Anderson - Executive Chair

Ray has over 30 years experience in starting, growing and selling businesses. He was named 'Business Person of the Year' in 2012. Ray co-founded Bango in 1999 after realizing that the convergence of the internet with the ubiquity of mobile phones could open up huge opportunities for content and service providers. Prior to Bango Ray established IXI which created the industry standard network GUI – X.desktop. IXI was an early leader in the creation of the web. It sponsored the first ever WWW conference at CERN and shipped the world's first commercial web browser.

“
The payment insights Bango can derive from a wide range of wallets, carrier billing and bundling partnerships helps our customers grow in ways that are otherwise impossible without Bango technology.
”

Anil Malhotra - Chief Marketing Officer

Anil is responsible for Bango's marketing activities and strategic partnerships, including device makers, app store providers and global network operators. Anil has extensive experience of creating successful partnerships between technology innovators and major market players in online technologies and OEMs. Before co-founding Bango, Anil developed the major partnerships for Cyberlife Technology, one of Europe's leading computer games technology developers, which resulted in the licensing of the company's 'artificial life' technology by the world's leading games publishers including Warner and Hasbro. Before that he worked with Bango Exec Chair Ray Anderson to establish a technology called X.desktop, which became the global standard for the user interface software on networked computers.

Nancy Cruickshank - Non-Executive Director

Nancy is a serial technology entrepreneur & NED. She presently leads a Digital Business Transformation programme at Carlsberg group, as a member of its Executive team. Her last startup, MyShowcase, was named by the Sunday Times as one of the 15 fastest-growing start-ups in the UK in 2016. The business was acquired by Miroma Group in Feb 2018. Nancy is also a NED at Flutter PLC (FTSE 100) and Allegro (eCommerce marketplace, Poland's largest listed business with a market cap of circa €20Bn), where she is a member of the Nomination and Risk committees (Flutter) and the Audit and Remuneration committees (Allegro). From 2012-16, Nancy was a NED at TelecityGroup (FTSE 250), one of Europe's most successful technologies companies, with data centres in 14 European markets. The business was sold to Equinix for £2.35bn in January 2016. Nancy has worked in the digital industry for over 20 years, including launching Conde Nast online in 1996, overseeing Telegraph Media Group's Digital business and developing the Fashion & Beauty market leader, Handbag.com between 2001- 2006, leading to a successful sale to Hearst Corporation in 2006. Nancy lives in Copenhagen and London with her husband and two teenage daughters.

“

The potential for Bango Audiences is huge. Data is the new gold! The early success with app developers has got us off to a great start, and the market opportunity is incredibly exciting. We are starting to see how this business can truly scale.

”

“

Now the Bango Platform has gained global traction and is generating cash, the data moat it generates provides a big competitive barrier and opens up several growth opportunities. As a NED since 2016 I've assisted and supported a huge evolution from mobile payments to e-commerce with unique data-driven insights. Today, I am focused on supporting the Bango team as it invests to fully realize the potential of its technology.

”

Gianluca D'Agostino - Non-Executive Director

Gianluca is an Entrepreneur and an Investor in the Digital space. He has more than 25 years' experience of founding, growing and investing in international mobile content and payment businesses. Gianluca has today a Non-Executive role on OnMobile Global Ltd (listed in India) and seats on several UK and Italian startup boards. As Founder and CEO, he grew the Neomobile business organically and via M&A to become a leading mobile monetization enabler across Europe and Latin America. Before Neomobile, he held senior management roles at KPMG, Freever, TIM and Telecom Italia. He was named in the 'Top 50 Mobile Execs' 2009, 2010 and 2011 and 'Media Momentum Man of the Year' in 2011.

Sir Eric Peacock - Senior Independent and Non-Executive Director

Sir Eric Peacock joined Bango as Senior Independent Non-Executive Director, to guide and support the expected rapid growth of Bango as it builds on its global relationships and capitalizes on its data monetization technology. Sir Eric has unique experience of fast-growth businesses with broad experience in a range of CEO, Chair and NED roles in public and private companies including Stage Technologies (sold to Tate Corporation in USA), Achieve Global, Halo Intl., and Baybygro plc. He has a track record of growing shareholder value during periods of rapid growth by creating cultures that result in competitive advantage and customer service excellence. In addition to his experience in financial services and expertise in corporate governance, Sir Eric has served in several government bodies including UKTI (Board member), FCO (Board) and BIS (Directorate) and UKEF (Non-Executive and Member of the Audit Risk Committees) bringing extensive regulatory insight to Bango as it expands its data monetization business. He is currently Chairman of Buckley Jewellery Ltd and Stevenage Packaging Ltd, Chairman of Boxford Holdings and is also the Chairman of The Charity Big Cat Sanctuary which has the largest collection of endangered species of big cats in Europe and focusses on conservation, education, breeding and return to the wild.

“

Diversity and inclusion are essential for a business to succeed long-term. Bango encourages both through its THRIVE values to build an exceptional team and deliver real advantages when we engage with new customers and partners around the world.

”

“

The Bango virtuous circle strategy – powered by unique technology and data, implemented on scalable software – is showing benefits not only to our customers but in financial performance and cash generation that will power future growth for Bango.

”

Frank Bury - Non-Executive Director

Frank Bury is managing partner at Bury Fitzwilliam-Lay & Partners LLP (BFLAP), a UK-based venture capital partnership focused on early and development stage technology investment. BFLAP has backed a number of successful UK tech companies that have gone onto a listing including Bango plc, Financial Objects and Servicepower Technologies plc. Frank is a Director of Domainex Ltd, Smartlogic Holdings, and TS Lombard. Prior to founding BFLAP in 2005 Frank spent 12 years in the City of London; first at Cazenove & Co and then at Sloane Robinson Investment Management where he was a partner. Frank has an MBA from IESE in Barcelona.

Company information

Company registration number	05386079
Registered office	100 Hills Road Cambridge CB2 1PH
Directors	R Anderson - Executive Chair P Larbey – CEO M Garner - CFO A Malhotra - CMO E Peacock – Non-Executive and Senior Independent Director F Bury – Non-Executive Director N Cruickshank – Non-Executive Director G D'Agostino – Non-Executive Director
Company Secretary	R Greenhalgh
Bankers	HSBC Bank PLC 8 Canada Square London E14 5HQ
Solicitors	Mills & Reeve LLP Botanic House 100 Hills Road Cambridge CB2 1PH
Independent auditor	RSM UK Audit LLP City House 126-130 Hills Road Cambridge CB2 1RE
Nominated adviser and broker	Liberum Capital Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Public relations advisor	FTI Consulting 200 Aldersgate Aldersgate Street London EC1A 4HD
US office	675 N. First Street Suite 1180 San Jose California 95112 USA
Japan office	Spline Aoyama Tokyu Building 6F, 3-1-3 Minami-Aoyama, Minato Tokyo 107-0062 www.bango.com

Directors' report

The Directors present the Annual Report and audited financial statements of Bango PLC for the year ended 31 December 2020. This report should be read alongside the Bango Strategic report which sets out the principal risks, uncertainties and growth opportunities for Bango.

The Directors and their interests

The Directors who served Bango during the year, together with their beneficial interests in the shares of Bango were as follows:

	Ordinary shares of 20p each 31 Dec 2020	Ordinary shares of 20p each 31 Dec 2019
R Anderson	6,608,725	6,593,725
P Larbey*	28,297	N/A
A Malhotra	3,973,271	3,973,271
C Rand**	-	-
G D'Agostino	19,500	19,500
M Garner***	N/A	N/A
N Cruickshank	16,858	-
F Bury	333,500	308,500
E Peacock	-	-
D Sear****	-	-
Total	10,980,151	10,894,996

*Paul Larbey was appointed as an Executive Director on 22 January 2020.

** Carolyn Rand resigned as a Director on 1 March 2021.

*** Matthew Garner was appointed as an Executive Director on 1 March 2021.

**** Non-Executive Director David Sear resigned on 22 January 2020.

Nancy Cruickshank, Frank Bury and Gianluca D'Agostino all hold Bango shares but due to the size of their holdings, this is deemed to not affect their independence as Non-Executive Directors.

For Directors' biographies and experiences see pages 23-24.

The Directors' interests in share options of Bango were as follows:

Date of grant	Option price	Options to buy ordinary shares of 20p each	
		31 Dec 2020	31 Dec 2019
R Anderson			
17 September 2020	£1.72	50,000	
07 April 2020	£1.22	50,000	
01 October 2019	£1.29	50,000	50,000
27 March 2019	£0.93	50,000	50,000
21 September 2018	£1.73	50,000	50,000
14 March 2018	£1.73	50,000	50,000
22 September 2017	£2.55	50,000	50,000
21 March 2017	£1.15	50,000	50,000
21 September 2016	£0.89	50,000	50,000
16 March 2016	£0.43	50,000	50,000
18 September 2015	£0.89	32,500	32,500
Total		532,500	432,500
C Rand			
17 September 2020	£1.72	50,000	
07 April 2020	£1.22	50,000	
01 October 2019	£1.29	50,000	50,000
27 March 2019	£0.93	50,000	50,000
03 January 2019	£0.90	100,000	100,000
Total		300,000	200,000

A Malhotra

17 September 2020	£1.72	50,000	
07 April 2020	£1.22	50,000	
01 October 2019	£1.29	50,000	50,000
27 March 2019	£0.93	50,000	50,000
21 September 2018	£1.73	50,000	50,000
14 March 2018	£1.73	50,000	50,000
22 September 2017	£2.55	50,000	50,000
21 March 2017	£1.15	50,000	50,000
21 September 2016	£0.89	50,000	50,000
16 March 2016	£0.43	50,000	50,000
18 September 2015	£0.89	32,500	32,500
Total		532,500	432,500

P Larbey

17 September 2020	£1.72	50,000	
07 April 2020	£1.22	50,000	
18 September 2019	£1.38	50,000	50,000
27 March 2019	£0.93	250,000	250,000
Total		400,000	300,000

The share options were granted to Executive Directors under the Bango employee share option scheme. All share options are granted based on past and expected performance with the same conditions. Share options are granted only at market price on the date of the grant and vest over a three year period in twelve equal quarterly instalments. Vested options will lapse unless exercised within ten years of the date of grant or within 90 days of an employee leaving the business unless otherwise agreed by the Board or unless they are dismissed, in which case they lapse immediately.

The total number of Director share options which were vested but unexercised, and exercised in 2020 are:

	Total Options Held	Vested & Unexercised at 31 Dec 2020	Exercised in 2020
R Anderson	532,500	366,268	-
C Rand	300,000	170,444	-
A Malhotra	532,500	366,268	-
P Larbey	400,000	116,691	-

Share capital

Details of changes in the share capital of Bango during the year are given in note 7 to the financial statements.

Dividends

The Directors have not recommended a dividend (31 December 2019: £nil).

Research and development

Bango has continued to invest in research and development in the year. As a high growth technology company, the focus is to develop unique technology that takes Bango forward as the ubiquitous commerce platform for not just direct carrier billing but all other forms of alternative payments that allow merchants to sell more goods to consumers. Bango has increased its focus on R&D in 2020 taking the platform forward with enhancements such as adding advanced subscription functionality to the Bango resale proposition and applying data intelligence to subscription renewals. Further

Directors' report

development was undertaken on new products including the Bango Marketplace (www.bango.ai), Resale and on additional Cloud capability. Details of the internal development work that has been capitalized in the year is in Note 5.3.

Directors' indemnity arrangements

Bango has purchased and maintained throughout the year, Directors' and Officers' liability insurance in respect of itself and its Directors.

Employment policies

Bango follows the applicable employment laws in each territory in which it operates. Bango is committed to fair employment practices, prohibits all forms of discrimination and strives to give equal access and fair treatment to all employees based on merit. Wherever possible Bango provides the same opportunities for disabled people as for others. If employees become disabled Bango would make reasonable efforts to keep them in employment, with appropriate training where necessary. The Sustainability section provides a comprehensive statement on the Bango THRIVE values, culture and employee engagement.

Health and safety policies

Bango conducts its business in a manner which ensures high standards of health and safety for its employees, visitors and the general public. Bango complies with all legal, regulatory and other applicable requirements.

Going concern

Bango had cash of £5.8M at 31 December 2020 (31 December 2019: £2.7M) and financing debt of £0.2M (31 December 2019: £1.1M). Bango grew its EUS and revenue in 2020 in line with prior year trends, and generated cash in 2020, mainly due to the stable cost basis of the platform. The Board believes, based on regular cashflow forecasts, that there is sufficient cash and resources to support both planned investments to grow sales, and to develop new products. For this reason, the going concern basis has continued to be adopted in the preparation of the financial statements.

Substantial shareholdings

At 31 December 2020, Bango PLC had been informed of the following interests in addition to the interests of R Anderson and A Malhotra, amounting to 3% or more in the issued ordinary share capital of the company:

Holder	Number	%
Liontrust Asset Management LLP	11,031,633	14.77%
Herald Investment Management	7,928,470	10.61%
Hargreaves Lansdown Asset Management	7,877,273	10.54%
Odey Asset Management LLP	7,479,218	10.01%
NHN Corporation	5,068,638	6.78%
Stonehage Fleming Investment Management Ltd	2,903,118	3.89%
Interactive Investor Services Ltd	2,846,697	3.81%

Directors' responsibility statement

The following statement, which should be read in conjunction with the report of the auditor set out on page 37, is made to distinguish for shareholders the respective responsibilities of the Directors and of the auditor in relation to the financial statements.

The Directors are responsible for preparing the Strategic

Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the company and group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The group and company financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Bango will continue in business.

The Directors are responsible for keeping adequate accounting records, that are sufficient to show and explain Bango's transactions and disclose, with reasonable accuracy at any time, the financial position of Bango and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Bango and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- In so far as each Director is aware there is no relevant audit information of which Bango's auditors are unaware
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE BOARD

R Greenhalgh Company Secretary - 15 March 2021

Corporate governance report

The Board

The Bango Board is responsible for the overall strategy for Bango, promoting shareholder interests and overseeing the delivery of long-term objectives. The Board provides support to the Bango management team, bringing experience and skills to complement those of management. The Board has a formal list of matters specifically reserved for its decisions and delegates authority to its various committees as required.

Corporate Governance code

The Board has adopted the Quoted Companies Alliance Code ("QCA Code"). The Board believes the pragmatic, principles-based approach to corporate governance set out in the QCA Code is a good fit to the nature, stage and size of the business of Bango and the sector in which it operates. The QCA Code principles support the core aims of Bango - to deliver innovative, reliable products in a dynamic, collaborative environment, achieving sustainable growth for all stakeholders.

At least once every year, the Board formally reviews corporate governance structures and practice, to ensure that Bango has robust systems and procedures in place, underpinned by a strong corporate culture and customer-focused ethos. Corporate governance matters, policies and procedures are monitored on an ongoing basis and updated as appropriate, to ensure best practice and continued compliance. The Board is confident that existing governance arrangements meet the interests of Bango and its stakeholders.

Bango has published disclosures against all the Principles of the QCA Code. Disclosures are contained either within this Annual Report or on the AIM Rule 26 section of: <https://bango.com/investor/aim-rule-26/>, which should be read in conjunction with each other.

Board composition

The Board of Bango PLC is made up of the Executive Chair, CEO, CFO, CMO, a Senior Independent Director and three further independent Non-Executive Directors. Details of the Board's experience and interests are shown below and demonstrate the range of skills and insight that they bring to Bango and the Board. It is important that the Non-Executive Directors bring a wide range of skills to the Bango Board to both challenge and support the Executive Directors, and to ensure that shareholders' and wider stakeholders' interests are represented.

Ray Anderson has a very successful track record, demonstrating strong entrepreneurial flair and technological vision. He has extensive experience in technology and product innovation and development, and strong product foresight. His passion for Bango, its products and customers inspires partners, investors and employees alike.

Paul Larbey brings over 20 years' experience in the telecoms market. He has a strong track record of successfully bringing new technologies to market, scaling businesses and driving growth and profitability. In his first year as CEO, a year during which Bango has worked almost exclusively remotely due to COVID-19 restrictions, Paul has continued to build the culture, team and processes necessary for Bango's growth, delivering results ahead

of market expectations and placing Bango in a strong position to deliver upon its expectations for 2021 and beyond.

Matt Garner brings many years of financial leadership from managing complex global technology businesses. Having listed a company on AIM as part of a dual listing, Matt has a deep knowledge of regulatory and compliance matters in addition to day to day financial leadership on a global scale.

Anil Malhotra has many years' experience in global business development and is central to attracting and developing strategic relationships with key partners. His communication skills drive the strength of Bango messaging to both partners and investors. Anil is highly skilled at, and plays a central role in, both product and market strategy and success.

Sir Eric Peacock brings a wealth of experience of both executive and non-executive roles across a range of sectors and industries. He has a strong record of success with several market-leading businesses and an extensive network. His listed company experience, considered and balanced approach, and passion for employee engagement and delivering shareholder value equip him strongly for his role as Senior Independent Director.

Nancy Cruickshank built her career in start-ups and fast growth businesses. Her considerable experience in data and online business models, and experience of doing business in different markets brings valuable insight to Bango. Her significant successes in technology ventures, her M&A and listed company experience, and active involvement in eCommerce bolster the strength and depth of the Board's expertise in these important fields.

Frank Bury has significant experience in finance, investing in and managing technology businesses. This investment experience, in both publicly quoted companies and entrepreneurial ventures, and solid grasp of corporate governance issues, are of particular value of the Board. Frank also brings considerable global experience, especially in key Asian markets including Japan and Korea.

As well as mobile and payments industry experience, Gianluca D'Agostino brings a detailed understanding of data monetization to the Board. As co-founder of The Emotion Network, focussed on empowering human potential, Gianluca has been able to drive the Bango inclusion and diversity agenda, and his investment and M&A experience contributed significantly to the successful acquisition and spin-out of the Audiens business.

One Director identifies as female, one as non-binary, one as no gender and five as male. In addition, the Company Secretary identifies as female.

All Directors are subject to election by the shareholders at the first Annual General Meeting following their appointment, and to re-election thereafter every three years. After nine years the Non-Executive Directors are subject to re-election on an annual basis. Board members are required to devote as much time as is necessary for the proper performance of their duties. Executive Directors are required to work full time. Non-Executive Directors

Corporate governance report

are contracted to commit to 11 or more days a year but all spend 20-30 days working for, and representing, Bango. Non-Executive Director (NED) commitments include attendance at and preparation for Board and Committee meetings, oversight and implementation of governance and Committee matters, meetings and communications with shareholders, contributing to and attending strategy days, meetings with Bango managers and employees, as well as other key stakeholders and partners.

Role of the Chair and Chair Division of Responsibilities

On 22 January 2020, Ray Anderson succeeded David Sear as Chair of the Board. In line with corporate governance best practice, David Sear resigned as Chair and as a Director of Bango after a tenure of nine years.

Ray Anderson transferred his CEO responsibilities to Paul Larbey, but maintains an executive role in business strategy focusing on key strategic partnerships. Therefore, in line with the QCA Code, before making this change, the Board sought the opinion of its key shareholders on board composition and succession planning.

The Board also took advice from the Company Secretary, its NOMAD and lawyers. Options for Board changes and composition were discussed. Positive feedback was received around the concept of having an Executive Chair, with some shareholders themselves raising this as their preferred alternative. It was also agreed by both shareholders and the Board that, if an Executive Chair were to be implemented, strict policies and procedures must be established and monitored to ensure continued strong and effective corporate governance and an independent Board.

To ensure the requirements for independence in the QCA Code, the Board implemented changes to strengthen Non-Executive governance during 2019 and 2020 with the appointment of three new Non-Executive Directors in that period. These new Directors contribute skills and experience from a range of sectors and industries, and, crucially, all have strong corporate governance knowledge and expertise from the public sector. All Non-Executive Directors are independent. The Board resolved that if it were to appoint an Executive Director as Chair, it must implement certain changes to its governance structure. Accordingly, at the 2020 AGM the Articles of Association were amended as follows:

- To formally recognize the Board position of Senior Independent Director, its role and responsibilities.
- Where a Chair or Deputy Chair also holds an executive office, the Senior Independent Director shall be responsible for overseeing corporate governance matters, including matters relating to nominations and conflicts of interest. Accordingly, in such circumstances, the Senior Independent Director is responsible for monitoring and overseeing board performance. In addition, the casting vote of the Chair was removed.

Working with the Company Secretary, the Board also implemented the following:

- The appointment of Sir Eric Peacock as Senior Independent Director. Eric has a wealth of experience in fast-growth

businesses and broad experience in a range of CEO, Chair and Non-Executive Director roles in both public and private companies. As such he was considered by the Board to be perfectly suited to take on this vital role. Eric was appointed Senior Independent Director in January 2020.

- The implementation of a clear delineation of roles and responsibilities between Executive Chair and Senior Independent Director at board level, and between CEO and Executive Chair at a management level.

The Board adopted and implemented a policy that strictly divides Board roles and responsibilities as follows:

Executive Chair

- Leads the Board and chairs Board meetings
- Oversees Board direction and effectiveness and Board agenda
- Contributes towards annual review on the performance of the CEO, which is undertaken by the Senior Independent Director (with additional input from all other Non-Executive Directors)
- Ensures information flow between management and Non-Executive Directors

Senior Independent Director

- Oversees Board performance
- Chairs the Nominations Committee
- Oversees the performance and evaluation of the Chair, and the search for a new Chair if required
- Responsible for the quality of and approach to corporate governance, in place of the Chair
- Oversees the adoption, delivery and communication of the company's corporate governance model, in place of the Chair
- Sounding board and intermediary for the Chair and other Board members

From an operational standpoint, the role and responsibilities of the Executive Chair and CEO are clearly defined. In his management role, Ray Anderson is responsible for overseeing Bango's investment in NewDeep and for driving key projects, as determined by the CEO or the Board, such as the development of strategic partnerships (including that with NHN, NewDeep's majority shareholder). As CEO, Paul Larbey is responsible for the delivery of the business model, alongside the other Executive Directors, within the strategy set by the Board. He is responsible for the day-to-day operations of the business and oversees the performance of the CFO and the CMO, and in an operational and management capacity only, the Executive Chair. The CEO reports to the Board and the Senior Independent Director, and not the Chair.

Further safeguards have been implemented within the policy, so that the Company Secretary reports directly to the Senior Independent Director on matters relating to Corporate Governance.

In relation to operational performance, risks and similar issues, the Executive Directors, including (and especially) the Chair, report to the Senior Independent Director and Non-Executive Directors. This ensures that the business remains aligned with the strategy, and avoids the risk of conflict and a lack of

Corporate governance report

independent oversight on the basis that the Chair is a founder, a major shareholder and an Executive Director.

Board meetings

The Board meets formally 11 times per year to discuss the strategy, direction and financial performance of Bango. Other additional Board meetings are arranged as required. The Board reviews a detailed management pack each month, which contains financial information as well as extensive information on the KPIs for Bango. The Non-Executive Directors attend all Board meetings. Attendance at full Board meetings, and Audit (Audit Co), Remuneration (Rem Co) and Nominations (Nom Co) meetings for 2020 was as follows:

	Board	Audit Co	Rem Co	Nom Co
Ray Anderson	11 (11)	3(3)*	-	-
Paul Larbey	11 (11)	3 (3)*	-	-
Carolyn Rand	11 (11)	3 (3)*	-	-
Anil Malhotra	11 (11)	3 (3)*	-	2 (2)
Gianluca D'Agostino	11 (11)	3 (3)	-	-
Nancy Cruickshank	11 (11)	2 (3)*	3 (3)	2 (2)
Eric Peacock	11 (11)	3 (3)	3 (3)	2 (2)
Frank Bury	11 (11)	3 (3)	3 (3)	-

(x) Number of meetings held. * By invitation of the committee

Board performance

Board performance is essential to the success of Bango. The Board strives to be strong and effective, individually and collectively, and the correct mix of skills and experience is of crucial importance in achieving this.

An annual appraisal system is in place for all employees, including the Executive Directors. The CEO is responsible for overseeing the performance of the CFO, CMO and, in his management capacity, the Executive Chair. The CEO's effectiveness is monitored by the Board and ultimately the Senior Independent Director, and not the Chair, given the position of Chair is held by an Executive Director. The contribution and performance of all Executive Directors is monitored and overseen by the Senior Independent Director and other Non-Executive Directors.

Executive remuneration incorporates performance-related elements to align their interests with those of Bango shareholders. These performance-related elements are set as a significant proportion of total remuneration, to incentivize, and to reward success.

Non-Executive Director performance is overseen by the Senior Independent Director in consultation with the Executive Directors. The Chair's performance is reviewed by the Senior Independent Director in consultation with all the Directors. The Non-Executive Directors' value and input to Bango is monitored to ensure they are actively contributing to Bango achieving its strategic and financial objectives.

The performance of the whole Board is evaluated continuously. The Board believes changes or actions that are identified

through this process should be actioned immediately, instead of waiting for an annual or bi-annual review. In the second half of 2020 the composition and performance of the Board was formally reviewed, and the "skills matrix" that highlights the contributions of current Board members, and areas where the Board might benefit from additional support, was reviewed and approved. This formal review also identified the need for a Disclosures Committee, which has been formally established by the Board.

Further detail on board performance may be found in the AIM Rule 26 section of the Bango investor website, located at <https://bango.com/investor/aim-rule-26/>.

Advisors to the Board

During 2020, there were no internal advisors to the Board, other than the Company Secretary, who also acts as Bango Senior Counsel. The Company Secretary supports and advises the Board on matters relating to corporate governance, AIM and industry compliance, as well as wider legal matters, such as, during 2020, considerations, uncertainties, opportunities and risks surrounding the Covid-19 pandemic. The Company Secretary ensures the Board and its sub-committees meet regularly and oversees and monitors agenda items. The CFO keeps the Board updated on accounting, finance and taxation changes and practices.

In addition to the advisors listed on page 25, and as part of its review of Executive Remuneration and remuneration policy, the Remuneration Committee appointed FIT Remuneration Consultants LLP to undertake a review of, and to benchmark, Executive Director remuneration. Further details are set out on page 34 in the Remuneration Committee report.

During 2020 Bango appointed PWC and Mills & Reeve to advise on the investment by NHN Corporation in both Bango and NewDeep. Bango sought further advice from Mills & Reeve and Grant Thornton on the finance and legal aspects of its strategic partnership with TPAY Mobile, announced in January 2021.

Early in 2021 Bango changed its Nominated Advisor ("NOMAD") to Liberum Capital Limited. finnCap Ltd acted as Bango's NOMAD during 2020, up until Liberum's appointment. Other than FIT and finnCap, and those advisors listed here, no further external advisors were appointed by either the Board or any of its sub-committees during 2020, and the Board did not seek external advice on any other significant matter.

Communications with shareholders

The Board recognizes the importance of regular and effective communication with shareholders. The primary forms of communication are:

- Information provided at: <https://bango.com/investor/>
- The annual and interim statutory financial reports and associated investor and analyst presentations and reports.
- Announcements relating to trading or business updates released to the London Stock Exchange.
- The Annual General Meeting which provides shareholders with an opportunity to meet the Board of Directors and to ask questions relating to the business.

Corporate governance report

Strategy days are held annually. All shareholders are welcome to attend strategy days, at which members of the Board present the Bango strategy and are available to take questions from, and communicate with, shareholders face to face. The 2020 strategy day was held successfully in January, before the onset of the Covid-19 pandemic. The 2021 strategy day is scheduled to take place on the day of the Bango AGM, with arrangements to be determined nearer the time, dependent on the status of government working and social distancing restrictions.

All statutory financial reports, as well as accompanying presentations are published on <https://bango.com/investor> and are made available on a timely basis.

Additional Board committees

In line with best practice Bango has sub committees to focus on specific areas of good corporate governance. Separate Remuneration, Audit and Nominations Committees hold regular meetings and are each chaired by a different Non-Executive Director, with the Senior Independent Director in attendance.

In 2021 a disclosures committee was formed under the chair of Anil Malhotra, CMO, with the CFO and Company Secretary comprising the other members. The committee is tasked with the ongoing consideration and assessment of matters that may be or become price sensitive and therefore may warrant insider status or require announcement to the market. Advice is sought from Bango's NOMAD and solicitors on this important area of focus as appropriate.

The members of all Bango committees are assessed carefully and reviewed annually. All members are considered to have the appropriate knowledge and skills to complete their tasks. They may seek advice and guidance from external parties as required.

Corporate culture

Bango has a strong corporate culture which is consistent with its objectives, strategy and business model. The Bango THRIVE values set out the core values that Bango aspires to, these are:

Compliance with Bango policies and the THRIVE values is actively monitored by senior management and implementation is overseen by the Board. Management reports are scrutinized at the monthly Board meetings. In addition, key management personnel are invited to present to board meetings on specific areas of focus, or when key issues of concern arise, and report to the Board when appropriate. As highlighted in the Sustainability section on page 11, employee engagement surveys, which cover all aspects of the business, are conducted annually by an external human resources specialist, and their results reported to the Board. Where suggestions for improvement or concerns are raised, these are followed up by management who are accountable to the Board for implementation.

Corporate culture has Board-level visibility and involvement. Board members have open access to people and information across Bango, and employees themselves can access Board members if they wish.

Further detail on Bango corporate culture and how it works in practice, including information on employee engagement, diversity and inclusion, can be found within the Sustainability section as well as the AIM Rule 26 section of the Bango investor website, located at <https://bango.com/investor/aim-rule-26/>. All these measures contribute towards minimizing risk and uncertainty.

Directors' skills

The Executive Directors are treated no differently to any other employee; the skills they bring to Bango, and their ongoing personal development, are central to the success of Bango. As with all other employees, the Executive Directors are required to actively identify and undertake training as necessary. Training extends not just to the ongoing enhancement of professional or technical skills, but also to wider skills, such as management training, communication skills, and similar. Bango conducts regular training sessions for all employees (which the Executive Directors attend), conducted by an external consultant, covering the THRIVE values. The Non-Executive Directors are responsible for ensuring their skillsets are kept updated as required. In addition to the ongoing advice provided by the Company Secretary and CFO referred to within the Advisors to the board section above, industry-specific updates are delivered to the Board by the relevant expert, be it a Director, an employee or an independent expert.

Further details on Corporate Governance

This document should be read in conjunction with the Corporate Governance disclosures set out in the AIM Rule 26 section of the Bango investor website, located at <https://bango.com/investor/aim-rule-26/>. Those QCA Code principles not covered in detail in this Annual Report, which include detail on meeting shareholder needs and expectations, taking into account wider stakeholder and social responsibilities, more detail on board performance evaluation, governance structures and processes and shareholder communications, are covered in those website disclosures.

Index to Corporate Governance Disclosures

An index of all disclosures required by the QCA Code can be found on the AIM Rule 26 section of the Bango investor website, located at <https://bango.com/investor/aim-rule-26/>

Ray Anderson, Executive Chair;
Eric Peacock, Senior Independent Director

Audit committee report

The Audit Committee comprises the Senior Independent Director, Eric Peacock, and two other Non-Executive Directors, Frank Bury and Gianluca D'Agostino. The Audit Committee has considerable strength and depth in management and financial experience across a broad range of industries and sectors, from both the private and public sector, and is chaired by Frank Bury, who has over 25 years of experience in finance.

Responsibilities

The Audit Committee meets at least twice a year to review the independent audit report and the wider responsibilities set out below:

- Monitor and challenge the integrity of the financial systems and statements of Bango.
- Oversee Bango's corporate reporting, internal controls and risk management systems.
- Assess and report to the Board on performance, identifying any matters in respect of which it considers that action or improvement is required.
- Ensure a formal channel is available for employees and other stakeholders to express any complaints in respect of financial accounting and reporting.

External Audit

In relation to Bango's external auditors the key responsibilities are:

- Make recommendations to the Board, for it to put to the shareholders for their approval in relation to the appointment of the external auditor and to approve the remuneration and terms of reference of the external auditor.
- Discussion of the nature, extent and timing of the external auditor's procedures and discussion of the external auditor's findings.
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- Develop and implement policy on the engagement of the external auditor to supply non-audit services.

The CFO and, as appropriate, other Executive Directors maintain an ongoing dialogue with all members of the Audit Committee (and the wider Board) and work closely with the Committee Chair in particular to ensure the continued effectiveness of the financial systems and statements of Bango and the ongoing performance, independence and objectivity of Bango's external auditors, RSM UK Audit LLP.

External auditors and their performance are formally evaluated by the Board after the delivery of both interim and year end results. Consideration is given to their ongoing suitability as auditor, as well as requirements for auditor rotation.

Internal control procedures

The Board is responsible for Bango's system of internal controls and risk management, and for reviewing the appropriateness and effectiveness of these systems having regard to the nature and complexity of Bango, its business, and the risks it faces. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

The key features of Bango's internal controls are:

- A clearly defined organizational structure with appropriate delegation of authority.
- The approval by the Board of a one-year budget, including monthly income statements, statements of financial position and cash flow statements. The budget is prepared in conjunction with senior managers to ensure targets are feasible.
- The business plan is updated on a periodic basis to take into account the most recent forecasts. On a monthly basis, actual results are compared to the latest forecast and market expectations and presented to the Board on a timely basis.
- Regular reviews by the Board and by the senior management team of key performance indicators.
- Dual authority is required for all bank payments. Payments are not permitted without an approved invoice signed in accordance with the Bango Delegation of Authority document.
- Reconciliations of key statement of financial position accounts are performed and independently reviewed by the finance team. Wherever possible segregation of duties is implemented to provide additional comfort and support on all finance processes.
- All employees must go through initial and periodic security screening in line with requirements from Bango's key customers.
- Appropriate security and virtual checks are in place at all Bango systems, locations and wherever Bango people work to protect Bango's assets (fixed and intangible).
- Appropriate whistleblowing and escalation points are established and communicated to staff to provide a safe and secure forum for employees to escalate matters.
- A business continuity plan is documented and in place.

The Board in conjunction with the Audit Committee keeps under review Bango's internal control system on a periodic basis. An internal cross functional Infosec team also meets periodically to review the controls and processes in place for Bango.

Frank Bury

Audit Committee Chair

Nominations committee reports

The Bango Nominations Committee is a sub-committee of the Board of Directors, tasked with evaluating board composition and performance, and managing appointments to the Board when required.

Composition

The Nominations Committee is composed of two Non-Executive Directors, Eric Peacock and Nancy Cruickshank, and one Executive Director, Anil Malhotra (CMO). The Committee is supported by the Company Secretary.

The Nominations Committee meets at least twice a year, and more often if needed to consider changes to the composition of the Board.

Responsibilities

The Committee's main role and responsibilities are as follows:

- To review the make-up and skill set of the Board
- To make recommendations to the Board regarding board composition
- To oversee and monitor board member performance
- To identify any areas of Board operation that need additional support or strengthening
- To manage appointments to the Board as needed
- To ensure that succession planning is developed and reviewed

2020 Activities

During 2020 the Committee reviewed the configuration of Board roles following the 2019/2020 appointment of new directors.

The Nominations Committee considered the strengths of Board members and proposed changes to the Board that were reviewed and formalized in January 2020. The changes were: Paul Larbey became CEO and was officially appointed to the Board. Ray Anderson became Executive Chair, succeeding David Sear. At the same time, the Nominations Committee recommended the appointment of a non-Executive Director to the role of Senior Independent Director, who could exercise a casting vote in the event of an equal split of votes at the Board. Eric Peacock was proposed and accepted for the role of Senior Independent Director.

The Senior Independent Director's role as Chair of the Nominations Committee is important at Bango given the Executive role undertaken by the Chair. The Senior Independent Director oversees the performance of the Executive Chair, ensuring the independence and integrity of the wider Board. Further detail on the division of roles and responsibilities as between the Chair and Senior Independent Director and the measures taken to ensure the integrity and independence of the Board may be found within the Corporate Governance report.

The effectiveness of this split between Executive Chair, CEO and Senior Independent Director was reviewed by the Nominations Committee at the end of 2020. The Committee agreed that this structure had worked very effectively during the year, with clear divisions of roles and responsibilities.

During 2020 the Nominations Committee undertook a review of board composition and identified no significant gaps in the experiences and capabilities of the Board. The Committee supports the view that the Board would benefit from greater exposure to global tech companies and markets – particularly in the United States and/or Asia - and would therefore define a role for an additional Non-Executive Director who could bring this exposure to the Board. The Nominations Committee, with the support of the wider Board, is in the process to identifying suitable candidates. As with all senior appointments, the process will consider suitably qualified female candidates in particular, to ensure Bango continues its strong track record of fostering diversity and representation at all levels in the business.

Eric Peacock

Nominations Committee Chair and Senior Independent Director

Remuneration committee report

Composition

The Remuneration Committee comprises of three Non-Executive Directors – Eric Peacock (Senior Independent Director), Frank Bury and Nancy Cruickshank, who acts as Chair. The Committee meets at least twice a year and may meet more frequently if required. The Committee is supported by the Company Secretary, who provides information, assistance and advice as required.

Responsibilities

The Committee's main role and responsibilities are as follows:

- To review, and determine on behalf of the Board, remuneration policy, and the specific remuneration and incentive packages for each of Bango's Executive Directors.
- To review and make recommendations to the Board in respect of the design of remuneration structures and levels of pay and other incentives for employees of Bango, including share option awards and any adjustments to the terms of share ownership and share option schemes.
- To be responsible for reporting to Bango's shareholders in relation to remuneration policies applicable to Bango's Executive Directors.
- To monitor and approve the grants of all share option schemes to employees.

The Committee may invite the CEO and CFO to attend meetings of the Remuneration Committee. The CEO is consulted on proposals relating to the remuneration of the CFO and of other senior executives of the Group. The CEO and CFO are not involved in setting their own remuneration.

The Committee may use remuneration consultants to advise it in setting remuneration structures and policies. The Committee is exclusively responsible for appointing such consultants and for setting their terms of reference.

The Committee's terms of reference are reviewed and approved by the Board. These are available for inspection at Bango's registered office.

Remuneration policy

Bango's policy on remuneration is to provide a package of benefits to all employees, including salary, pension and share options, which provide incentives and reward individual contributions to Bango's overall performance appropriately, while avoiding paying more than is necessary for this purpose. The Committee considers Executive remuneration packages of comparable companies when making recommendations to the Board while aligning closely to the package offered to other Bango employees. Bango offers a base salary, performance related bonuses, as well as share options and a workplace pension to Executive Directors. Executive Director remuneration and policy is reviewed annually by the Committee to ensure the package offered is appropriate both to support the delivery of Bango strategy and objectives in the short, medium and long-term, and to retain and, where necessary, recruit, high quality executives. It considers the nature of Bango's business, as well as its size and growth-oriented nature. Packages are intended to both reward and incentivize thereby ensuring that the Executive Directors are motivated to continue to deliver sustainable growth

in shareholder value and are aligned with the long-term interests of shareholders.

As highlighted in the 2019 Annual Report, during 2019, the Committee undertook a review of remuneration policy and appointed FIT Remuneration Consultants LLP ("FIT") to review and benchmark the Executive Directors' salaries and benefits. FIT benchmarked against a pan-sector group of 60 AIM listed companies with a comparable market capitalization. Market capitalization was considered to be the best benchmark, reflecting a holistic valuation based on the market's view of future prospects, as well as current trading.

Annual salary

The 2019 FIT benchmarking exercise concluded that the fixed element of remuneration for both the CEO and the CMO ranked in the lower quartile, even taking into account their individual shareholdings. Fixed remuneration of the CFO was found to be competitive with the median position. No changes were made to the salaries paid to the CEO, CFO or CMO during 2020. The salary of Ray Anderson was reviewed upon his transition from CEO to Exec Chair and it was considered by the Remuneration Committee that no change was required, given his contribution to the Board as Chair, his experience and value to Bango, as well as his wider, significant contribution to Bango in his management and strategic capacities.

Bonus scheme

Performance-related elements of remuneration are designed to align the interests of Executive Directors with those of shareholders and accordingly are set as a significant proportion of total remuneration. The awarding of a bonus is based upon a series of performance criteria set by the Remuneration Committee, including financial and non-financial criteria. These success factors are linked to the long-term development of Bango. The success factors include company financial goals (such as EUS targets, revenue and profitability) shared by all Directors and individual targets for each Director based on their roles and responsibility.

The Board reserves the right to enforce claw back terms related to the bonus if it is discovered that any of the terms under which the bonus was granted change.

FITs review of the performance-related elements remuneration confirmed that the policy applied is appropriate and bonuses paid to Executive Directors are in line with market median levels.

In 2020 the bonus scheme was structured as follows:-

90% of the bonus target was common to all Executive Directors and was based on the achievement of financial metrics. Minimum, target and maximum levels were set for each metric. Below the minimum, the payout was zero, where the target was met, the payout was 100%, and if the maximum metric was exceeded the payout was up to 150%. In 2020 the Executives Directors earned 118% of the bonus target for these common financial targets. The metrics and results were split as follows:

Remuneration committee report

Financial Metric	Bonus Weighting	Result
Revenue	40%	57%
EUS	30%	31%
Adj EBITDA	20%	30%

The final 10% of the bonus target was based on individual objectives specific to each Executive. The results were as follows:

Individual Objectives	Result
Exec Chair	5%
CEO	8.5%
CMO	9%
CFO	6%

Share options

Bango considers that active participation in a share option plan is an effective means of incentivizing and retaining high quality people. The rules governing the Bango share option scheme remain substantially the same as those first adopted in 2005 when Bango listed on AIM, and are still considered appropriate given the size and growth nature of Bango. Options lapse after 10 years and there is a 12% maximum dilution at any point.

Alongside all employees, Executive Directors are eligible to participate in the share option scheme on completion of an agreed probationary period. In accordance with corporate governance best practice, Non-Executive Directors are not granted share options.

In January 2021 Bango sought independent advice from FIT on the structure and implementation of its share option policy as regards the Executive Directors. This review concluded that it was not necessary to make any changes to the existing plan from a corporate governance perspective, and highlighted practical and commercial advantages to certain key elements.

Share options are granted following a review of staff performance by the wider leadership team. The Remuneration Committee then approves the overall size of the grant for employees and sets the option levels for the Executive Directors. Share options may only be granted after approval by the Committee and in line with the restrictions set out under the Bango share option scheme rules. All options are granted at the market rate at the date of grant. The Directors therefore see no value in their share options unless Bango performs well, and the market price of Bango shares rises. The scheme administered by Bango does not provide for the repricing of options if the share price falls, and no other form of compensation is provided for any such loss of value. Indeed, in these circumstances the Executive Directors not only lose the benefit of their options, they are also likely to see a reduction in any bonus paid to them if the fall in share price is for reasons aligned with any failure to meet their targets. The interests of the Directors are therefore aligned with those of shareholders to deliver sustained, medium to long term growth.

The number of options awarded to all staff, including Executive Directors, is directly related to their contribution to Bango and its future growth. The number of options granted to the Executive

Directors is generally fixed. The Directors are therefore not influenced by short-term progress or share price at the time of grant.

Bango grants options at six monthly intervals. This provides an ongoing incentive and is designed to retain staff (including the Executive Directors) as it provides options at a range of prices – as visible from the option grant prices listed within the Directors’ report on page 26. It also mitigates the danger of “underwater” options becoming de-motivating.

Options vest in equal tranches over a period of three years from the date of grant. Options vest over a 3-year period in-line with standard practice in global tech companies and to ensure consistency of implementation of the scheme across all of Bango. The plan rules contain certain conditions around the exercise and vesting of options.

The scheme administered by Bango is an EMI scheme. However, the vast majority of options held by the Executive Directors (>95%) do not benefit from EMI status. Bango policy is to ensure that those whose share option grants are lower in number benefit from the tax advantages afforded by the EMI scheme in preference to those who receive a higher number. The benefits afforded by these tax advantages, and therefore the value to the share options themselves, are therefore reduced for the Executive Directors.

Further details of the option plan and outstanding options as at 31 December 2020 are given in note 7 to the financial statements.

Details of the share options and shares held by the Directors of Bango are shown in the Directors’ report on page 26.

Pensions

Executive Directors may participate in the Bango defined contribution pension scheme or chose to pay into their own private pension scheme. In line with requirements for all employees the pension contribution is 5% under auto-enrolment rules. There have been no changes to the Bango pension policy in the year and there are no unfunded pension contributions in the year.

Non-Executive Directors are not able to participate in the Bango pension scheme.

Payments for Loss of Office

There were no payments made to any previous directors for loss of office in 2020.

Service agreements

The Executive Directors have service agreements with Bango.net Ltd which were refreshed in early 2021 to ensure continued alignment with industry best practices. The agreements include non-compete, non-poaching, garden leave and confidentiality clauses, and mutual three-month notice periods.

Remuneration committee report

Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Executive Directors. Their appointments can be terminated on three months' notice in writing by Bango.

Implementation of Remuneration policy in 2021

FIT undertook a further review of Executive remuneration at the end of 2020 as a part of the Remuneration Committee's own review on remuneration for the financial year 2021. After careful consideration of the existing package, the findings of FIT, and the performance of and contributions made by the Executives, as well as the success of Bango in 2020, the Remuneration Committee determined as follows.

In 2021 the bonus scheme will remain similar to the scheme used

Directors' emoluments

Details of remuneration in respect of the Directors is as follows:

31 December 2020	Wages and salaries	Variable pay****	Pension and other benefits	Total
	£	£	£	£
R Anderson	212,000	40,500	8,883	261,383
P Larbey*	212,000	34,020	8,883	254,903
A Malhotra	175,000	40,500	8,104	223,604
C Rand	145,000	12,500	42,944	200,444
G D'Agostino	22,500	-	-	22,500
F Bury***	24,288	-	-	24,288
N Cruickshank	22,500	-	-	22,500
E Peacock***	24,288	-	-	24,288
D Sear**	5,167	-	-	5,167
	842,743	127,520	68,814	1,039,077

*Paul Larbey was appointed as an Executive Director on 22 January 2020.

** Non-Executive Director David Sear resigned on 22 January 2020.

*** Frank Bury and Eric Peacock were appointed as Directors on 3 December 2019. The 2020 figure includes payment for the part month served in December 2019.

**** Variable pay for 2019 results, paid in 2020.

31 December 2019	Wages and salaries	Variable pay***	Pension and other benefits	Total
	£	£	£	£
R Anderson	198,919	50,000	8,317	257,236
A Malhotra	162,619	50,000	7,525	220,144
C Rand	144,379	-	46,870	191,249
M Rigby*	8,625	-	-	8,625
G D'Agostino	22,500	-	-	22,500
D Sear**	62,000	-	-	62,000
N Cruickshank	22,500	-	-	22,500
	621,542	100,000	62,712	784,254

During 2019 Bango was invoiced £18,700 by Egan and Talbot Limited, a company of which Martin Rigby is a Director. The amount invoiced relates to consultancy work carried out by Martin Rigby in the year.

* Non-Executive Director Martin Rigby resigned on 17 May 2019.

** Non-Executive Director David Sear resigned on 22 January 2020.

**** Variable pay for 2018 results, paid in 2019.

Nancy Cruickshank

Remuneration Committee Chair

in 2020 with Revenue and EBITDA being common measures for all Executive Directors and making 90% of the target bonus, the remaining 10% being based on personal objectives. Minimum targets are set below which the payout is zero. Maximum targets allow for overachievement to a maximum of 150%. In 2021 the target bonus for all Executive Directors will be 30% of base salary.

In 2021 no change is anticipated to the Exec Chair or CFO salary (Matt Garner was appointed as CFO on 1 March 2021). The CMO salary will be determined by the CEO in accordance with the wider remuneration policy and taking into account industry benchmarks. The CEO salary will be determined by the Remuneration Committee taking a progressive approach based on achievement of a number of objective measures.

Independent auditor's report to the members of Bango PLC

Opinion

We have audited the financial statements of Bango PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated and company statements of financial position, consolidated statement of comprehensive income, consolidated and company cash flow statements, consolidated and company statements of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- understanding how the cash flow forecasts for the going concern period had been prepared and the assumptions adopted;
- testing of the integrity of the forecast model to ensure it was operating as expected;
- challenging the key assumptions within the forecast with agreement to supporting data where possible;
- review and consideration of the appropriateness of the sensitivity analysis performed by management and available actions should performance be behind expectations.

We note the strength of the balance sheet at 31 December 2020 with £5.8 million of cash and cash equivalents which, along with projected revenue growth, mean that the group is expected to be able to comfortably operate within its existing banking facilities.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Bango PLC

Summary of our audit approach

Key audit matters	<p>Group</p> <ul style="list-style-type: none"> • Revenue recognition • Development cost capitalization • Disposal of 60% of Bango Deep Limited (now NewDeep Limited) <p>Parent Company</p> <ul style="list-style-type: none"> • Disposal of 60% of Bango Deep Limited (now NewDeep Limited)
Materiality	<p>Group</p> <ul style="list-style-type: none"> • Overall materiality: £189,000 (2019: £200,000) • Performance materiality: £141,750 (2019: £150,000) <p>Parent Company</p> <ul style="list-style-type: none"> • Overall materiality: £95,000 (2019: £80,000) • Performance materiality: £71,250 (2019: £60,000)
Scope	Our audit procedures covered 98% of revenue, 99% of total assets and 100% of group profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter description	<p>Under International Auditing Standards there is a rebuttable presumed risk of fraud that revenue may be misstated due to improper revenue recognition.</p> <p>For the more complex contracts involving multiple services, there is management judgement required to determine the distinct performance obligations and in the allocation of consideration to each of these obligations in line with the requirements of IFRS 15 "Revenue from Contracts with Customers".</p>
How the matter was addressed in the audit	<p>We considered the controls over the determination of end user spend and the corresponding billing of revenue. In addition, we performed cut-off testing and substantive testing procedures to validate the recognition of revenue throughout the year was in line with contractual arrangements.</p> <p>We reviewed and challenged management's assessment of the performance obligations and the allocation of consideration to the performance obligations for a sample of contracts including the larger and more complex agreements. The main judgements surrounded whether the performance obligations for connection activities and the sale of software licenses were distinct or connected with other services in the agreements.</p> <p>We also considered the adequacy of the Group's revenue recognition accounting policy as disclosed in note 3.12 and the judgements disclosed in note 3.22.</p>

Independent auditor's report to the members of Bango PLC

Development cost capitalization

Key audit matter description	<p>The internal development costs capitalized are disclosed in note 5.3.</p> <p>The group incurs expenditure on the development of its software and products which are capitalized if certain criteria are met in accordance with IAS 38 "Intangible Assets".</p> <p>We focus on the capitalization of development costs due to the impact on reported earnings and the judgements involved in assessing whether the IAS 38 criteria for capitalization have been met.</p>
How the matter was addressed in the audit	<p>We confirmed our understanding of management's basis for capitalizing development costs, updated our understanding of key existing and new projects and determined whether the costs had been appropriately capitalized in accordance with IAS 38.</p> <p>Our procedures included an assessment over the appropriateness of any management judgements including the future expected economic benefit of capitalized projects and substantive testing of the costs capitalized. We also assessed the reasonableness of the amortization policies in place and potential impairment.</p> <p>We also considered the adequacy of the Group's research and development accounting policy as disclosed in note 3.5 and the judgements disclosed in note 3.22.</p>

Disposal of 60% of Bango Deep Limited (now NewDeep Limited)

Key audit matter description	<p>On 6 April 2020, the group lost control of Bango Deep Limited following a share issue by Bango Deep Limited (now NewDeep Limited) which resulted in NHN Corp owning 60% of the share capital. As part of the deal the group obtained the ongoing rights to utilize certain proprietary software.</p> <p>In order to determine the profit on disposal of the 60% shareholding, management were required to value the software acquired and the remaining 40% shareholding. There is judgement involved in the valuation of such assets.</p>
How the matter was addressed in the audit	<p>We reviewed and challenged the reasonableness of the approach taken by management to value the acquired intangible assets and the remaining 40% shareholding. This involved the use of our valuation specialists.</p> <p>We considered whether the resulting profit on disposal had been correctly calculated and appropriately disclosed as part of discontinued activities.</p>

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Independent auditor's report to the members of Bango PLC

	Group	Parent company
Overall materiality	£189,000 (2019: £200,000)	£95,000 (2019: £80,000)
Basis for determining overall materiality	2% of transactional and data monetization revenues	0.2% of net assets
Rationale for benchmark applied	This key performance indicator is focused upon by investors as a measure of the level of growth achieved by the group.	Net assets was chosen as the entity is a non-trading holding company.
Performance materiality	£141,750 (2019: £150,000)	£71,250 (2019: £60,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £9,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £4,750 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 8 components operating mainly from the United Kingdom but also from the United States of America, Japan, Ireland, Canada, Spain and Nigeria. In addition, the group has a 40% share in a group of companies operated in the United Kingdom and Italy which is equity accounted for as an associate.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	98%	78%	110%
Specific audit procedures on associate	-	-	21%	(10)%
Total	2	98%	99%	100%

Analytical procedures at group level were performed for the remaining 6 components.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Bango PLC

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Independent auditor's report to the members of Bango PLC

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors. Audit of the calculation of the research and development tax credit to ensure suitably supported and in line with legislation.
GDPR	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	See key audit matters above. In addition, we reviewed revenue journals for appropriateness using financial data analytics software.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

NEIL STEPHENSON (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Second Floor, North Wing East, 126-130 Hills Road, Cambridge CB2 1RE

15 March 2021

Consolidated statement of financial position

As at 31 December 2020

	Note	31 Dec 2020 £ '000	31 Dec 2019 £ '000
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	114	283
Right of use assets	5.2	131	931
Intangible assets	5.3	12,068	12,201
Investments accounted for using the equity method	17	5,686	-
		17,999	13,415
Current assets			
Trade and other receivables	6	3,196	2,588
Research and development tax credits	6	-	597
Cash and cash equivalents		5,837	2,687
		9,033	5,872
Total assets		27,032	19,287
EQUITY			
Capital and reserves attributable to equity holders of the parent company			
Share capital	7	14,942	14,137
Share premium account		38,940	36,057
Merger reserve		2,175	2,175
Share based payment reserve		2,332	4,526
Foreign exchange reserve		299	77
Accumulated losses		(34,600)	(42,275)
Total equity		24,088	14,697
LIABILITIES			
Current liabilities			
Trade and other payables	8	1,882	3,421
Lease liabilities	5.2	73	303
		1,955	3,724
Non-current liabilities			
Lease liabilities	5.2	75	748
Deferred tax liability	15	914	118
		989	866
Total liabilities		2,944	4,590
Total equity and liabilities		27,032	19,287

These financial statements were approved and authorized for issue by the Directors on 15 March 2021 and are signed on their behalf by:

P Larbey
Director

Company registration number 05386079
The notes on pages 47 to 68 are an integral part of these consolidated financial statement

Consolidated statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £ '000	2019 Restated £ '000
Alternative performance measure (Non-IFRS)			
End User Spend	4	1,851,995	1,093,440
Continuing operations			
Revenue	4	12,165	7,173
Cost of sales		(341)	(72)
Gross profit		11,824	7,101
Other administrative expenses	10	(7,267)	(6,825)
Exceptional items	11	-	(165)
Share based payments	12	(806)	(806)
Depreciation	5	(338)	(403)
Amortization	5.3	(2,249)	(1,465)
Total administrative expenses		(10,660)	(9,664)
Operating profit / (loss)		1,164	(2,563)
Interest payable	14	(27)	(56)
Investment income	14	-	12
Share of net loss of associates accounted for using the equity method	17	(530)	-
Profit / (loss) before taxation from continuing operations	11	607	(2,607)
Income tax	15	136	450
Profit / (loss) from continuing operations		743	(2,157)
Profit / (loss) from discontinued operations	16	3,932	(179)
Profit / (loss) for the financial year (attributable to equity holders of the company)		4,675	(2,336)
Other comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange on consolidation		189	(85)
Foreign exchange realized on discontinued operations	16	33	-
Profit / (loss) and total comprehensive income for the financial year		4,897	(2,421)
Earnings / (loss) per share attributable to the equity holders of the parent			
Basic earnings / (loss) per share			
From continuing operations	18	1.01p	(3.07)p
From continuing and discontinued operations		6.37p	(3.32)p
Diluted earnings / (loss) per share			
From continuing operations	18	1.00p	(3.07)p
From continuing and discontinued operations		6.29p	(3.32)p

The notes on pages 47 to 68 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 31 December 2020

	Note	2020 £ '000	2019 £ '000
Net cash generated from operating activities	19	3,006	1,034
Cash flows used by investing activities			
Purchases of property, plant and equipment		(80)	(148)
Expenditure on capitalized development costs and intangible assets		(1,865)	(2,088)
Purchase of remaining shares in Audiens		(989)	-
Net cash expended on disposal of subsidiary		(376)	-
Interest received		-	12
Net cash used by investing activities		(3,310)	(2,224)
Cash flows generated from financing activities			
Proceeds from issuance of ordinary shares		3,688	344
Interest payments on finance lease obligations		(18)	(26)
Capital repayments of finance lease obligations		(216)	(240)
Net cash generated from financing activities		3,454	78
Net increase / (decrease) in cash and cash equivalents		3,150	(1,112)
Cash and cash equivalents at beginning of year		2,687	3,815
Exchange differences on cash and cash equivalents		-	(16)
Cash and cash equivalents at end of year		5,837	2,687

	At 1 January 2020 £ '000	Cash flow £ '000	Other non-cash movements £ '000	Exchange £ '000	At 31 December 2020 £ '000
Cash and cash equivalents	2,687	3,150	-	-	5,837
Lease liabilities	(1,051)	234	669	-	(148)
Net cash at end of year	1,636	3,384	669	-	5,689

	At 1 January 2019 £ '000	Cash flow £ '000	Other non-cash movements £ '000	Exchange £ '000	At 31 December 2019 £ '000
Cash and cash equivalents	3,815	(1,112)	-	(16)	2,687
Lease liabilities	(1,258)	266	(59)	-	(1,051)
Net cash at end of year	2,557	(846)	(59)	(16)	1,636

Other non-cash movements include new leases, disposals of leases and interest on leases.

The notes on pages 47 to 68 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital	Share premium account	Merger reserve	Share-based payment reserve	Foreign exchange reserve	Retained earnings	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Balance at 1 January 2020	14,137	36,057	2,175	4,526	77	(42,275)	14,697
Share based payments	-	-	-	806	-	-	806
Transfer for exercised options	-	-	-	(3,000)	-	3,000	-
Issue of new shares	703	2,488	-	-	-	-	3,191
Exercise of share options	102	395	-	-	-	-	497
Transactions with owners	805	2,883	-	(2,194)	-	3,000	4,494
Profit for the year	-	-	-	-	-	4,675	4,675
Foreign exchange realized on discontinued operations	-	-	-	-	33	-	33
Foreign exchange on consolidation	-	-	-	-	189	-	189
Total comprehensive income for the year	-	-	-	-	222	4,675	4,897
Balance at 31 December 2020	14,942	38,940	2,175	2,332	299	(34,600)	24,088
	Share capital	Share premium account	Merger reserve	Share-based payment 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	3,881	162	(40,100)	15,969
Share based payments	-	-	-	806	-	-	806
Transfer for exercised options	-	-	-	(161)	-	161	-
Exercise of share options	83	260	-	-	-	-	343
Transactions with owners	83	260	-	645	-	161	1,149
Loss for the year	-	-	-	-	-	(2,336)	(2,336)
Foreign exchange on consolidation	-	-	-	-	(85)	-	(85)
Total comprehensive income for the year	-	-	-	-	(85)	(2,336)	(2,421)
Balance at 31 December 2019	14,137	36,057	2,175	4,526	77	(42,275)	14,697

The notes on pages 47 to 68 are an integral part of these consolidated financial statements.

Notes to the 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. The address of the registered office of the Company, which is also its principal place of business, is given on page 25. Bango PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM").

The principal activity of Bango during the year was the development, marketing and sale of technology that enables the marketing and sale of products.

The financial statements for the year ended 31 December 2020 (including the comparatives for the year ended 31 December 2019) were approved by the Board of Directors on 15 March 2021.

2 Basis of preparation

The Group financial statements, which consolidate those of Bango PLC and all of its subsidiaries, have been prepared under the historical cost convention and under the basis of going concern.

Bango has prepared its Report and accounts for the year ended 31 December 2020, in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS"). IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.22.

These financial statements are presented in pounds sterling (GBP) because that is the presentation currency of Bango PLC.

2.1 Going concern

Bango had cash of £5.8M at 31 December 2020 (31 December 2019: £2.7M) and financing debt of £0.2M (31 December 2019: £1.1M). Bango grew its EUS and revenue in 2020 in line with prior year trends, and generated cash in 2020, mainly due to the stable cost basis of the platform. The Board believes, based on regular cashflows, that there is sufficient cash and resources to support both planned investments to grow sales, and to develop new products. For this reason, the going concern basis has continued to be adopted in the preparation of the financial statements.

3 Principal accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1 Basis of consolidation

On 9 June 2005 Bango PLC acquired the entire issued share capital of Bango.net Limited by way of a share for share exchange. As the shareholders were the same before and after this transaction, the share for share exchange qualifies as a common control transaction and fell outside of the scope of IFRS 3, Business Combinations.

No goodwill has been recorded and the difference between the parent company's cost of investment and Bango.net Limited's share capital and share premium is presented as a merger reserve within equity on consolidation.

The consolidated financial statements incorporate the financial statements of Bango PLC and all entities controlled by it after eliminating internal transactions. Control is achieved where the Group has the power to govern the financial and operating policies of a Group undertaking so as to obtain economic benefits from its activities. Subsidiary undertakings' results are adjusted, where appropriate, to conform to Group accounting policies.

3.2 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. The fair value required significant judgements and estimates of intangible assets retained within the group. 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.

3.3 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 are 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. See note 17.

3.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Residual values and useful economic lives are assessed annually. Depreciation is provided to write off the cost of all property, plant and equipment to its residual value on a straight-line basis over its expected useful economic lives, which are as follows:

Notes to the financial statements

Leasehold improvements	20% straight-line
Office equipment	20% straight-line
Computer equipment	33.3% straight-line

3.5 Intangible assets

Intangible assets are measured initially at historical cost and are amortized on a straight-line basis over the expected useful economic lives:

Domain names	3 years straight-line
Internal development	5 – 8 years straight-line
Intellectual property	5 – 8 years straight-line

3.5.1 Goodwill

Goodwill is the difference between the amount by which the fair value of the cost of a business combination exceeds the fair value of net assets acquired. Goodwill is not amortized and is stated at cost less any accumulated impairment losses. The goodwill 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. For the purpose of impairment testing, goodwill is allocated to the trade and assets acquired. An impairment loss recognized for goodwill is not reversed in a subsequent period.

3.5.2 Acquisition related intangible assets

Net assets acquired as part of a business combination includes an assessment of the fair value of separately identifiable acquisition related intangible assets, in addition to other assets and contingent liabilities purchased. These are amortized over their useful lives which are individually assessed. The estimated useful economic life for customer contracts and relationships is 5 years and for acquired software is 8 years.

3.5.3 Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from Bango's development activities is recognized only if all of the following conditions are met:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale.
- Bango intends to complete the intangible asset and use or sell it.
- Bango has the ability to use or sell the intangible asset.
- The intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits.
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Internally-generated intangible assets are amortized on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognized,

development expenditure is recognized as an expense in the period in which it is incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the intangible asset to be capable of operating in the manner intended by management. Directly attributable costs comprise employee salary and other employment costs incurred, on a time apportioned basis, as well as a proportion of attributable overhead costs. Development costs previously recognized as an expense are not included in the amount recognized as an asset. Until completion of the project, these assets are subject to impairment testing only. Amortization commences upon completion of the asset and is shown within administrative expenses in the statement of comprehensive income.

3.6 Impairment of non-current assets

At each statement of financial position date, Bango reviews the carrying amounts of its non-current assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of the fair value less costs to sell and value in use. Until completion of the development project, when amortization will be charged on the intangible asset, the assets are subject to an annual impairment test.

3.7 Current financial assets

a) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits available on demand, together with other short term highly liquid investments.

b) Trade and other receivables

Trade and other receivables are recognized initially at fair value and are measured subsequent to initial recognition net of any provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in profit or loss.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The expected loss rate against certain balances is adjusted where there are specific indicators that the trade receivable is either irrecoverable or the risk of loss is high. Indicators include, amongst others, the failure of a debtor to engage in a repayment plan with the group or a failure to make contractual payments for a period greater than 120 days past due.

3.8 Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Notes to the financial statements

3.9 Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period, that are unpaid at the statement of financial position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement, except where it relates to items recognized outside profit or loss.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by Bango and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to Bango are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the statement of financial position date.

Deferred tax is recognized as a component of tax expense in the income statement, except where it relates to items charged or credited directly to other comprehensive income, when it is recognized in other comprehensive income. Deferred tax relating to items recognized directly in equity is recognized directly in equity.

3.10 Leases

Leases are recognized as a right of use asset with a corresponding liability at the net present value at the date on which the asset is available for use by the group. Lease liabilities include the net present value of the remaining lease payments; fixed and variable payments less any incentive; and residual amounts and purchase or extended options where it's reasonably certain to exercise the option; The lease payments are discounted using the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

Right of use assets are measured at cost to include the lease liability, direct and restoration cost and are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short term leases of equipment and vehicles and all leases of low value assets are recognized on a straight-line basis as an expense in the profit and loss.

3.11 End User Spend ("EUS")

EUS is the total value of transactions processed by the Bango Platform excluding taxes. It is the most significant KPI (Key Performance Indicator) to measure the growth of the business and the continued success of Bango customers and partners. More EUS means more payment data which can be used in the data monetization business.

This is reported on the consolidated statement of comprehensive income as a non IFRS KPI and in Note 4 as EUS is directly linked to Bango's revenue.

3.12 Revenue recognition

Revenue is measured by reference to the fair value of consideration receivable by Bango for services provided, excluding taxes. Although Bango has a single segment, the process of ensuring compliance with IFRS 15 requires the company to analyze revenues generated based on specific categories and activities. There are four recognized categories in Bango.

1. Payment transactions processed by the Bango Platform;
2. The data monetization business;
3. Establishing connectivity and connections for customers connected to the platform;
4. Licence fees for the use of the software.

3.12.1 Revenue linked to Payment activity

Bango payment revenue is contractually determined as the fee from every transaction processed through the Bango Platform or as a fee based on the value of the transaction or a fixed fee per transaction or connection. The revenue is recognized on the basis of completion of performance obligations, which for EUS revenue is to ensure that the Bango Platform is always available and that payments are enabled to take place and be accounted for between payment providers and sellers of goods.

Revenue from other fees relates to:

- Integration fees – where Bango charges the payment provider or the merchant for connecting to the Bango Platform. Revenue is recognized on completion of contracted milestones and where the performance obligation has been fully discharged. In addition, revenue is recognized in the period if the customer can separately benefit from the service provided with no dependency on Bango.
- License fees – where Bango charges a monthly fee for access to the Bango Platform, this is recognized on a straight-line basis over the period of access.
- Support fees – where Bango provides period services which are recognized on a straight-line basis over the period of the service.

3.12.2 Data activity

Revenue from data activity consists of fees charged for making data useable by merchants or other advertisers in digital marketing campaigns and a recurring fee for using Bango Marketplace as a service.

The transaction price for data activity is clearly defined in contracts and is either a one off or monthly fee. The performance obligations are to supply specified segments of data.

Notes to the financial statements

Revenue is recognized at point of supply for data activity or for subscription services on a straight-line basis over the period of access to data.

3.12.3 Revenue activity from sale of licenses

Revenue from the sale of perpetual software licenses where no customization of the software is required is recognized at a point in time once the license has been delivered to the customer and the customer can obtain benefit from the license.

3.13 Employee benefits

All accumulating employee-compensated absences that are unused at the statement of financial position date are recognized as a liability.

Payments to defined contribution retirement benefit schemes are charged as an expense in the period to which they relate.

3.14 Share-based payment transactions

Bango issues equity settled share-based compensation to certain employees (including Directors). Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the estimate of the shares that will eventually vest. These estimates are subsequently revised if there is any indication that the number of options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods.

Fair value is measured by an external valuer using the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. No adjustment is made for performance conditions as these do not form a condition of the option agreement.

On the exercise of share options, an amount equal to the fair value of the option at the date it was granted is transferred from the share-based payments reserve into retained earnings.

Where the company grants options over its own shares to the employees of its subsidiaries it recognizes, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognized in its consolidated financial statements with the corresponding credit being recognized directly in equity.

3.15 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange prevailing at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange prevailing at the date of the transaction. Exchange gains and losses are included in the profit or loss for the period.

The functional currency of the Group is Sterling. Exchange differences arising from the translation of foreign operations

are recognized in other comprehensive income and accumulated in a foreign currency translation reserve within equity.

3.16 Segment reporting

Following the disposal of Bango Deep business, the directors consider that the group has a single business segment, being the monetization of the Bango Platform. All group operations and research and development activity is managed centrally. This is consistent with the information reviewed by the Chief Operating Decision Maker (CODM) which is considered to be the Board of Directors.

3.17 Financial instruments

Bango uses a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. Bango uses its historical experience and forward-looking information to calculate the expected credit losses.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in profit or loss. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

Dividends and distributions relating to equity instruments are debited direct to equity. Interest income and expenses are reported on an accrual basis using the effective interest method.

3.18 Share capital and reserves

Share capital

Ordinary shares are classified as equity. Equity instruments issued by Bango PLC are recorded at the proceeds received, net of direct issue costs.

Share premium account

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Merger reserve

The merger reserve represents the difference between Bango PLC's cost of investment and a subsidiary's share capital and share premium where a group reorganization qualifies as a common control transaction and the excess over nominal value for equity shares issued as part of a business acquisition where at least 90% of the entity is acquired.

Share-based payment reserve

The share-based payment reserve represents equity-settled share-based employee remuneration recognized over the vesting period and the initial present value of warrants issued over equity shares.

Notes to the financial statements

Foreign exchange reserve

The foreign exchange reserve represents translation differences arising from the translation of the Bango subsidiaries financial statements which are held in local currency into the consolidated Bango accounts which is reported in GBP. This reserve only arises at consolidation.

Retained earnings

Retained earnings include all current and prior period retained profits.

3.19 Exceptional items

Exceptional items are those significant one-off items which are disclosed by virtue of their size of incidence to enable a full understanding of the financial performance.

3.20 Standards and interpretations not yet applied by the Group

For the purposes of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 January 2020. There was no significant impact of new standards and interpretations adopted in the year. No new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the Group's accounting periods beginning on or after 1 January 2021, or later periods, have been adopted early. The new standards and interpretations are not expected to have any significant impact on the financial statements when applied.

3.21 Related party transactions

Bango's related parties include its Directors and key management personnel and associate companies. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are settled in cash.

The only transactions with Directors are noted in the Directors remuneration note in the accounts, see note 13.

3.22 Significant accounting estimates and judgements

Revenue recognition

The main judgements taken by management relate to the more complex customer contracts which have more than one performance obligation.

Judgement is required to determine if these performance obligations are distinct. For the year ended 31 December 2020, the directors determined that certain software licence sales and integration services were distinct as the customer could separately benefit from these services and licenses.

In addition, judgement is required in the allocation of total contract consideration to each of the performance obligations. The directors accepted the price negotiated at arms-length between unrelated parties represented the fairest

means to allocate price for a product that is not comparable on the market.

Deferred tax

A deferred tax asset is recognized where Bango considers it probable that a tax credit will be received in the future. This specifically applies to tax losses and to outstanding vested share options at the statement of financial position date. No deferred tax asset has been recognized as at 31 December 2020. With increased platform usage, new contracts leading to increased revenues, management will review the appropriateness of the current policy to determine if changes are required due to the utilization of some of the losses in the next few years. See note 15.

Development costs

Judgement is applied when deciding whether the recognition requirements for development costs have been met, based on the information available at each statement of financial position date. The economic success of any product development is uncertain at the time of recognition as it may be subject to future technical problems and therefore impairment reviews are completed for each project on the statement of financial position date. The carrying value of capitalized development costs is £5.9M (2019: £6.6M).

No projects are considered to be impaired based on expected future revenues.

Acquisition accounting

Acquired assets are accounted for in accordance with IFRS 3 Business Combinations following a detailed review of the fair value of the assets by an independent third party. The business separates out the underlying assets which include software, customer relationships and trade names based on the attributable values that can be apportioned directly to them, and the remaining difference in the value is shown as goodwill. The acquired assets are amortized over a five to eight year period, goodwill is not amortized. All acquired assets not subject to amortization are tested annually for impairment.

The Group acquired proprietary software related to the disposal of the NewDeep Limited group. The main judgement involved the valuation of the software and also the initial valuation of the associate. See note 16.

No impairment is recognized based on current estimates of future revenue streams expected to be derived from acquired assets.

Impairment of goodwill

The Group tests goodwill for impairment on an annual basis in line with the accounting policy noted above. This involves judgement regarding the future development of the business and the estimation of the level of future growth, cash flows and an appropriate discount rate to support the carrying value of goodwill.

Notes to the financial statements

4 Revenue

(a) End User Spend ("EUS")

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. Key business decisions are based on the total value and volume of transactions that Bango has processed in each month through the Bango platform. Therefore, to give additional information to key stakeholders of Bango and to assist users of these financial statements, Bango includes this additional reporting.

	2020 £ '000	2019 £ '000
End User Spend	1,851,995	1,093,440

(b) Revenue analysis

Revenue by product:

	2020 £ '000	2019 £ '000
Payments - transactional & data monetization	9,382	7,173
Payments non-transactional (licensing of software, platform & technology), and integration	2,783	-
	12,165	7,173

Most income is currently recognized at a point in time rather than over time.

(c) Geographical analysis

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

	2020 £ '000	2019 £ '000
United Kingdom (country of domicile)	870	173
EU	426	303
USA and Canada	2,080	1,546
Rest of the World	8,789	5,151
	12,165	7,173

All turnover is spread over many territories, of which £5.3M comes from two partners in the Rest of the World and £1.2M comes from a partner in USA and Canada. (2019: £1.0M from the partner in the USA and Canada, £3.0M from two partners in the Rest of the World).

Bango's non-current assets are divided into the following geographical areas.

	2020 £ '000	2019 £ '000
United Kingdom (country of domicile)	17,999	11,007
EU	-	2,408
	17,999	13,415

Non-current assets are allocated based on their physical location.

Notes to the financial statements

5 Non-current assets

5.1 Property, plant and equipment

	Leasehold improvements £ '000	Office equipment £ '000	Computer equipment £ '000	Total £ '000
Cost				
At 1 January 2020	291	303	1,809	2,403
Additions	9	1	70	80
Disposals	(14)	(185)	(4)	(203)
Disposals of subsidiary	(17)	(58)	(6)	(81)
Transfer to leases	-	-	(45)	(45)
At 31 December 2020	269	61	1,824	2,154
Depreciation				
At 1 January 2020	272	200	1,648	2,120
Charge for the year	5	17	87	109
Disposals	(5)	(152)	(3)	(160)
Disposals of subsidiary	(3)	(15)	(3)	(21)
Transfer to leases	-	-	(8)	(8)
At 31 December 2020	269	50	1,721	2,040
Net book value				
At 31 December 2020	-	11	103	114

	Leasehold improvements £ '000	Office equipment £ '000	Computer equipment £ '000	Total £ '000
Cost				
At 1 January 2019	365	274	2,463	3,102
FX Revaluation	-	(1)	-	(1)
Additions	11	30	106	147
Transfer to leases	(85)	-	(760)	(845)
At 31 December 2019	291	303	1,809	2,403
Depreciation				
At 1 January 2019	319	168	2,047	2,534
Charge for the year	13	32	117	162
Transfer to leases	(60)	-	(516)	(576)
At 31 December 2019	272	200	1,648	2,120
Net book value				
At 31 December 2019	19	103	161	283

Notes to the financial statements

5.2 Leases

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Right of use assets		
Building	-	797
Computer equipment	131	126
Others	-	8
	<u>131</u>	<u>931</u>
Lease liabilities		
Current	73	303
Non-current	75	748
	<u>148</u>	<u>1,051</u>

During the year Bango Plc acquired and recognized £96,000 as a right of use assets.

Amounts recognized in profit or loss

	2020 £'000	2019 £'000
Depreciation charge on right of use assets		
Building	92	179
Computer equipment	129	118
Others	8	17
	<u>229</u>	<u>314</u>
Interest expense (included in finance cost)	27	56
Expense relating to leases of low-value assets and short-term leases (included in administrative expenses)	14	14

The total cash outflow for leases in the year was £0.24M (2019: £0.25M).

The company leases equipment with varying terms ranging from 12 months to 3 years. The Westbrook Centre, Cambridge lease was terminated in September 2020.

Notes to the financial statements

5.3 Intangible assets

	Domain Names	Internal Development	Acquired intangibles (Software)	Acquired intangibles (Contracts)	Acquired intangibles (Brand)	Goodwill	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Cost							
At 1 January 2020	33	13,559	2,610	528	123	3,775	20,628
Additions	24	1,841	5,386	-	-	-	7,251
Disposal of subsidiary	-	(1,157)	(1,806)	-	(78)	(2,548)	(5,589)
FX revaluation	-	-	(26)	(18)	(1)	(41)	(86)
At 31 December 2020	57	14,243	6,164	510	44	1,186	22,204
Amortization							
At 1 January 2020	33	6,993	966	388	47	-	8,427
Charge for the year	2	1,389	742	107	9	-	2,249
Disposal of subsidiary	-	(48)	(433)	-	(14)	-	(495)
FX Revaluation	-	-	(26)	(18)	(1)	-	(45)
At 31 December 2020	35	8,334	1,249	477	41	-	10,136
NBV at							
31 December 2020	22	5,909	4,915	33	3	1,186	12,068

	Domain Names	Internal Development	Acquired intangibles (Software)	Acquired intangibles (Contracts)	Acquired intangibles (Brand)	Goodwill	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Cost							
At 1 January 2019	33	11,490	2,679	541	124	3,804	18,671
Additions	-	2,088	-	-	-	-	2,088
FX revaluation	-	(19)	(69)	(13)	(1)	(29)	(131)
At 31 December 2019	33	13,559	2,610	528	123	3,775	20,628
Amortization							
At 1 January 2019	33	5,712	670	289	39	-	6,743
Charge for the year	-	1,283	322	109	9	-	1,723
FX revaluation	-	(2)	(26)	(10)	(1)	-	(39)
At 31 December 2019	33	6,993	966	388	47	-	8,427
NBV at							
31 December 2019	-	6,566	1,644	140	76	3,775	12,201

Amortization is shown within administrative expenses in the income statement. Bango regularly reviews its intangible assets to ensure that they are not impaired through periodic impairment testing in line with IAS 36. Assets are reviewed separately in relation to the revenue that will be generated from them as a discreet product. They are therefore separately assessed for signs of impairment using a discounted cash flow with a 20% discount rate (20% in prior year) and using the latest available financial forecasts. No projects had any indication of impairment.

Goodwill is reviewed annually for signs of impairment. Goodwill relates to the acquisition of BillToMobile Inc, £1.2m in May 2016. The goodwill related to Audiens SRL acquired in 2018 for £ 2.5m has been treated as a disposal following a share issue by Bango Deep Limited which resulted in NHN Corp owning 60% of the share capital (see note 16).

The underlying assets related to the outstanding goodwill has been classified as a single cash-generating unit (CGU) which has been reviewed for any sign of impairment. The recoverable amount of the CGU was determined based on the value-in-use calculations which required the use of certain assumptions. The calculations used cash flow projections based on financial budgets approved by the Board for the current financial year with an additional projection to cover a 7 year period.

The following assumptions have been used in reviewing the goodwill for signs of impairment:

1. Assumed a revenue and cost growth of 2.5% annually from 2022
2. Current margins will remain the same in future years
3. Pre-tax discount rate of 20% has been applied
4. Major customer will continue the on-going business relationship. The customer has continued to increase its business with Bango in the past few years
5. Annual capital expenditure will remain at £50,000 each year

Notes to the financial statements

If Bango lost the business of a key customer which resulted in a revenue collapse in excess of 50%, the group may be required to recognize an impairment. There is no other reasonable possible change to either costs or interest rates in the key assumptions that would result in an impairment.

6 Trade and other receivables

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Trade receivables	2,048	1,566
Expected credit loss of trade receivables	(27)	(56)
Net trade receivables	<u>2,021</u>	<u>1,510</u>
Other receivables	194	171
Prepayments and accrued income	981	907
	<u>3,196</u>	<u>2,588</u>
Research and development tax credits	-	597
	<u>-</u>	<u>597</u>
Total	<u><u>3,196</u></u>	<u><u>3,185</u></u>

At 31 December 2020, some of the unimpaired trade receivables are past their due date. The age of financial assets past due but not impaired is as follows:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Not more than one month	259	398
One to two months	65	272
Three to twelve months	55	157
More than twelve months	-	4
	<u>379</u>	<u>831</u>

Trade and other receivables are usually due within 30-60 days and do not bear any effective interest rate. Trade receivables from digital merchants consist of numerous accounts with no significant individual balances. Allowance for expected credit losses is provided for.

As at 31 December 2020

	Current £ '000	One to three months £ '000	Three to twelve months £ '000	Over twelve months £ '000	Total £ '000
Expected credit loss rate	0.5%	0.5%	1.5%	5%	
Gross carrying amount	259	65	55	0	379
Lifetime expected credit loss	1	-	1	-	2

Receivables not yet due of £1,669,000 are expected to have an immaterial credit loss rate.

The fair value of these financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value. There is no material difference between fair value and book value. Of the expected credit loss of £27,000, a specific provision of £25,000 (2019: £51,000) has been recognized for a debt due from a client. The balance of £2,000 is the lifetime expected credit loss.

Notes to the financial statements

As at 31 December 2019

	Current £ '000	One to three months £ '000	Three to twelve months £ '000	Over twelve months £ '000	Total £ '000
Expected credit loss rate	0.5%	0.5%	1.5%	5%	
Gross carrying amount	398	272	157	4	831
Lifetime expected credit loss	2	1	2	-	5

The fair value of these financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value. There is no material difference between fair value and book value.

Receivables not yet due of £735,000 are expected to have an immaterial credit loss rate.

A reconciliation of allowance for expected credit losses for trade receivables is provided below:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Brought forward provision	56	5
Charge for the year	25	51
Utilized	(50)	-
Released	(4)	-
Carry forward provision	<u>27</u>	<u>56</u>

7 Share capital and employee share options

Allotted, called up and fully paid:

Ordinary shares of 20p each in Bango PLC

	No	£ '000
As at 31 December 2018	70,267,908	14,054
Exercise of share options	417,834	83
As at 31 December 2019	<u>70,685,742</u>	<u>14,137</u>
Issue of new shares	3,515,500	703
Exercise of share options	510,026	102
As at 31 December 2020	<u>74,711,268</u>	<u>14,942</u>

During the year 510,026 share options were exercised at exercise prices between 43 pence and 173 pence and a par value of 20 pence per share. The total proceeds were £496,984 of which £102,005 was recognized as share capital and £394,979 as share premium.

On 23 January 2018, Bango issued to the vendors of Audiens 738,399 warrants over new Bango shares, exercisable at a price of £1.80 each, which will lapse after 10 years. This remained outstanding as at 31 December 2020.

The Group issues share options to Directors and to employees under either an HM Revenue and Customs approved Enterprise Management Incentive (EMI) scheme or an unapproved scheme. Employees resident overseas are eligible to participate in the scheme or schemes but their options do not qualify as HM Revenue and Customs approved.

The grant price for share options is equal to the average quoted market price of the company shares on the date of grant. Options do not fully vest for three years. The options lapse if share options remain unexercised after a period of ten years from the date of grant. Employees leaving the Group may receive a waiver from the Board for a defined period during which they may exercise options that had vested by their leaving date.

Notes to the financial statements

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price per share	31 Dec 2020 Options	Average exercise price per share	31 Dec 2019 Options
	p		p	
Outstanding at 1 January	129	4,645,617	138	4,181,059
Granted	130	1,542,000	110	1,676,000
Lapsed	131	(266,535)	163	(793,608)
Exercised	98	(510,026)	83	(417,834)
Outstanding at 31 December	132	5,411,056	129	4,645,617
Exercisable at 1 January	129	3,288,161	138	3,658,743

The weighted average share price at date of options exercised during the year was 131.78 pence (2019: 128.62 pence).

The fair value of options granted during the year, determined using the Black-Scholes valuation model, were between 46-77 pence. Significant inputs into the model include a weighted average share price of 130 pence (31 December 2019: 110 pence) at the grant date, the exercise prices, volatility of 60% (31 December 2019: 60%), dividend yield of nil (31 December 2019: nil), an expected option life of five years (31 December 2019: five years) and an annual risk-free interest rate of 0.11-0.54% (31 December 2019: 0.22-0.90%). The forfeiture rate is assumed to be 13.5% (31 December 2019: 20%) of the options issued.

At 31 December 2020, Bango PLC had the following outstanding options and exercise prices:

Expiry date	Average exercise price per share Pence	Options Number	31 Dec 2020 Remaining Contractual Life Months	Average exercise price per share Pence	Options Number	31 Dec 2019 Remaining Contractual Life Months
16 March 2020	-	-	-	59.50	7,125	3
24 September 2020	-	-	-	167.00	8,875	9
17 March 2021	82.50	6,250	2	82.50	10,875	15
9 September 2021	82.00	8,875	8	82.00	10,620	20
23 March 2022	142.50	15,322	15	142.50	16,322	27
20 September 2022	166.50	30,323	21	166.50	31,323	33
26 March 2023	232.00	54,000	27	232.00	55,000	39
02 April 2023	218.50	10,000	27	218.50	10,000	39
04 October 2023	126.00	54,000	33	126.00	55,000	45
01 April 2024	136.00	36,000	39	136.00	37,000	51
22 October 2024	101.00	71,040	46	101.00	82,040	58
16 March 2025	106.00	101,248	51	106.00	106,872	63
18 September 2025	88.50	119,030	57	88.50	228,118	69
16 March 2026	43.00	292,412	63	43.00	335,674	75
21 September 2026	89.00	221,074	69	89.00	301,266	81
21 March 2027	114.50	284,751	75	114.50	351,177	87
22 September 2027	255.00	371,000	81	255.00	389,000	93
14 March 2028	173.00	396,533	87	173.00	429,500	99
19 September 2028	156.50	253,914	93	156.50	305,500	105
21 September 2028	173.00	150,000	93	173.00	150,000	105
23 October 2028	113.00	-	-	113.00	100,000	106
03 January 2029	90.00	100,000	97	90.00	100,000	109
27 March 2029	92.50	736,528	99	92.50	836,830	112
18 September 2029	137.50	446,828	105	137.50	537,500	117
1 October 2029	128.50	150,000	106	128.50	150,000	118
18 March 2030	67.50	386,428	112			
7 April 2030	121.50	392,000	113			
17 September 2030	172.00	723,500	117			
Total		5,411,056	91		4,645,617	94

Notes to the financial statements

8 Trade and other payables

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Trade payables	645	1,314
Social security and other taxes	361	259
Put and call option	-	990
Accruals and deferred income	876	858
	<u>1,882</u>	<u>3,421</u>

Trade and other payables are due within one year and are non-interest bearing. There is no material difference between book value and fair value.

9 Commitments

Bango has lease liabilities for technical computer equipment, software and leasehold equipment. The leases will terminate by December 2023. The lease agreement includes fixed non-cancellable lease payments and does not contain any further restrictions. Finance lease liabilities are secured by the related assets held under finance lease.

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Gross lease liabilities		
Within one year	74	338
Between two and five years	76	803
	<u>150</u>	<u>1,141</u>
Future interest	(2)	(90)
	<u>148</u>	<u>1,051</u>

10 Expenses by nature

	2020 £ '000	2019 Restated £ '000
Employee benefit expense	5,467	4,952
Depreciation and amortization	2,587	1,868
Other expenses	2,606	2,844
	<u>10,660</u>	<u>9,664</u>
<i>Analyzed as:</i>		
Administrative expenses	7,267	6,825
Exceptional items	-	165
Share based payments	806	806
Depreciation	338	403
Amortization and impairment	2,249	1,465
	<u>10,660</u>	<u>9,664</u>

Notes to the financial statements

11 Profit / (loss) before taxation

Loss before taxation is stated after charging / (crediting):

	2020	2019
	£ '000	Restated £ '000
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the financial statements	6	6
Fees payable to the Group's auditors for other services: audit of Group's subsidiaries	80	69
Exchange rate variances	215	127
Depreciation on property, plant and equipment – owned assets	109	162
Depreciation on property, plant and equipment – right of use assets	229	241
Amortization of intangible assets	2,249	1,465
Exceptional items	-	165

Exceptional items relate to costs spent during the prior year on the re-branding of Bango following the acquisition of Audiens and the decision to create a new product named Marketplace. This is a new product which focuses on creating insights and extending customers reach using the Bango platform.

12 Employee benefit expense

The average number of staff employed by Bango during the financial year amounted to:

	2020	2019
	No	No
Admin & marketing staff	21	22
Technical & support staff	57	62
	78	84

The gross payroll costs of the above were:

	2020	2019
	£ '000	restated £ '000
Wages and salaries	5,530	4,705
Social security costs	518	499
Other pension costs	211	227
Share based remuneration	806	806
	7,065	6,237

Included in the above payroll costs is £1,598,000 (31 December 2019: £1,285,000) capitalized within internal development (note 5.3). The outstanding pension contributions on 31 December 2020 which was payable in January 2021 was £18,000 (2019: 16,000)

The Directors have identified fifteen (31 December 2019: eleven) key management personnel, including Directors. Compensation to key management is set out below:

	2020	2019
	£ '000	£ '000
Wages and salaries	1,497	1,205
Employers national insurance	197	147
Other pension costs	93	83
Share based compensation	361	301
	2,148	1,736

Notes to the financial statements

13 Directors

Remuneration in respect of Directors was as follows:

	2020 £ '000	2019 £ '000
Emoluments	<u>1,039</u>	<u>784</u>

Further details can be found in the Remuneration Committee Report. The highest paid Director received total salary of £252,500 (2019: £248,919), pension contributions of £8,883 (2019: £8,317), and share based compensation of £55,000 (2019: £56,000).

The number of Directors who accrued benefits under pension schemes was four (2019: three).

The total share based compensation for Directors was £179,000 (2019: £140,000).

For details of Directors options please see the Directors and their interest section of the Directors' report.

14 Investment income and interest payable

	2020 £ '000	2019 £ '000
Bank interest receivable	-	<u>12</u>
Finance lease interest payable	<u>27</u>	<u>56</u>

15 Taxation

	2020 £ '000	2019 £ '000
UK taxation		
R&D tax credits receivable	-	(465)
Under recognition of prior year credit	(28)	(4)
Foreign taxation		
R&D tax credits receivable	-	(145)
Under recognition of prior year R&D credit	(42)	(154)
Tax paid overseas	1	6
Under provision of prior year overseas tax	-	13
Total current tax	<u>(69)</u>	<u>(749)</u>
Original and reversal of timing differences	(108)	(20)
Under provision in respect of prior year deferred tax	-	29
	<u>(177)</u>	<u>(740)</u>

Income tax expense is attributable to:

Continuing operations	(136)	(450)
Discontinued operations	(41)	(290)
Loss on ordinary activities before taxation	<u>(177)</u>	<u>(740)</u>

Notes to the financial statements

Income tax expense for the year differs from the standard rate of taxation as follows:

	2020	2019
	£ '000	£ '000
Profit / (loss) from continuing operations	607	(2,607)
Profit / (loss) from discontinued operations	3,923	(469)
Profit / (loss) on ordinary activities before taxation	<u>4,530</u>	<u>(3,076)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of tax of 19% (2019: 19%)	861	(584)
Effect of:		
Expenses not deductible for tax purposes	403	30
Non-taxable profit on disposal of discontinued activities	(921)	-
Enhanced R&D relief	(410)	(610)
Movements in deferred tax not recognized	(40)	536
Adjustments in relation to prior years	(70)	(112)
Total tax	<u>(177)</u>	<u>(740)</u>

At 31 December 2020, the unutilized tax losses carried forward amounted to £34.1 million (at 31 December 2019: £34m).

Deferred tax assets/ (liabilities):

	Provided	Provided	Unrecognized	Unrecognized
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	£000	£'000	£000	£000
Share option deduction	-	-	88	34
Tax losses	896	665	5,595	4,864
Short term timing differences	(8)	-	-	-
Accelerated capital allowances and capitalized development costs	(1,802)	(783)	-	-
	<u>(914)</u>	<u>(118)</u>	<u>5,683</u>	<u>4,898</u>

All unrecognized deferred tax balances relate to the UK. No deferred tax asset has been recognized in respect of the above temporary differences due to the unpredictability of future taxable trading profits.

16 Discontinued operations

Control of Bango Deep Limited changed on 6 April 2020, following a share issue by New Deep Limited (formerly Bango Deep Limited) which resulted in NHN Corp owning 60% of the share capital. The New 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 New Deep Limited group and has accounted for the New Deep Limited group as an associate using the equity method of accounting.

Notes to the financial statements

16.1 Financial performance and cash flow information of the associate

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

	6 April 2020 £ '000	31 Dec 2019 £ '000
Revenue	184	2,137
Expenses	(216)	(2,275)
Depreciation & amortization	(122)	(331)
Exceptional items – transactional costs	(770)	-
Profit on sale of the subsidiary (Note 16.3)	4,847	-
Profit before tax	3,923	(469)
Taxation	42	290
Profit after tax from discontinued operation	3,965	(179)
Exchange differences on translation of discontinued operation	(33)	-
Profit/(loss) from discontinued activities	3,932	(179)
Cash movements from discontinued activities		
Net cash inflow from operating activities	307	525
Net cash flow from investing activities	(81)	(703)
Net cash flow from financing activities	(3)	(2)
Net increase / (decrease) in cash generated by the subsidiary	223	(180)

16.2 Details of the disposal of the subsidiary

The carrying amount of assets and liabilities as at the date of sale on 6 April 2020 were:

	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 and other payables	833
Deferred tax liability	114
Total liabilities	947
Net assets	5,733

16.3 Profit on the sale of the subsidiary

	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 (note 16.2)	(5,733)
Deferred tax on acquired intangible assets	(1,022)
Profit on sale of subsidiary	4,847

Notes to the financial statements

17 Interest in associates

	£ '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	(530)
Closing balance as at 31 December 2020	<u>5,686</u>

Name of entity	Place of business	% of ownership interest	Nature of relationship	Measurement method
NewDeep Limited	United Kingdom	40%	Associate	Equity method
Audiens Srl *	Italy	40%	Associate	Equity method
Audiens Limited *	United Kingdom	40%	Associate	Equity method

* These entities are both 100% owned subsidiaries of NewDeep Limited

The proportion of ownership is the same as the share rights held.

Summarized financial information for associates

The table below provides a summary of the financial information for New Deep Limited group, an associate of Bango Plc. The information disclosed shows the balances for New Deep group and does not represent Bango Plc's share of its interest. They have been amended to reflect adjustments when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarized balance sheet

	31 Dec 2020 £ '000
Current assets	6,466
Non-current assets	9,019
Current net assets	<u>15,485</u>
Current liabilities	(1,269)
Net assets	<u>14,216</u>
Reconciliation of carrying amounts	
Opening book value of assets	2,931
Fair value adjustment on acquisition	6,144
Cash injection - NHN	6,466
Loss for the period	(1,325)
Closing net assets	<u>14,216</u>
Group share in %	40%
Group's share	5,686
Carrying amount	<u>5,686</u>

Notes to the financial statements

Summarized statement of comprehensive income

	31 Dec 2020
	£ '000
Revenue	410
Loss for the period	(1,325)
Other comprehensive income	-
Total comprehensive loss	(1,325)

Following the loss of control by Bango Plc of New Deep Limited (formerly Bango Deep Limited) recharges of £168,000 were issued to New Deep Limited for transition support services. A total amount of £42,000 was outstanding as at 31 December 2020.

18 Earnings per share

(a) Basic

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.

Earnings (basic) per share

	2020	2019
	£ '000	£ '000
Profit / (loss) attributable to equity holders of Bango PLC:		
From continuing operations	743	(2,157)
From discontinued operations	3,932	(179)
Profit / (loss) attributable to equity holders of Bango PLC	<u>4,675</u>	<u>(2,336)</u>
Weighted average number of ordinary shares in issue	73,347,201	70,474,897
From continuing operations	1.01p	(3.07)p
From discontinued operations	5.36p	(0.25)p
Basic earnings / (loss) per share attributable to equity holders from continuing and discontinued operations	<u>6.37p</u>	<u>(3.32) p</u>

(b) Diluted

Earnings (diluted) per share

	2020	2019
	£ '000	£ '000
Profit / (loss) attributable to equity holders of Bango PLC	4,675	(2,336)
Weighted average number of ordinary shares in issue	73,347,201	70,474,897
Options	1,036,358	-
Weighted average number of ordinary shares in issue (including options)	<u>74,383,559</u>	<u>70,474,897</u>
From continuing operations	1.00p	(3.07)p
From discontinued operations	5.29p	(0.25)p
Diluted earnings / (loss) per share attributable to equity holders from continuing and discontinued operations	<u>6.29p</u>	<u>(3.32) p</u>

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary share options.

The weighted average number of shares and the loss for the year for the purposes of calculating diluted loss per share are the same as for the basic loss per share calculation for the year ended 31 December 2019. 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.

Notes to the financial statements

19 Cash generated from / (used by) operations

	2020 £ '000	2019 £ '000
Profit / (loss) for the financial year		
From continuing operations	743	(2,157)
From discontinued operations	3,932	(179)
	<u>4,675</u>	<u>(2,336)</u>
Depreciation, amortization and impairment	2,588	2,199
Taxation credit	(136)	(740)
Investment income	-	(12)
Interest payable	27	367
Share-based payment expense	806	806
Share of loss of associate	530	-
Gain on disposal of subsidiary	(4,847)	-
Loss on disposal of fixed assets	43	-
Gain on disposal of right of use assets	(43)	-
(Increase)/decrease in receivables	(991)	260
Decrease in payables	(142)	(297)
	<u>2,510</u>	<u>247</u>
Corporation tax received	496	787
	<u>3,006</u>	<u>1,034</u>
Net cash generated from operations	<u><u>3,006</u></u>	<u><u>1,034</u></u>

20 Financial assets and liabilities

Financial assets included in the statement of financial position relate to the following IFRS 9 categories:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Financial assets held at amortized cost	<u>8,912</u>	4,661
Total financial assets	<u><u>8,912</u></u>	4,661

These financial assets are included in the statement of financial position within the following headings:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Short term financial assets		
Trade and other receivables	3,075	1,974
Cash and cash equivalents	5,837	2,687
	<u>8,912</u>	<u>4,661</u>
Total financial assets	<u><u>8,912</u></u>	4,661

Financial liabilities included in the statement of financial position relate to the following IFRS 9 categories:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Financial liabilities measured at amortized cost	<u>1,668</u>	4,213
Total financial liabilities	<u><u>1,668</u></u>	4,213

Notes to the financial statements

These financial liabilities are included in the statement of financial position within the following headings:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Financial liabilities		
Trade and other payables	645	2,303
Accruals	875	859
Lease liabilities	148	1,051
	<hr/>	<hr/>
Total financial liabilities	1,668	4,213

21 Credit risk analysis

Bango's exposure to credit risk is limited to the carrying amount of financial assets and cash and cash equivalents recognized at the statement of financial position date, as summarized in note 20.

Bango continuously monitors the default of partners and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and / or reports on customers and other counterparties are obtained and used. Bango's policy is to deal only with creditworthy counterparties.

Bango's management considers the expected credit loss on financial assets that are past due. See note 6 for further information on trade receivables that are past due.

None of Bango's financial assets are secured by collateral or other credit enhancements.

In respect of trade and other receivables, Bango is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Bango completes regular credit checks on those payment providers accounting for significant individual balances. In addition, the terms and conditions of trade with some digital merchants allow the group to withhold payment of the relevant part of the digital merchant earnings until payment is received from the payment provider.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

22 Liquidity risk analysis and capital management

Bango manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly basis. Long-term liquidity needs are identified on a quarterly basis, taking account of operating activities and investing activities.

At 31 December 2020 Bango's financial liabilities had contractual maturities which are summarized below:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Trade and other payables within 6 months	1,520	3,162
Right to use obligations within 12 months	73	303
Right to use obligations 1 year to 5 years	75	748
	<hr/>	<hr/>
Financial liabilities	1,668	4,213

Bango's capital management objectives are to ensure Bango's ability to continue as a going concern and to provide an adequate return to shareholders. Going concern is assessed based on sufficiency of cash resources, through trading and equity issues to mitigate liquidity risk.

At 31 December 2020 Bango only had lease liabilities including liabilities related to the right of use assets.

23 Market risk analysis

23.1 Interest risk sensitivity

Bango has no bank borrowings on which it is subject to interest rate risk. The risk associated with interest earned on cash balances is low, given the low level of interest currently being earned.

Notes to the financial statements

23.2 Foreign currency sensitivity

Exposure to currency exchange rates arise from the Bango's overseas sales and purchases, which are primarily denominated in US Dollars and Yen.

The amounts to be paid and received in a specific currency are expected to largely offset one another, so no hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities, translated into sterling at the closing rate, are as follows.

Nominal amounts	31 Dec 2020			31 Dec 2019		
	£'000 Financial assets	£'000 Financial liabilities	£'000 Net assets/ (liabilities)	£'000 Financial assets	£'000 Financial liabilities	£'000 Net assets/ (liabilities)
US \$ USD	5,578	593	4,985	1,518	653	865
Euro EUR	35	35	-	1,536	1,302	234
Australian \$ AUD	39	-	39	36	-	36
Canadian \$ CAD	111	-	111	102	-	102
Indonesia Rp IDR	35	-	35	39	-	39
South African Rand ZAR	24	-	24	16	-	16
Saudi Arabian Riyal SAR	46	-	46	73	-	73
Japanese Yen JPY	1,964	26	1,938	703	83	620
Other	86	3	83	55	3	52
	7,918	657	7,261	4,078	2,041	2,037

Sensitivity analysis has been performed on the financial assets and liabilities to assess the exposure of the group to foreign exchange movements. Profits are sensitive to changes in exchange rates primarily from USD and JPY denominated trade debtors and cash. The Group's exposure to other currencies is not significant. If exchange rates moved so that the sterling strengthened by 5% then the profits of the group will be reduced by £330,000 and the effect on the statement of financial position would be a loss of £345,000.

Statement of financial position of Bango PLC

As at 31 December 2020

	Note	31 Dec 2020 £'000	31 Dec 2019 £'000
ASSETS			
Non-current assets			
Investment in subsidiary	V	52,223	49,236
Trade and other receivables due after one year	VI	6,645	6,238
		58,868	55,474
Current assets			
Trade and other receivables due within one year	VI	24	178
		24	178
Total assets		58,892	55,652
EQUITY			
Capital and reserves			
Share capital	IX	14,942	14,137
Share premium account		38,940	36,057
Share-based payment reserve		1,673	1,673
Retained earnings		3,254	3,634
Total equity		58,809	55,501
LIABILITIES			
Trade and other falling due within one year	VII	83	151
Total liabilities		83	151
Total equity and liabilities		58,892	55,652

The company has taken the exemption under section 408 of the Companies Act 2006 not to present a full income statement, but the loss for the year for the company was £1,186,000 (2019: £332,000).

These financial statements were approved and authorized for issue by the Directors on 15 March 2021 and are signed on their behalf by:

Paul Larbey
Director

Company registration number 05386079

The notes on pages 72 to 76 are an integral part of these Company financial statements

Statement of changes in equity of Bango PLC

For the year ending 31 December 2020

	Share capital £ '000	Share premium account £ '000	Other reserve £ '000	Retained earnings £ '000	Total £ '000
Balance at 1 January 2020	14,137	36,057	1,673	3,634	55,501
Exercise of share options	102	395	-	-	497
Issue of shares	703	2,488	-	-	3,191
Share based payments	-	-	-	806	806
Transactions with owners	805	2,883	-	806	4,494
Loss for the year	-	-	-	(1,186)	(1,186)
Balance at 31 December 2020	14,942	38,940	1,673	3,254	58,809
Balance at 1 January 2019	14,054	35,797	1,673	3,160	54,684
Exercise of share options	83	260	-	-	343
Issue of shares	-	-	-	-	-
Share based payments	-	-	-	806	806
Transactions with owners	83	260	-	806	1,149
Loss for the year	-	-	-	(332)	(332)
Balance at 31 December 2019	14,137	36,057	1,673	3,634	55,501

The notes on pages 72 to 76 are an integral part of these Company financial statements

Cashflow statement of Bango PLC

For the year ended December 2020

	2020 £'000	2019 £'000
Loss for the year	(1,186)	(332)
Cash flows from operating activities		
Increase in receivables	(2,434)	(109)
Increase/(decrease) in payables	(68)	97
Net cash used by operating activities	(3,688)	(344)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	3,688	344
Net cash generated from financing activities	3,688	344
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

The notes on pages 72 to 76 are an integral part of these Company financial statements

Notes to the financial statements

I. Accounting policies

Basis of accounting

The separate financial statements of Bango PLC are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and under the basis of going concern.

Bango has prepared its Report and accounts for the year ended 31 December 2020, in accordance with International Accounting Standards in conformity with the Companies Act 2006 ("IFRS"). IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The main judgement in respect of the company is the carrying value of investments and group debtors which are supported by future forecasted cashflows.

The principal accounting policies are summarized below. They have all been applied consistently throughout the year.

Investments

Fixed asset investments are shown at cost less provision for impairment. Investments are tested for impairment when events would indicate that it might be impaired. Impairment is determined by assessing the recoverable amount of the investment. Where the recoverable amount is less than the carrying amount, an impairment loss is recognized in profit or loss.

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. 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.

Share based payments

Bango PLC issues equity settled share-based compensation to certain employees (including Directors) of its trading subsidiaries. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is credited to reserves on a straight-line basis over the vesting period, together with a corresponding increase in the book value of Bango PLC's investment in subsidiaries, based upon the estimate of the shares that will eventually vest. These estimates are subsequently revised if there is any indication that the number of options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods.

Fair value is measured by an external valuer using the Black-Scholes-Merton option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured by the date of modification, over the remaining vesting period.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the due date of the cancellation, and any expense not yet recognized for the transaction is recognized immediately. However, if a new transaction is substituted for the cancelled transaction and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Share capital

Ordinary shares are classified as equity. Equity instruments issued by Bango PLC are recorded at the proceeds received, net of direct issue costs.

Share premium account

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Other reserve

The other reserve represents the excess over nominal value for equity shares issued as part of a business acquisition where at least 90% of the entity is acquired and the initial present value of warrants issued over equity shares.

Retained earnings

Retained earnings include all current and prior period retained profits.

Notes to the financial statements

II. Directors, employees and key management personnel

Details of Directors' interests in the shares and options of Bango PLC are provided in the Directors' report on page 26. There are no employees employed directly by Bango PLC.

Details of Directors' remuneration and key management personnel are disclosed in notes 12 and 13 of the Group accounts. A charge of £125,806 (31 December 2019: £136,429) has been recognized within the parent company's own figures relating to wages and salaries.

III. Auditor's remuneration

The auditor's remuneration for audit and non-audit services to Bango PLC was borne entirely by Bango.net Limited, a wholly owned subsidiary.

IV. Employee benefit expenses

The employees of Bango Plc during the financial year were:

	2020 No	2019 No
Non-executive directors	4	6
Executive directors	4	3
	<hr/>	<hr/>
	8	9

The aggregate payroll costs of the above of the non-executive directors are:

	2020 £ '000	2019 restated £ '000
Wages and salaries	119	124
Social security costs	7	12
	<hr/>	<hr/>
	126	136

The employee cost of executive directors are included in the subsidiary's records and shown in the Group accounts in note 12.

V. Investments

	£ '000
Cost	
Investment in subsidiary undertakings at 31 December 2019	49,236
Share based payments	806
	<hr/>
Investment in subsidiary undertakings at 31 December 2020	50,042
Addition — investment in associate	6,544
Transfer of intangible assets to subsidiary	(4,363)
	<hr/>
	2,181
	<hr/>
Investment in subsidiary undertakings and associates at 31 December 2020	52,223
	<hr/>
At 31 December 2019	49,236

Fixed asset investments are shown at cost less provision for impairment.

Notes to the financial statements

Details of subsidiary undertakings and associates at 31 December 2020 are as follows:

	Country of incorporation	Class of share capital held	Held by the company	Nature of business
Bango.net Limited ¹	England & Wales	Ordinary	100%	Development, marketing and sale of technology for mobile phone users to purchase services for their mobile phones
Bango Movil ³	Spain	Ordinary	100%	Support for Bango.net Limited
Bango do Brasil Cessão de Licenças de Programas de Computador Ltda * ⁴	Brazil	Ordinary	100%	Non-trading
Bango Mobile Limited ** ⁵	Nigeria	Ordinary	100%	Trading entity in Nigeria
Bango Kabushiki Kaisha ⁶	Japan	Ordinary	100%	Sales and support office for Bango.net Limited
Bango Holdings Inc ²	USA	Common	100%	Holding company
BillToMobile Inc ²	USA	Common	100%	Trading entity in USA
Bango Inc ²	USA	Common	100%	Sales and support office for Bango.net Limited
Bango Resale Holding Limited ¹	England & Wales	Ordinary	100%	Holding company
Bango Resale Limited ¹	England & Wales	Ordinary	100%	Trading entity in England
Bango Resale EU Limited ⁸	Ireland	Ordinary	100%	Trading entity in Ireland
Bango Resale Limited ⁹	Canada	Ordinary	100%	Trading entity in Canada
New Deep Limited ¹⁰	England & Wales	Ordinary	40%	Holding company

*99% owned via Bango Movil and 1% owned by Bango Plc

**49% owned via Bango PLC, 51% owned by Bango.net Ltd (100% owned subsidiary of Bango PLC)

¹ Botanic House, 100 Hills Road, Cambridge, CB2 1YG, United Kingdom

² 675 N. First Street, Suite 1180, San Jose, California, 95112, United States

³ Paseo de la Castellana 141, Edificio Cuzo IV, Madrid, 28046, Spain

⁴ 1912 Av. Brigadeiro Faria Lima, Jardim Paulistano, 01451-907, Sao Paulo, Brazil

⁵ 1 Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria

⁶ Spline Aoyama Tokyu Building 6F, 3-1-3 Minami-Aoyama, Minato, Tokyo, 107-0062, Japan

⁷ Piazza della Repubblica, 14-16, Milano, 20124, Italy

⁸ 43-49 Sir John Rogerson's Quay, Dublin 2, Ireland

⁹ 400 - 725 Granville Street, Vancouver, BC V7Y 1G5, Canada

¹⁰ 2nd Floor Platinum Building, St John's Innovation Park, Cambridge, CB4 0DS, United Kingdom

VI. Receivables

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Amounts due from Group undertakings (due after one year)	6,645	6,238
Other receivables (due within one year)	24	178
	6,669	6,416

An impairment review of intercompany receivables was undertaken in line with IFRS 9 "Financial Instruments" and the required provision was considered immaterial to recognize.

Interest in inter-company loans from the parent company to the subsidiary undertakings are charged at a reasonable market rate of interest, calculated monthly on the balance outstanding.

Notes to the financial statements

VII. Payables

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Trade payables	49	89
Accruals	34	62
	<u>83</u>	<u>151</u>

VIII. Financial assets and liabilities

Financial assets included in the statement of financial position relate to the following IFRS 9 categories:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Financial assets held at amortized cost	<u>6,669</u>	6,416
Total financial assets	<u>6,669</u>	6,416

These financial assets are included in the statement of financial position within the following headings:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Current financial assets		
Other receivables	24	178
Non-current financial assets		
Amounts due from Group undertakings	<u>6,645</u>	6,238
Total financial assets	<u>6,669</u>	6,416

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Financial liabilities held at amortized cost	<u>83</u>	151
Total financial liabilities	<u>83</u>	151

These financial liabilities are included in the statement of financial position within the following headings:

	31 Dec 2020 £ '000	31 Dec 2019 £ '000
Current financial liabilities		
Trade payables	49	89
Accruals	34	62
Total financial liabilities	<u>83</u>	151

IX. Share capital

Allotted, called up and fully paid:

Ordinary shares of 20p each in Bango PLC	No	£ '000
As at 31 December 2018	70,267,908	14,054
Exercise of share options	417,834	83
As at 31 December 2019	70,685,742	14,137
Issue of new shares	3,515,500	703
Exercise of share options	510,026	102
As at 31 December 2020	74,711,268	14,942

During the year 510,026 share options were exercised at exercise prices between 43 pence and 173 pence and a par value of 20 pence per share. The total proceeds were £496,984 of which £102,005 was recognized as share capital and £394,979 as share premium.

During the year 1,542,000 options were granted to employees. Details of number of options granted to Directors is given in the Directors report of the Group accounts.

At the year-end 5,411,056 options were outstanding. Further details relating to employee share options are provided in note 7 in the Group financial statements.

X. Related party

	Purchases from 31 Dec 2020 £'000	31 Dec 2019 £ '000
Subsidiary	126	136
Others	-	22
	126	158

	Receivables outstanding 31 Dec 2020 £ '000	31 Dec 2019 £'000	Creditors outstanding 31 Dec 2020 £'000	31 Dec 2019 £ '000
Subsidiary	7,193	5,192	548	171
	7,193	5,192	548	171

Following the loss of control by Bango Plc of New Deep Limited (formerly Bango Deep Limited) recharges of £168,000 were issued by Bango.Net Limited a subsidiary of Bango Plc to New Deep Limited for transition support services. A total amount of £42,000 was outstanding as at 31 December 2020.



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