



Annual Report 2021





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The front cover of this report shows images taken from our recent 'App-ocalypse' campaign. It depicts a zombie apocalypse, representing how the world of digital advertising has fallen into ruin after the restriction of ad ID data. Within the Bango logo, the healthy glow of app users shows that Bango is shining a light on paying customers. Digital marketing lives on!

More detail on this campaign at p. 13-14

## Operational highlights:

Telcos increasingly standardize on Bango as their single technology to bundle third party offers, demonstrated by 2021 platform licensing wins including Verizon;

Range of bundled offers is quickly expanding outside of the core music and video subscription services. Recent launches with M365 (productivity), Xbox Game Pass (gaming), Norton (security) and Pray.com (wellbeing) highlight this increasing market opportunity;

The automation and dynamic management of product SKUs, marketing assets and bundled offers enables Bango subscription bundling to achieve massive scale across hundreds of merchants and telcos;

Bango Audiences now available to marketers on TikTok, the world's fastest growing social media platform, enabling customers to target even more paying users;

Need for improved targeting techniques increases in the mobile gaming sector and in new high growth sectors including NFT, crypto and financial trading apps. Demand for Bango Audiences to find new paying users, shown by customer wins including Upland.

## Financial highlights:

Revenue grew to \$20.7M, an increase of 31.5% (2020: \$15.7M);

End User Spend (EUS) increased to \$4.1B, up 73.6% (2020: \$2.4B), the seventh year of continued strong growth;

Adjusted EBITDA\* grew to \$6.2M (2020: \$6.0M);

Net profit from the core Bango business, excluding the share of net loss of the NewDeep associate, was up 48.6% at \$2.5M (2020: \$1.7M);

Cash\*\* at 31 December 2021 increased to \$9.7M (2020: \$8.0M).

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

\*\*Cash includes cash and cash held in short term investments



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# Bango vision

# The technology

# behind every

# payment choice

The Bango vision is to become the technology behind every payment choice.

We drive this vision in two synergistic ways.

- 1) Making online commerce frictionless by opening-up new payment options including carrier billing, mobile wallets and subscription bundling.
- 2) Using this payment data to make merchant marketing more effective through an innovation called purchase behavior targeting.

These methods work together in a virtuous circle to accelerate the growth of everyone connected to Bango.

Founded in 1999, Bango's primary focus has always been to enable the world's leading online merchants to thrive. Today, through our trusted solutions, we help global names such as Amazon, Google, Microsoft, Verizon and Facebook grow.

# Bango purpose

# Putting people

# at the centre of

# e-commerce

Bango combines mobile payments and data science to drive growth for customers. The Bango Payment Platform means merchants can offer a wide range of online payment methods, enabling their customers to quickly, easily and seamlessly charge online payments to a phone bill, utility bill, mobile wallet or other non-credit card payment method. Customers enjoy greater payment choice and access to online commerce in all parts of the world.

Bango technology processes payment data to provide unique purchase behavior targeting with our Bango Audiences product. Using these powerful Bango Audiences, app developers focus their digital marketing campaigns on paying users, generating much stronger returns from their marketing spend. Consumers may see fewer digital ads, and benefit from seeing those that are most aligned to their interests and relevant to their purchase preferences.

Bango is focused on putting people, whether that be users, merchants, payment providers or app developers, at the centre of e-commerce, creating an ecosystem where everyone using the Bango Platform thrives.



# Bango values

**T**

TRANSPARENT  
We believe  
in openness.  
Share  
everything.

**I**

INNOVATIVE  
We embrace  
change.  
Progress is  
necessary.

**H**

HAPPY  
We work  
collaboratively.  
Relationships  
deliver.

**V**

VICTORIOUS  
We can  
all succeed.  
Achieving  
is essential.

**R**

RELIABLE  
We are  
all trusted.  
Personal  
responsibility  
is expected.

**E**

EXPRESSIVE  
We value  
difference.  
Choice is  
encouraged.

# Chair's statement

I am delighted Bango has delivered on the priorities it outlined to shareholders at the beginning of 2021. Bango has made substantial progress in building a fast growing and profitable business. We have the people, partnerships and technology needed to achieve our ambitions and increase Bango revenue from tens of millions to hundreds of millions of dollars a year.

Our Board was strengthened at the end of 2021 after an extensive process to find the right non-executive directors to support our growth. Lisa Gansky is well connected with many high-tech businesses and has a challenger mindset that helped her drive new, industry changing ideas into global businesses. Marcus Weldon adds deep expertise in the telco and consumer mobile space coupled with a strong background in bringing innovative and disruptive technologies to market while President of Bell Labs. Marcus is already providing immense value as Bango navigates the strategic strengths and weaknesses of the largest communication businesses in the world. Telcos know that they need to delight and retain customers and Bango is becoming a powerful partner, in turn becoming a critical part of the content delivery ecosystem.

As Bango grows it continues to engage with large global partners while also acquiring an increasing number of smaller customers that use Bango Audiences. This requires broader financial capabilities, so I was therefore delighted to have Matt Garner join Bango as CFO early in March 2021. Matt has the business skills and experience Bango needs as a global business and provides insights for shareholders into the Bango growth engine and its intrinsic profitability. I encourage shareholders to continue to engage with Matt going forward.

Bango is increasingly interesting to business partners and investors that are familiar with comparing metrics such as pricing, revenue, EBITDA and market sizes in US dollars. The change to reporting in US dollars aids understanding and signals the drive Bango has to cooperate with investors and partners globally. In March 2022, Bango enabled US investors to buy its shares on the OTCQX market, tapping into the significant and increasing interest in Bango technology and its business ambitions in the USA.

It has been rewarding for me, as a Bango founder, to see the energy and passion of the people driving Bango forward while living our THRIVE values. As travel has resumed, people who had worked collaboratively for months remotely were able to share ideas and innovation face-to-face. Several partnerships that are in the early stages have already been deepened by the special energy that is generated during these meetings. Staff retention on the back of an excellent year for formal engagement scores has been rock solid, and we are also making good progress with our diversity initiatives to ensure we are recruiting widely and broadly to tap into top talent. The Bango collaboration with Project Celena, announced in February 2022, has enabled Bango to engage with talent from Atlanta Tech – a very motivating experience for all involved.

Bango staff have driven our progress in sustainability. They set the challenge to gain audited Carbon Neutral status in 2020 and we have now pushed the envelope further by expanding our carbon neutral targets to include supplier scope 3 emissions. Efficiency is at the heart of Bango – think of the savings in carbon generated by only showing ads to people

who have a relevant purchase history.

Digital Turbine joined the Bango circle as a strategic partner in December 2021, following NHN in April 2020 and TPAY in December 2020. A new phase of app revenue growth is emerging alongside the App Stores. Developers are now able to monetize apps directly to users quickly, securely and effectively outside app stores, and then engage with consumers using the commercial models and payment methods offered by the Bango platform. Exciting!

With the Bango payment platform firing on all cylinders, and the deployment of Bango Audiences to enable revolutionary purchase behavior targeting, Bango drives forward on its fast growth path to become the technology behind every payment choice.

**Ray Anderson**  
Executive Chair



**The #1 Platform for Independent Creators, Emerging Artists, and Their Fans**

*"Project Celena" by Ups N Downs Entertainment™ drives engagement and curates the discovery of unique content from the world's best new creators, producers, and artists of color for their fans who love them.*



# Group overview

Bango exists to make online commerce frictionless and ubiquitous. By providing technology that enables merchants to acquire more online customers that pay, Bango becomes the preferred marketing and monetization platform for the world's most successful online merchants.

Bango collects significant quantities of data from processing online payments. By applying advanced analytics, Bango generates insights from this data that boost the effectiveness of online marketing. In addition to increasing marketing returns for merchants, this technology enhances the online experience for consumers by ensuring they are only offered the most relevant and useful advertisements.

Bango customers are the biggest names in mobile commerce, reflecting both our relevance and the trust they have in Bango technology. New customers and services are continually added, providing a platform for future growth and greater diversity within the business model.

## Transactional Payments

Bango Payments enables online stores and individual merchants to reach and collect money from billions of users across the globe. The world's leading online businesses, including Amazon, Google, and Microsoft, use Bango Payments technology to deliver a frictionless payment experience to their customers.

## Subscription Bundling

The Bango Bundling Platform is deployed both by merchants offering digital subscriptions and by resellers with millions of subscribers that want to attract and engage more customers by bundling third-party subscriptions with their first-party services. Telcos, utilities and retailers use Bango Bundling to create, launch and manage a wide range of subscriptions including Netflix, Amazon, Microsoft, Norton and other popular services.

## Purchase Behavior Targeting

Bango Marketplace enables app marketers to select Bango Audiences to find new paying users. Bango Audiences are used in marketing campaigns on Facebook, TikTok and other digital marketing platforms to better target users who can and do pay, enabling faster revenue generation from digital ad campaigns.

By focusing on what consumers choose to spend their money on, Bango is moving targeted online marketing beyond what was possible when focusing just on what people search for (e.g. Google) or 'like' (e.g. Facebook). This "follow the money" marketing strategy is called Purchase Behavior Targeting.

The Bango strategy is ambitious and focused on driving growth:

**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. Fees are calculated as a percentage of the End User Spend being processed. This includes one off transactions and subscription payments.

**Bango Bundling** brings merchants offering digital subscriptions together with telcos, retailers, utility companies and other channel partners that reach millions of consumers. Through platform licensing, Bango initially provides a detailed integration plan for the bundling platform technology to enable these partnerships to thrive, then follows up with SaaS fees that increase as the use of the platform scales.

**Bango Audiences** are created through the Bango Marketplace platform, which ingests, analyzes and processes the payments data to create Bango Audiences. Bango technology delivers high value to app developers and online merchants that want to attract new paying customers. Developers pay usage fees calculated as a percentage of their ad spend.

All three components of the Bango business are highly synergistic. Bango Audiences attract more paying users, which increases payment and subscription volumes. The more payments Bango processes, the more data gathered, and the more effective and valuable Bango Audiences become.

## Competitive advantages

<b>Track record</b>	Over 20 years of innovation and growth in online commerce
<b>Trust</b>	Long-term partnerships with the world's leading internet companies
<b>Platform effect</b>	Each new partner connecting to Bango benefits from the activity of all existing partners and improves the performance of everyone across the platform.
<b>High margin</b>	The cost of each additional transaction is zero, therefore incremental EUS is very profitable
<b>Virtuous circle</b>	Valuable purchase data boosts payment volumes, which produces more purchase data
<b>First mover</b>	Only platform applying payment insights to optimize online marketing campaigns
<b>Scalable</b>	Platform model means the business is highly scalable without the need for additional capital
<b>Data</b>	Data is our moat. Billions of dollars of end user spend processed gives us significant data to monetize via Bango Audiences and help our merchant partners thrive.



## Business model

The Bango business model is centered on finding new ways to monetize online payments by:

1) **Powering the use of alternative payments to reach more paying users**

The Bango Platform enables global merchants (Amazon, Microsoft, Google and many others) to benefit from over one hundred payment methods, so that consumers can purchase goods and services with the payment method of their choice. Payment methods include mobile phone bills, digital wallets, utility bills, subscription bundling and future methods yet to be deployed.

2) **Using the data Bango collects to provide marketers with a more effective targeting**

Bango technology packages the data it collects from processing billions of dollars of payments into 'Audiences' of users that pay for a similar product or service. Our customers, primarily app developers, select the segment of paying user they wish to target – for example strategy game players in Indonesia – and the Bango system creates a specific Audience of users that spend money in that target segment. Bango applies this audience to the app developer's online marketing campaign via platforms such as Facebook & TikTok, to acquire more paying users.



By monetizing the payment data processed, Bango is more valuable than just a payment mechanism. Bango enables its payment partners (merchants/operators etc) to grow their revenues faster than they otherwise could. The growth opportunity attracts more partners to cross over to the Bango Platform, bringing more End User Spend data. This creates a powerful virtuous circle with each side of the business powering the other. The Bango business model ensures that not only does Bango thrive but so does everyone using the Bango platform.



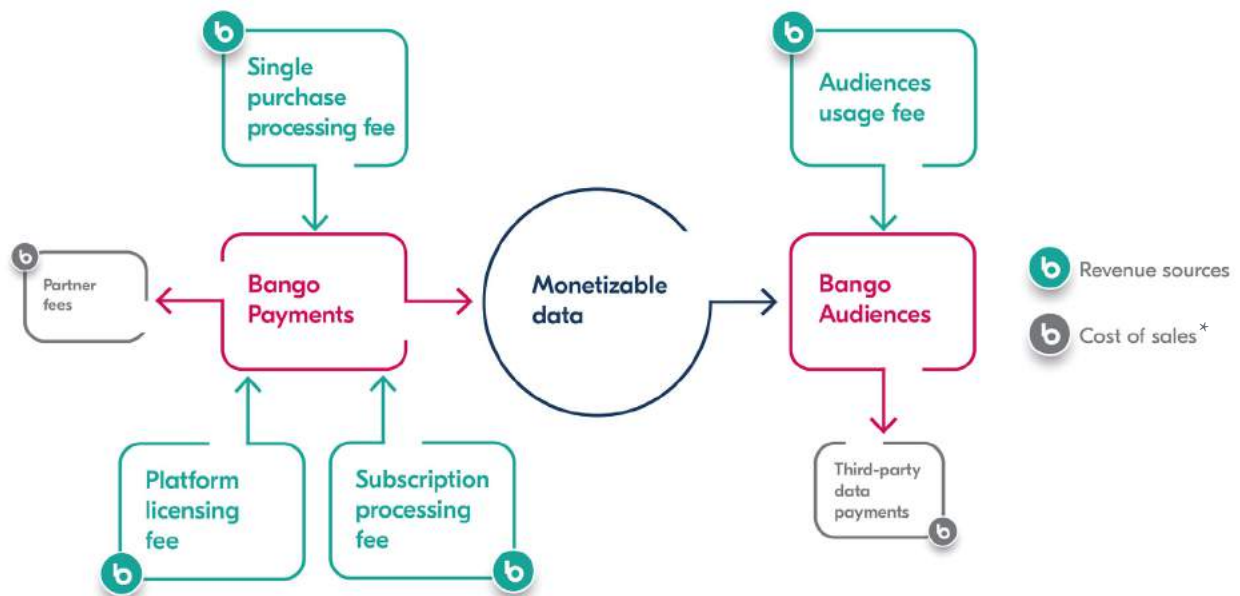
# Revenue model

Bango has three fast-growing revenue streams:

**Bango Payments** – The merchant or payment provider typically pays fees proportional to the value of transactions processed (end user spend). This can be both a one-off payment for an individual item or a repeat payment for an ongoing subscription. Bango charges from <0.5 to 3% of the value of the end user spend.

**Bango Bundling** – The payment provider (e.g. a telco) selects Bango to bundle all their 3rd party services in two phases. Initially Bango charges a one-off upfront fee to provide an integration blueprint, and then, following the approval of the payment provider, there is a recurring SaaS-license fee (which scales proportionally with the number of entitlements managed) and a recurring support/maintenance fee.

**Bango Audiences** – Bango, through Bango Audiences, monetizes the data that it holds by charging customers, predominantly app developers, between 7-10% of their overall ad campaign spend for more precise advertising through purchase behavior targeting. For this fee, Audience customers can use as many audiences as they choose to during the course of their campaign. A minimum monthly fee normally applies.



\*Partner fees <5% and Third-party data payments <25%

Every customer of the Bango Platform contributes revenue, and our revenue model means that in each area of the business, revenue grows as our customers' businesses grow.

The payment transactions processed by the Bango Platform generate monetizable payment data which Bango turns into Bango Audiences. For use of this third-party data, a portion of Bango Audience revenue is shared back with the data owner (e.g. the mobile operator). Bango has also acquired additional third-party payments data to complement Bango transacted data and satisfy particular customer needs.

# Who Bango works with

Google Microsoft amazon YouTubeTV

SiriusXM ODK MEDIA britbox verizon  
CREATED BY BBC & itv

SoftBank BT AT&T airtel

pray.com UPLAND APPLOVIN Triwin

skillz HUUUGE NEXON appvertiser



# CEO statement

## Introduction

In 2021, for the second year running, Bango exceeded market expectations delivering higher than forecasted revenue growth. With the leverage in the platform, this growth appears as profit which funds our Research & Development and Sales & Marketing teams to capture the rapidly expanding market opportunities for platform license deals and Audience (Marketplace) sales.

The 74% growth in EUS represents both continuing strong growth in the payments business and the expanding pool of data which we monetize through Bango Audiences. This is the Bango virtuous circle strategy in action; the success in app developer campaigns drives more payment volumes which adds to the pool of data used to generate these insights and the cycle repeats.

## Bango 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 from the unique data insights acquired from all activity across platform, providing market-wide insights that individual merchants and payment providers cannot capture on their own.

This Bango open ecosystem approach enables partnerships to thrive, accelerating the growth of everyone in the Bango circle. The TPAY partnership, signed in December 2020 and announced in January 2021, provides unmatched scale for Bango in two of the fastest growing regions, the Middle East and Africa. As a result of this partnership, global merchants connected to the Bango platform have launched multiple new routes in the region without additional work. One connection between Bango and TPAY provides access to 76 operators and wallets in 24 countries.

Wallets have long played a central role in Bango's growth, and their adoption in regions such as Latin America, Africa and South East Asia is accelerating. The NTT Data partnership expanded the number of wallets available to Bango connected merchants across Southeast Asia adding to the new direct connections such as Kakao Pay in South Korea. We also partnered with

carrier billing integrator Infomedia to enable them to expand their merchant footprint into carriers across the world.

Subscriptions once again saw strong growth with both Amazon and Microsoft Xbox bringing new mobile operators into the Bango circle further increasing our footprint. The launch of Prime Video Mobile Edition (PVME) in India, with mobile operator Airtel, is the first example of a merchant creating new subscription services tailored for specific markets, a trend we expect to continue as more services move to a subscription model. Our partnership with Microsoft expanded, adding M365 (formerly Microsoft Office) to the list of services operators can now bundle with their mobile & broadband plans, enabled through the Bango platform.

In 2020, we announced how the surge in streaming services had led to telecoms providers moving to standardize on a common platform for bundling 3rd party services with their own broadband, TV and mobile plans, resulting in a multi-million-dollar global telco platform deal. In 2021, we signed an additional 4 platform licensing customers. These early design wins with the world's largest carriers such as Verizon and BT ideally position us to expand our footprint, product and merchant connections. Platform licensing is a new, and largely incremental, source of recurring revenue that grows as the number of subscriptions increases.

## Bango Audiences

Payment data from Bango connections and 3rd party data sources (such as credit card processors) are combined using our unique Purchase Behavior Targeting (PBT) technology to create Audiences of users, which allow app developers to target their marketing campaigns at users who have actually paid for similar products previously. Bango Audiences are much (2-9x) more effective than relying on soft indicators such as "searched for" or "liked" provided by platforms such as Google and Facebook respectively.

The demand for PBT could not have been clearer than in our 'Board to Death' campaign (<https://bango.com/board-to-death/>) with 62% of CEOs believing their marketing budgets are being wasted on driving soft metrics that have no connection to business growth. Search ads in particular offer decreasing relevance. Our 'worst

ad' campaign (<https://bango.com/worst-ad/>) demonstrated that around \$60B of marketing spend is wasted every year on search targeting. These high impact campaigns have extended app developer interest and awareness in Bango Audiences while also solidly positioning Bango as an innovative mar-tech leader resulting in nominations for multiple awards including a prestigious "SAMMY" sales and marketing technology award.

The removal of the app id tracking (IDFA) by Apple in iOS14.5 created waves across app developer marketing teams who, overnight, lost both a targeting source and the ability to track campaign performance. Bango Audiences helped app developers weather this storm by providing an even more performant targeting data set based on purchase behavior.

The number of app developers we are engaged with continued to grow reaching almost 10k at the end of 2021 — this is a doubling in the second half of the year. These app developers are using more audiences in more campaigns driving more than 50x growth in Bango Audience Days between Q4 2020 and Q4 2021.

The Bango Audiences pricing model changed in 2021 from a fixed fee to a percentage of the total marketing campaign spend. This change means we grow our revenue as the app developers spend increases rather than being linked only to the number of Audiences being used.

In 2021 we added support of TikTok, allowing Bango Audiences to be used in TikTok marketing campaigns. TikTok is growing quickly, attracting more advertising spend. This partnership enables us to capture an increased share of the app developers' marketing budgets.

While gaming remains a critical segment for Bango Audiences, we added large customers across a number of other verticals including retail, trading platforms, social casino and NFT (non-fungible token) trading.

All of these elements combined delivered strong growth in the Bango Audiences business in 2021 that is continuing into 2022.

## Outlook

In last year's annual report, I talked about the formula for payments growth:

**More Users x More Routes x  
More Merchants x More Insights**

This formula remains as true as ever and has resulted in a revenue CAGR of 47% over the past 6 years yet, somehow, it seems less exciting now; it has become "business as usual", we know it works and launching new routes and merchants is just routine. The accelerated growth in future years will come from the combination of Transactional Payments growth with the Platform Licensing and Bango Audiences businesses. It is this combination that will drive our revenue to grow from the tens of millions of dollars it is today to hundreds of millions.

The opportunities across all three areas of the business continue to expand with market changes providing a tailwind for our continued growth.

The end of the app stores' monopoly of in app payments is in sight with shifts in regulatory changes in South Korea expected to extend across the world as the various regulatory and legal challenges progress. Bango is well positioned to capitalize on this shift for several reasons:

- We have done it before – the direct connection with hundreds of app developers is exactly how we supported Blackberry's growth back in 2011.
- Many of the leading developers are already customers – from the streaming apps that use the Bango platform to bundle services to the thousands of app developers engaged in using Bango Audience's purchase behavior targeting, Bango has strong relationships with the apps that will be the first to breakout and engage directly with their customers.
- We have the right partners – our recently announced partnership with Digital Turbine provides an accelerated entry into this market with a leader in on-device app deployment and promotion.

While our focus remains on telcos, there is significant opportunity to extend subscription bundling and the platform licensing business into new verticals – a natural expansion of the single product bundling connections we have been working on exists in sectors from retail to energy.

Purchase behavior targeting works beyond app developers. The opportunity to tap into the \$450B online search marketing and social media spend is exciting. While our focus remains on growing in the app developer space, early results from partnerships in the retail marketing sector are encouraging.

Bango has a strong balance sheet with no bank debt and a high margin platform business that means top line growth drops straight to the bottom line. In 2021, and continuing in 2022, we will use this profit to reinvest and power our future growth. The investment is largely in the form of people. We have a highly engaged team, our 2021 employee engagement score being our highest ever resulting in incredibly low employee churn and allowing all recruitment to focus on growth rather than replacement. While we grow across the company the main areas of investment are:

### Research and Development (R&D)

- New data segmentation and machine learning techniques to generate increased value from purchase behavior targeting.
- Addition of new marketing platforms for Bango Audiences.
- Enhanced provisioning and reporting for app developers using Bango Audiences.
- Expansion of the resale platform with advanced capabilities such as offer management and asset management.

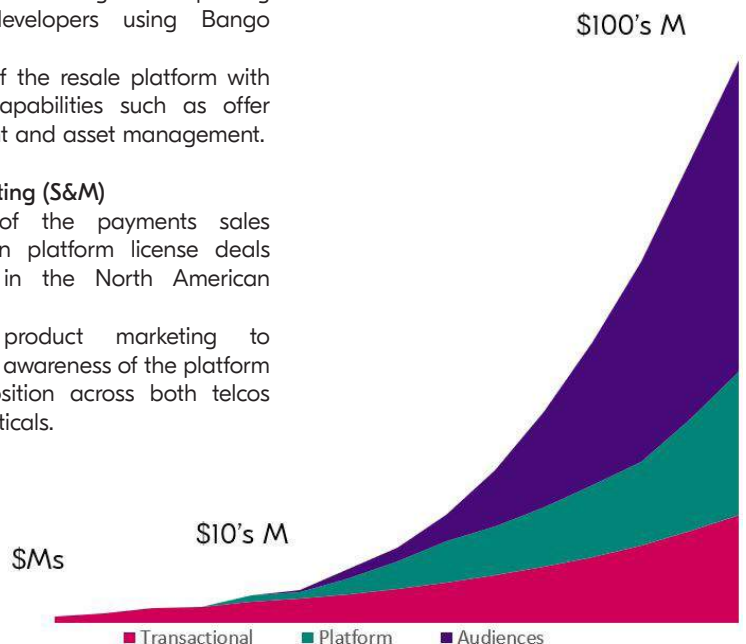
### Sales & Marketing (S&M)

- Expansion of the payments sales team to win platform license deals particularly in the North American market.
- Extending product marketing to broaden the awareness of the platform value proposition across both telcos and new verticals.

- Expanding the Bango Audience sales team specifically in Asia.
- Increased marketing to improve awareness of purchase behavior targeting to generate more leads.

Bango is an exciting and dynamic business. As you can see from my report the opportunities ahead of us have never been greater. I realize there is a lot of content here but if you take just one thing from this report it should be the excitement that we have for the future of the business as we drive forward on the journey to hundreds of millions of dollars of revenue and become the technology behind every payment choice.

**Paul Larbey**  
Chief Executive Officer





## Market trends

### A new way ahead for digital marketing

Digital advertising continues to grow faster than any other area of marketing. Online advertising spend grew 15%, compared to a decrease in non-digital ad spend. In 2021 an estimated \$450B (emarketer) was spent online across search marketing and social media.

**\$450B**

spent online across search marketing and social media in 2021

For many years, advertisers depended on targeting online users through tracking cookies, for example the ID for Advertisers in the Apple world. Now, these cookies are no longer widely available to advertisers, as app ecosystems tighten-up the rules governing consumer tracking, disrupting the market for digital advertisers.

The disruption - which Bango named the "app-ocalypse" - is driving app developers to find innovative ways to run their user acquisition campaigns, using different methods of finding paying users. Bango Purchase Behavior Targeting is an innovation that provides an immediate and effective alternative to the disrupted cookie-based models that are fading fast.

This emphasizes the need to make ad spend drive revenue growth, underlining the value of purchase behavior targeting as an ad targeting technique. By increasing the percentage of users acquired that go on to pay, return on advertising spend is improved, yielding more revenue from hard working ad budgets.

### Content distribution – Merchants take control

The urgency for app developers and other digital merchants to take greater control of marketing, distribution and billing is opening-up new opportunities for direct monetization. In the USA, the Netherlands and South Korea, new rules in 2021 gave developers the right to select their own, direct payment methods, in addition to the payment methods provided by the app stores. For many developers and digital merchants, this provides the benefit of direct engagement with customers and the ability

to make new offers to users, potentially with payment methods not available through the app stores, with improved commercial terms.

By taking more control of how digital products are distributed, leading brands are driving new growth alongside their app store business. Apps and streaming media services like Disney and Netflix are creating their own managed distribution models. The battle for subscribers is bringing together synergistic partnerships between digital entertainment and lifestyle brands and service providers that have broad access to consumers. Telcos such as Verizon and BT are the most powerful distribution partners in the world. They reach millions of consumers, with their highly complementary communications services. Movie, music and gaming providers are eager to bundle their products with broadband and mobile services in every market.

With Microsoft Xbox Game Pass, Bango evolved this thirst for growth into a powerful open distribution model. In this model, the Bango Platform is deployed by Microsoft to acquire and integrate telcos and other partners as authorized distributors of Microsoft subscription services. The Bango Platform handles all set up, manages the consumers' entitlements to offers, and the upsell of the gaming licenses. Microsoft has recently extended this initiative to include M365 – the Microsoft Office software suite.

**\$6 Trillion**  
in online spending. Forecast to grow 13% in 2022

### Bundling partnerships boost telco performance

The trend for digital merchants to grow and manage their distribution channels is driving many of the distribution partners – notably telcos – to deploy the Bango bundling platform. Telcos, and other distribution partners, acquire new customers, reward their highest value customers and incentivize existing subscribers to add new services by creating valuable bundles of third-party entertainment, lifestyle and productivity services with their own first party plans. The advantages for telcos building their bundling business on the Bango Platform include faster time to

market, the leading third-party merchant services pre-configured and immediately available, and the ability to benefit from industry-wide data insights to improve offer targeting, redemption and upsell.

**25%**  
of all consumer spending will be online by 2025.

The overarching trend is the continuing growth of online commerce. Forecast to grow by 13% in 2022, online spending is worth nearly \$6 Trillion.

**30%**  
growth in the app economy year on year

By 2025, the share of online spending will grow from 21% to 25% of all consumer spending (Oberlo, 2021). The app economy is growing even faster, achieving growth of nearly 30% year on year.

### THE APP-OCALYPSE

Where have all the paying users gone? These words summarize the life of an app developer for the past 12 months. User acquisition (UA) campaigns used to be simple: run ads on Facebook and other social platforms targeting users who have browsed sites and apps like yours, and generate more downloads of your app. But the loss of cookie tracking data means it has become much harder to find these new users, especially new users willing to spend money on your app. They're out there somewhere, but you can't tell one from another. UA has succumbed to a zombie app-ocalypse!

Enter Bango Audiences. Suddenly, users that have a relevant payment history come out of the shadows and into the spotlight. Purchase behavior targeting does not depend on cookie tracking. But it does provide a direct line to users most likely to spend money on your products. A new lease of life for app developers and a new methodology for all digital marketing campaigns.

# Purchase behavior targeting campaigns



## Board to death: Why digital marketers fail to impress in the board room

Boards and CEOs are rapidly losing faith in social media, frustrated by 'meaningless metrics' that don't translate to business goals. More than half of CEOs are sceptical of social media marketing, with 59% saying that social channels don't generate sales for their businesses. Our 'Board to Death' research report argues that poor digital marketing practices and meaningless metrics are "putting the board to sleep".

The research, which surveyed over 200 CEOs, found that 62% believe too much marketing budget is wasted on activities that don't deliver meaningful results. 60% of CEOs also think that the marketing potential of social media has been exaggerated, while 77% don't see digital advertising as a reliable source of new customers or sales.

Today, a new way to target digital advertising is emerging. Rather than targeting existing customers based on what they've previously bought, or targeting new users based on what they like on social or search on Google, purchase behavior targeting (PBT) is helping marketers find new users who buy similar products elsewhere. Using PBT to go straight to people who buy is the simplest way to acquire new customers, build revenue, and justify social spend to the board. Want to know more? Visit [bango.com/board-to-death/](http://bango.com/board-to-death/)

## The worst ad campaign

We bought the worst ad in the UK. We regret nothing. Why, I hear you ask? To prove a point.

Our billboard, located next to a load of rubbish in an obscure area, will get about as many eyes as expensive search ads will, because search advertising is broken. We have known for a long time that the only way to effectively generate new business from your online ads is through purchase behavior targeting. Now we can prove it. Alongside our neglected billboard ad, we ran an experiment analyzing over 65,000 online search ad impressions. The goal? To find out if search ads are really reaching the audiences promised, or whether marketers are pouring money down the drain.

As predicted, more than a third of the search ads we placed never reached the promised audience. That's worth repeating; 1 in 3 of our search ads were shown to someone with no resemblance to the target audience. And for those that did, more than a quarter failed to reach anyone in the market to buy.

But never fear. Bango Audiences offer a reliable correction to the flawed world of search targeting. A way to link online ads to people that are interested in your product and willing to buy. Now that's targeting. Want to learn more about our experiment and the worst ad in the UK? Find out more at [worst-ad.com](http://worst-ad.com)



## The world has changed. App marketing will never be the same.

It seems as if digital advertising has fallen into ruin. New legislation and privacy-conscious consumers are reluctant to share their in-app data, Apple is restricting IDFAs while Google continues to phase out third party cookies.

App developers are unable to run targeted ads, leading to a strange new world where marketing teams are faced with unreachable users, and developers are left without means to generate leads and revenues. A hard marketing job has gotten much, much harder.

Bango's new four-page comic takes us deep into the heart of our imaginary App Avenue. Once the happy home of user acquisition, it has now descended into chaos. A zombie 'app-ocalypse' has taken hold amidst all the post-cookie mayhem, but an intrepid app developer hero seeks a solution to targeting new users once again...will he find a way to survive the App-ocalypse? Find out — [bango.ai/app-ocalypse](http://bango.ai/app-ocalypse)



# Strategy for growth

## Strong, organic market growth:

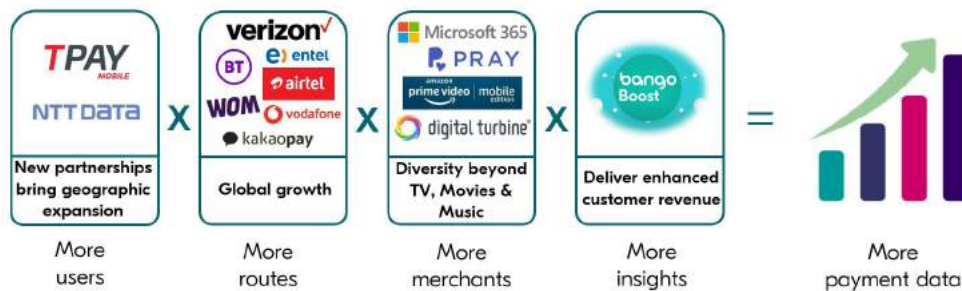
Consumers spent \$4.9 Trillion online in 2021, of which \$170 Billion was spent in app stores and on streaming services. Bango Payments is driving the growth of the alternative payments market, which accounted for \$30B of the spend. By 2025 analysts estimate app store and streaming spend combined will grow to \$270B and the share of alternative payments to \$40B (TechNavio). Bango expects to increase our share of this growing market as digital merchants consolidate more of their payment routes through Bango, complemented by continued growth in EUS from physical goods through our partnerships with Amazon and other merchants. In addition, Bango expects that more app developers will take advantage of a gradual relaxation of app store rules which allow certain apps to bill independently of the stores, using direct payment platforms such as Bango.

## Growth in the Bango Payments business is fueled by several factors:

- Underlying market growth causes an “organic” increase in the end user spend processed.
- Existing Bango customers launch additional services that drive more consumer spending through the Bango platform.
- Bango adds new payment routes and new payment methods, which help our customers acquire more paying users.
- Uniquely, Bango applies data insights that help merchants to acquire more paying users, which drives up the volume of payments processed.

## The power of the bundle:

The drive to acquire more paying users is fueling the growth in the market for digital entertainment and lifestyle services that consumers subscribe to as part of a bundled offer. This bundling business brings together leading digital merchants with telcos, utilities and other broad-based channels to consumers. Bundled offers incentivize new users to subscribe and reward high value customers for staying with their telco or utility provider. The Bango platform has been deployed successfully by several of the world’s largest telcos and retailers to scale their bundling business. As competition for new users heats up, digital subscription merchants and their bundling partners in telco and other industry verticals need sophisticated technology to manage offer targeting, optimize conversions and collect payments, providing a fast-expanding market opportunity for Bango.



## Focused targeting boosts returns on ad spend:

The Bango Marketplace business has value across the entire online advertising market. For digital services, app developers alone spend an estimated \$80B on driving user acquisition (Sensor Tower). Of this, approximately 10% - or \$8B – is allocated to data that enables sharper targeting of digital ads at specific user segments. By 2024 it is expected that marketing spend from app and streaming media players will have risen to at least \$120B. Bango expects to deliver revenue growth from Bango Audiences at a higher rate than the overall growth in ad spend, as marketers focus increasingly on the direct financial returns from their ad campaigns. This faster growth will come from the increasingly common application of payment insights by app developers in their user acquisition campaigns.




## To maintain high rates of growth, Bango focuses on:

- Winning more payment relationships which builds EUS at >95% margin and generates Audience data.
- Increasing the number of Audiences on the Marketplace platform.
- Attracting more app developers onto the Marketplace platform to increase usage of Bango Audiences.
- Bringing more digital subscription merchants onto the Bango platform.
- Winning more platform licensing deals with telcos and other bundling partners to generate audience data.
- Investing in R&D to further develop the technology, plus people and partnerships to market and sell the propositions.

# Testimonials & case studies


**Greig Williams**  
Telco Channel Lead, Microsoft



*“Microsoft has partnered with Bango to deliver carrier billed payments for a number of years now. Over which time Bango has proven themselves to be agile, secure, and a trusted partner. Following our decision to make our Game Pass Ultimate subscription available as a bundled offer through Telcos, it was logical to expand our relationship with Bango to resell and we remain very happy with the performance. We look forward to increasing access to Game Pass for even more gamers globally through future launches with Bango.*

*Reliable, focused and innovative. Their growth mindset and agility have enabled us to deliver Game Pass Ultimate to market quickly and unlock value from Microsoft and our partners.*

*There is potential to work with other partners where Bango already has integrated solutions, helping us to unlock opportunities through growing the total addressable market. And on a worldwide basis, Microsoft and Bango have multiple telecom partners to discuss new business with.”*




Upland is a metaverse that sits on top of the real world, allowing users to buy, sell and trade virtual properties that are mapped to actual addresses.

Compared to their campaigns targeted with Facebook - over a 90 day period the campaigns targeted with Bango Audiences achieved:

- 95% higher return on ad spend
- 37% lower cost per action
- 34% lower cost per unique purchaser

*“Our mobile app marketing agency are able to easily apply these custom audiences to target our Facebook UA campaigns at new high spending payers. We continue to expand our use of Bango Audiences to grow our global paying user base, they really are an innovation in paying user acquisition!”*

**Dirk Lueth, Co-founder, Upland**



Manta Comics is a webcomic app published by RIDI Corporation, South Korea’s leading content platform.

Compared to campaigns targeted with their first party data, this four week campaign using Bango Audiences to target their TikTok and Facebook campaigns to paying users in the US achieved:

- 13% lower cost per action
- 30% higher post-install conversion rate

*“We were able to go beyond our first party purchase behavior data to reach a wider audience with a likelihood of paying. After the success we’ve experienced, we are increasing our use of Bango Audiences. Our only regret is that we didn’t start using them sooner!”*

**Eunhyung Noh - Performance Marketing Manager at Manta**



# Technology & innovation

## Platform architecture for global reach for billions of user entitlements

In previous years, the Bango Platform was migrated from Bango operated Data Centers to the cloud enabling Bango to serve hundreds of millions of users paying for products supplied by hundreds of thousands of merchants that deliver through app stores. Processing capacity and bandwidth can be scaled up quickly to handle peak periods, while ramping down to keep operating costs low – maintaining a 95% gross margin. Bango can now comfortably handle orders of magnitude of payment processing growth in the years ahead.



As Bango started to see substantial interest in its Resale and Bundling services, the product architects at Bango wanted to ensure equally limitless but low-cost capacity to support growth in coming years. Generally, a payment transaction is processed, and then becomes historic data that is infrequently accessed and never changes. An entitlement to a service on the other hand, must be checked whenever a user wants to use that service – frequently and with results delivered in an instant – requiring a very different architecture for scale.

Looking forward, Bango could have 100 platform partners covering over 3 billion users. Each of these users could select from 20-50 global and regional online service subscriptions, resulting in potentially one trillion subscription choices which must be verified, declined or activated within milliseconds to deliver an exceptional user experience and maintain the levels of service required by the leading brands.

Progress on this project has been encouraging with many software innovations spinning out of the project, some of which can be deployed to meet other scalability challenges in the Audiences or Transactional businesses. Both seasoned long term Bango experts and newer domain experts who joined the Bango team during 2021 have contributed their expertise and intellect to engineering these innovations into the Bango platform.

In some cases, new capabilities have been added to the Bango API to enable both the use of new features, and real-time monitoring and probing of the platform to verify its performance.



## Complexity simplified at scale

This level of scale creates complexity for the merchants who need to manage their products across 100s of platform partners and for the platform partners who are creating offers with products from hundreds of merchants.

The automation and dynamic management of product SKUs, marketing assets and bundled offers has been an area of focus for Bango and is an ongoing project. Making the complex simple through automation and machine learning will be critical to both merchants and platform providers as the solutions scale.

## Ad Platform Integration

Bango Audiences are only used by deploying them through trusted marketing platforms such as Facebook. These platforms generally have an API through which Audiences can be provided, managed and monitored.



In March 2021, Bango was approached by a large and fast-growing ad platform that was developing an API for sharing of custom audiences and asked to help it refine its API by joining a Beta test program. Bango was delighted to be able to work closely with a very smart and knowledgeable team, and also to inject some Bango thinking into the design of their new API, which is due to be deployed in 2022. The close collaboration also stimulated innovations into the use of data in new ways, unlocking acceptable access to data that would otherwise be prohibited due to privacy rules.



# Sustainability and section 172

The Bango ESG focus is not viewed as a separate exercise to be “completed”; it is a core part of the Bango strategy, integrated into working 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 partners and investors to take the same initiatives.

In 2020 Bango became certified as a Carbon Neutral business to the PAS 2060 standard. The certification was provided by Go Green Experts Ltd, a leading environmental consultancy and BSI member. Bango achieved this important milestone ahead of many of the largest technology companies.

The scope of the certification was extended in 2021 to include Scope 3 emissions which includes purchased goods and services. This extension to suppliers was also applied retrospectively to 2020. After completing a carbon footprint report, developing a robust carbon reduction plan and purchasing carbon credits to offset emissions for the baseline period, Go Green Experts again certified that Bango met the standards for a Carbon Neutral organization defined in the PAS 2060 Standard.



During 2021 Bango has undertaken a number of initiatives to lower its carbon footprint including: -

- (1) A supplier environmental survey, enabling Bango to support its suppliers in lowering their Scope 3 emissions
- (2) An employee work from home survey which has enabled Bango to help employees lower their carbon footprint while working from home
- (3) Implementation of a new expenses

system which allows Bango to better monitor and manage the carbon footprint from business travel

These changes, implemented by Bango in 2021, mean that scope 1 and scope 2 emissions have more than halved from 89 Tonnes CO<sub>2</sub> to 38 Tonnes CO<sub>2</sub>, driven in particular by a reduction in energy usage (Gas and Electricity). Scope 3 emissions have reduced from 676 Tonnes CO<sub>2</sub> to 619 Tonnes CO<sub>2</sub>.

Bango’s Carbon intensity (g CO<sub>2</sub> per \$ revenue) reduced by 35% from 49g/\$ in 2020 to 32g/\$ in 2021.

Bango is also targeting a further 7% carbon intensity reduction per year. The largest consideration within the carbon reduction plan is that of the Bango Head Office. Bango is in the process of moving its Head Office and is committed to choosing energy efficient offices with good waste management potential, which will allow Bango to continue to lower its Carbon Footprint. Bango is ensuring green credentials are a key part of the decision-making process for the office move. Bango will also continue to work with suppliers to lower Scope 3 emissions.

Bango is committed to ongoing carbon neutrality, including offsetting any remaining emissions it is unable to remove in the year. In 2022 Bango is investing in Direct Air Capture technology (DAC) as this is considered the lowest risk method of carbon removal on the market today. It is an expensive solution as the technology is not yet scaled, but through investment it is predicted that DAC technology will scale and become lower cost in the future. Specifically, Bango has invested £2,000 in two tons of CO<sub>2</sub> removal from the air for permanent storage using underground mineralization. The planned location of CO<sub>2</sub> capture and permanent storage is Iceland, expected to be delivered in 2029, and is managed by Climeworks. In 2022 Bango will use the carbon credits to support the offsetting of the remaining carbon footprint.

To offset 2021 emissions Bango has purchased 657 tonnes plus an additional 444 tonnes of Carbon credits from the World Land Trust’s (WTA) high quality Carbon Balanced Project. By choosing to offset through the WTA Carbon Balanced program, Bango is supporting a biodiversity, conservation and restoration project in Guatemala. Guatemala loses an average of 180,000 acres of forest every year. This

rapid rate of deforestation is driven by slash-and-burn agriculture, cattle ranching, and monoculture plantations, placing threatened and endemic species at risk of genetic isolation while destroying well-established carbon sinks. By purchasing avoidance credits in the REDD+ project ‘Caribbean Guatemala: The Conservation Coast’, Bango is helping to prevent the forests within the scheme suffering a similar fate. Managed by WLT partner FUNDAECO, the Conservation Coast protects more than 300,000 acres of tropical forests and wetlands, spanning the entire Caribbean coastline of Guatemala. These ecosystems serve as carbon sinks and provide environmental services like clean drinking water, timber, and natural disaster risk reduction for the people who live there. As a supporter of this project, Bango is preserving critical habitat for 30 species of high conservation value, including Jaguar, Baird’s Tapir and West Indian Manatee. Around 500 species of bird have been recorded in the project area. Improving access to healthcare and education for women and girls is a key focus, particularly among indigenous groups. Using project funds, FUNDAECO is working to develop sustainable agroforestry systems, sustainable livelihoods for farmers and fishermen, and an ecotourism program that will employ members of local communities.

The Conservation Coast is certified to the combined Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCBS).

To reduce waste, Bango has introduced 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 made a further drive to encourage 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. This initiative has resulted in reducing the number of printed copies to about a third with only 6% of existing investors demanding a paper copy (vs 15% last year). This year we are again encouraging everyone who receives a paper copy to donate £6 to Trees for Cities to plant a tree. Bango will match donations



planting a tree for each paper copy of the annual report we send out. To donate please visit: <https://www.treesforcities.org/get-involved/donate>

Bango adopted an electric car scheme in the UK so that employees can secure competitive financing to replace vehicles using carbon-based fuels with electric vehicles. 4% of employees joined the scheme in 2021. 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 (Transparent, Happy, Reliable, Innovative, Victorious and Expressive) set high standards for everyone at Bango to hold themselves to. Each year employee engagement is measured against each of the THRIVE values. In 2021 Bango recorded its highest engagement score with an overall score of 82%. The process is administered by Unicus; a highly respected leadership development organization which works with some of the UK's leading companies.

Commenting on employee engagement at Bango, **Ian Palfreyman, Unicus CEO, said:**

*"Bango did it again in 2021. After a record increase in 2020 to 78% the employee engagement score grew even higher in 2021 increasing to 82%. Such a strong score is evidence of the commitment the leadership team gives to ensure Bango is the place people want to work. Bango's continuous effort to improve its culture, workplace and expand the opportunities it provides its team makes it a leader in employee engagement, outperforming the entire tech sector where the median score is 74%. Key to Bango's success is the embodiment of its THRIVE values into every aspect of the business. The entire company should take great pride in Bango's 2021 score".*

Even such a high score provides opportunity for improvement. Actions coming out of the Engagement Survey are closely monitored by the Leadership Team, and the Bango Board is presented with a detailed update twice a year on engagement measurement and actions with selected actions and KPIs reported each quarter.

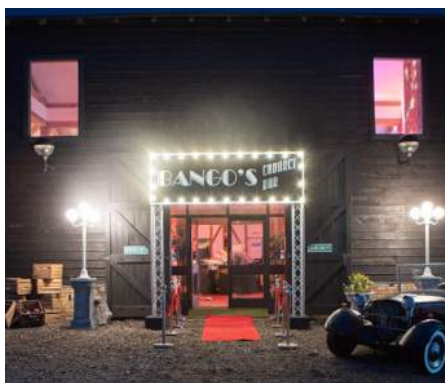
Bango is a highly enjoyable business to work for and attracts talent in all areas. Bango is equally proud of the long-term

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. At the end of 2021 a total of 25 x "5 year", 1 x "10 year", 4 x "15 year" and 2 x "20 year" awards had been made, with each employee presented with a special edition Bango hoodie.

## Happy

In 2021 we returned to the Bango office. After a long period of 100% remote working the excitement about being able to work and meet in person was clear. Bango has always endorsed a flexible working culture and this has allowed the smooth migration to hybrid working. In line with our Expressive value, the choice of when and how often to return to the office was left to the individuals who considered both their own situation and the productivity of the broader team in determining the optimal schedule.

In October 2021 Bango Global week made a long-awaited return. This saw the entire Bango team meet for a week of knowledge sharing, planning and fun. It was great to welcome the global team to Cambridge some of whom were visiting for the first time. The week concluded with a Great Gatsby themed celebration.



## 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.

In 2021 Bango introduced the role of Mental Health First Aiders across the business. Mental Health First Aiders are available to provide support to employees and to help reduce the stigma around mental health issues. The role of the Mental Health First Aider is to support employees in the workplace who are

experiencing mental ill health or distress. This support can vary from having a non-judgmental conversation with a colleague, through to guiding them towards the right support. A total of 8 employees have received training and qualified to become accredited Mental Health First Aiders.

## 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.

*"Towards the end of 2021, myself and a group of friends decided to organize a sponsored walk to raise money for Mind charity. Knowing that Bango would match donations was a great incentive for us to raise as much money as possible and a huge bump to the overall amount we raised. It is a great company benefit that I know is very popular with others and one I will make the most of again in the future!"*

**Dale Lawrence, Senior Client Solutions Manager**

In 2021 Bango committed to encouraging its people to do more work with the charities of their choice and set a target of increasing the number of matched events by 5x, a target that was exceeded resulting in 17 charitable causes being funded.

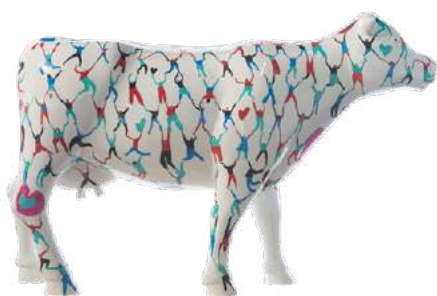


In 2021 Bango also supported the Cows about Cambridge charity auction. The auction saw almost 300 in-person and online bidders compete to purchase one of 45 utterly unique lots. Bango purchased two sculptures.

'Penny' by Artist Alix Carter used copper and silver coins, to recreate the markings of a Friesian cow, overlapping each coin to create a textural finish. This represents our vision to be being the technology behind every payment choice.



'Strength in Numbers' by Emily Pettitt was inspired by the artist's sister who works in Cambridge within the mental health sector. The creative subject encourages communication and laughter in an uplifting design. This piece is designed to be inclusive and approachable to all and perfectly represents the Bango THRIVE values.



## Learning and development

Bango designs development paths to support individuals through a combination of digital-learning formats and in-person sessions. While leadership and development in the classroom still has immense value, COVID 19 has pushed Bango to find new creative ways of learning away from in person settings. In addition to third party online training, Bango has emphasized the importance of hands-on in-house training.

Everyone in Bango has personal development plans that form a part of the annual review process. In line with our

THRIVE values everyone is encouraged to take ownership of their development plan and each development plan is individually created recognizing that there is no one size fits all solution.

The Bango Buddy scheme gives new employees that "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 and 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 one third 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.

In 2021 Bango contributed technology and sponsorship to "Project Celena", an initiative to accelerate the creation, marketing, discovery, and monetization of innovative new forms of content especially from people of color. As part of this Bango is providing:

- Access to the Bango Platform by allowing Project Celena to offer pay-per-play business models using patented blockchain technology
- Access by mobile operators, telcos, and other Bango partners to Project Celena to use artificial intelligence / machine learning-driven discovery of innovative new content and creativity that will delight their consumers
- Early access to new Bango Platform capabilities that will accelerate the growth of NFT ownership by reducing barriers to the use of crypto-currencies and smart-contracts
- Expertise and resources to expedite the

growth and scale of Project Celena

- Funding and expertise to support the Ups N Downs Entertainment Internship Program and student positions at Atlanta Technical College, Georgia USA
- Data science expertise from the Bango Audiences team to identify opportunities in urban music

*"We are delighted to welcome Bango as a founding partner in Project Celena and to be able to gain access to the power of the Bango Platform and its ecosystem to benefit those who would otherwise be unable to share their innovation and creativity. Bango's commitment to broadening access to all forms of content through innovative payment methods that reach everybody is a perfect fit for our creators. We are also excited by the opportunity to work with leading brands that use the Bango Platform to offer content and services to their users and who support our diversity, equity, and inclusion goals."*

**Mario Shirley – CEO Ups N Downs Entertainment and founder of Project Celena**

*"Ups N Downs Entertainment and Bango are funding a Program at the renowned Arlane Robinson Student Success Center of Atlanta Technical College. In addition to supporting conventional education, this program will expose students to the day-to-day workings of an innovative technology and media business, and also provide an on-ramp to future careers with creators, within Project Celena or potentially with Bango."*

**Christy R. Robinson, Foundation Board Member, Atlanta Technical College**

## 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 2021 Bango was certified to the ISO27001 standard. The security strategy is 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 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 Center ensures the integrity and security of encryption keys with role-based access control and privileges are 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 platforms. It is never copied to staff hardware, such as laptops, tablets or smartphones.

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 24 x 7 operations team.

Regular security training and awareness sessions are delivered by the Bango security team. In 2021 this was enhanced with the introduction of the Knowbe4 learning platform which provides and tracks additional security training.

The issue of security is an important topic for the Board and is central to the effective management and mitigation of risk. It is reported on monthly in management packs and scrutinized regularly at Board meetings, and outside of the board room as necessary.

## Governance

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 monthly management packs. Each quarter

more detailed reports are produced which report on a number of KPIs across the business. These reports clearly document the actions being taken to improve and are visible not only to the Board but across the entire company. How the Board uses this data and the structure around corporate governance is described in the Corporate Governance Report on pages 36-40 and in the Section 172 statement overleaf.



## Section 172

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://bangoinvestor.com/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 2021 include:

- Decision to increase investment in both research and development as well as sales and marketing to accelerate the growth in Bango Audiences and in the platform licensing business. This decision maximizes the mid-and long-term return for shareholders, provides more development opportunities for employees and improves the customer proposition.
- Extension of environmental monitoring to include scope 3 emissions means we are working with key suppliers to reduce their environmental footprints while further reducing our own. The board remains committed to maintaining our carbon neutrality.
- Appointment of new Non-Executive Directors to the board to broaden the skillset and provide more international experience.

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

### Customers

Bango customers and partners are diverse. Large global merchants integrate with the Bango Platform to reach new customers, and payment providers integrate to offer a broader range of services to their customers. Bango Audiences offer the marketing teams in companies, large and small, the ability to target their marketing campaigns based on purchase behavior to gain a higher return on investment. In all cases Bango's focus is to help its customers grow, which inevitably means Bango grows.

#### Communication:

- Support tickets provide an audited track of all customer communications for both outbound and inbound support requests.
- Monthly/quarterly business reviews are held with all major customers.
- The Bango Dashboard provides a real-time view into the Bango Platform.
- Bango Boost provides quarterly reports to payment providers and merchants with actions and results to further increase EUS over the route.
- For Bango Audiences, monthly data supply revenue reports are provided to all data suppliers.
- 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 connection. Good growth across all major merchants in 2021 saw this rise to \$4.1B.
- Support, performance and customer satisfaction key performance indicators (KPIs) are reported quarterly to the Board.
- Customer performance dashboards are received quarterly from some customers 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 THRIVE values spell out the high standards we hold ourselves to that make Bango such a special place to work. A companywide 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 a staggered return to the office these are now hybrid physical/virtual meetings. All-staff meetings 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 internally 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.
- 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 2021 the Bango investor website ([www.bangoinvestor.com](http://www.bangoinvestor.com)) was completely refreshed to provide easier access to the latest company information. Additional materials and videos were added, and information was re-organized to make it easier for investors to find.
- Bango hosted an investor strategy day in October 2021 to update new and existing investors on the Bango strategy and outlook. The event was well attended with >65 guests attending in-person. The content presented during the strategy day is available to view at <https://bangoinvestor.com/bango-strategy-day-2021/>
- Regular RNS announcements and social media communications are used to communicate the latest developments.
- Results videos have been used to support investor communication during lockdown and the AGM in May 2021 moved online.
- Bango uses Investor Meet Company to set up results briefings and introductory sessions for private shareholders.
- Regular blogs provide time relevant commentary on industry events and trends.
- Large shareholders are regularly consulted on topics from governance to board composition.
- [investors@bango.com](mailto:investors@bango.com) provides a simple way for all shareholders to raise questions to management.

### Measures

- The number of unique visitors to the Bango investor website doubled in 2021.
- All resolutions put to shareholders at the AGM in May 2021 were passed.

## Suppliers

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

### Communication:

- Regular business reviews are held with strategic suppliers.
- Clear escalation channels are in place for all suppliers to ensure rapid resolution of any challenges.
- Bango engages with all major suppliers to measure and reduce their carbon emissions.

### 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, reducing our environmental impact and creating employment opportunities.

### Communication:

- Bango is an active member in Cambridge Network (<https://www.cambridgenetwork.co.uk/>) this provides excellent opportunities for sharing of information and best practice in the Cambridge area.
- Bango employees up to board level maintain links with Cambridge University and the Cambridge University Computer Laboratory.
- Charities benefit from fundraising as employees select their own charity to raise money for, and Bango matches all funds raised.
- Bango engaged with suppliers in 2021 to help measure and reduce the carbon emissions from our larger suppliers.

### Measures

- In 2021 Bango was again certified as Carbon neutral but with the scope extended to cover key suppliers.
- Matched fundraising is measured and reported to the board. Bango exceeded the target for the number and value of matched donations set in 2021.



# CFO statement

Another year exceeding growth expectations saw Bango deliver a sales increase of 31.5% and increased adjusted EBITDA\* with strong investment to fuel the future growth of the business.

## Bango business model

Bango generated revenues from several streams this year covering payments (transactional & data monetization through Bango Audiences' purchase behavior targeting) and non-transactional payments (encompassing platform licensing fees & integration and subscription bundling).

## Change in Presentation Currency

Bango changed its presentation currency for the year ended 31 December 2021 to US Dollars from Pounds Sterling given that an increasing proportion of revenue comes from a global customer base including the fast-growing platform business in the United States and in other countries with USD linked revenues. Bango further believes that this change in presentation currency change will give investors and other stakeholders, current and future, a clearer understanding of Bango's performance over time.

## End User Spend (EUS)

EUS, although less correlated than ever with our revenue due to the growth of new revenue streams, continues to be an important Key Performance Indicator for the business. The calculation encompasses the total value of transactions processed by the Bango Platform (excluding taxes) together with a calculation of the spend from non-payment transactions which gives the pool of data available to Bango for data monetization. During the year, EUS grew by 73.6% to \$4.1B (2020: \$2.4B) reflecting the increased insights available for Purchase Behavior Targeting.

## Revenue and Costs of Sale

Total revenue from continuing operations increased 31.5% to \$20.70M (2020: \$15.74M). Bango currently breaks this down into transactional & data monetization and non-transactional payments (encompassing platform & technology, licensing of software and integration).

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. Revenue, such as integration fees, is recognized on completion of contractual

milestones and after consideration of the requirements of IFRS 15 (Revenue from Contracts with Customers). Further consideration was also given to the separation between the integration fees and the following license fees, where it was judged, based on the contractual agreements, individual orders and discussions between customers and Bango, that these were two distinct revenue events.

Gross profit margins of 94.1% (2020: 97.2%) reflect the increased revenue from the Bango Audiences business which has a higher cost of sales due to the sharing of revenue back with the data provider and increased costs from partnership connections.

## Operating expenditure of continuing operations

As part of a planned strategy of re-investment to drive growth and strengthen the Bango platform, Bango's administrative expenses increased to \$18.9M, (2020: \$13.7M) as the business continued to invest in Research & Development and Sales & Marketing in particular. The continued impact of COVID-19 during the year maintained the reduced costs of travel that were seen in the prior period. Employees started to return to the office in July 2021.

Bango's Adjusted EBITDA\* for the year was \$6.18M, (2020: \$5.99M). This reflects

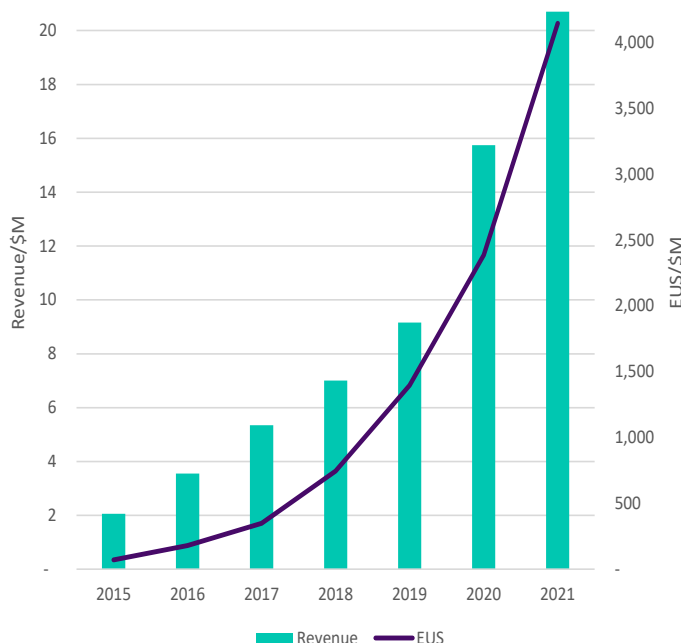
the on-going benefit from increased revenue with strong operational gearing allowing Bango to increase its investment for future growth, but still achieve a 29.8% Adjusted EBITDA\* margin.

The share-based payment charge was \$1.55M (2020: \$1.06M) calculated using the Black-Scholes 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. The increase reflects an increase in employees generally and in those receiving the benefit of the share option program. It is a vital recruitment and retention tool in an increasingly competitive employment market.

Amortization and depreciation for 2021 was \$4.09M (2020: \$3.35M) including the charges arising from the deployment of R&D projects capitalized in prior years.

## Financial results and earnings per share

The total profit after tax of \$0.44M (2020: \$5.93M) includes Bango's share of net loss from the NewDeep associate of \$2.08M (2020: loss £0.68M) and R&D tax credits from Bango investment in driving forward its technology together with the release of a deferred tax liability, together \$1.92M (2020: \$0.53M). Excluding the NewDeep associate loss, the core Bango business generated a profit after tax of \$2.52M (2020: \$1.63M) for the period.



Basic earnings per share from continuing and discontinued operations was 0.58 cents (2020: 8.09 cents) whilst diluted earnings per share from continuing and discontinued operations was 0.57 cents (2020: 7.97 cents).

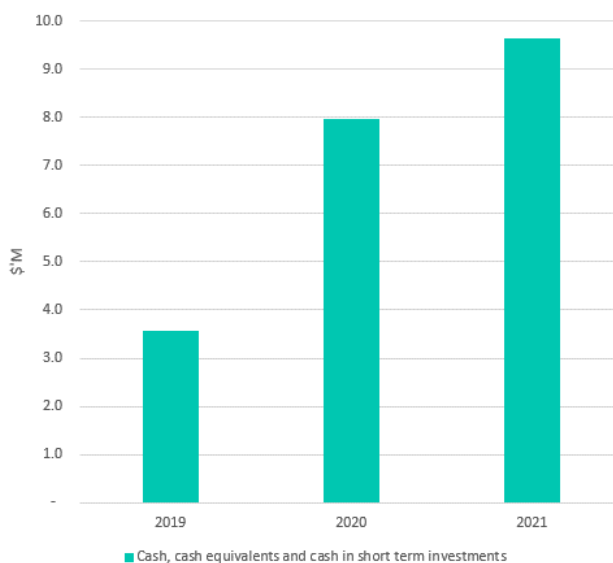
Considering only continuing operations the basic earnings per share was 0.58 cents (2020: 1.40 cents) and diluted earnings per share was 0.57 cents (2020: 1.37 cents).

### Statement of financial position

Net assets at 31 December 2021 increased to \$36.81M (31 December 2020: \$32.92M) driven by the continued investment in intangible assets that form the core of the business and the associated R&D tax credit benefit from this. Receivables and payables both increased as a result of timing issues pushing revenues and costs towards the end of the year with receivables increasing from some large sales that were converted in the last quarter and payables reflecting the increased administration costs. A deferred tax liability of \$1.25M was also reversed in the year. The change in working capital also benefitted from good cash generation.

### Cash

Cash balance, including cash equivalents and cash held in short-term investments, at 31 December 2021 increased by \$1.69M to \$9.65M (2020: \$7.96M) assisted by strong sales and proceeds of warrants and share options exercised. At the end of the year, Bango entered into some short-term forward contracts against a proportion of incoming currency to reduce volatility from foreign exchange variations. The figure for cash represents solely Bango cash holdings and does not contain cash in transit for Bango customers. There are no bank borrowings.



### Intangible assets

Intangible assets net book value of \$18.65M (2020: \$16.49M) include goodwill as well as internally developed capitalized R&D. Bango also acquired intangibles for the benefit of its Audiences business during the year which will be amortized over 5 years. Intangible asset costs relating to capitalized internal R&D increased to \$23.55M from \$18.66M in 2020, reflecting the continued drive to innovate for future growth. The net value of internally developed capitalized R&D also increased from \$8.98M to \$9.84M at the end of 2021. Internally generated R&D is amortized over 5 to 7 years, commencing upon deployment, with projects assessed in relation to their individual cash generation ability.

### Liabilities

Total borrowings at 31 December 2021 were \$0.11M (2020: \$0.20M) consisting of Right of Use lease liabilities.

### Going concern

The combination of growing cash, strong operating cash flow and revenue growth supports the Directors view that Bango 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 and share based payment charge



# Principal risks & uncertainties

Bango understands that an effective approach to risk management is essential to ensure its continued growth and to meet the objectives of the business. Bango therefore adopts a thorough approach to the identification and assessment of potential risk and the means to mitigate these risks through active preventative management.

## Financial risk management objectives and policies

Risks and uncertainties are scrutinized and monitored by the Board on a continuing basis. It is supported in this task by the Bango finance team internal controls, and counsel from its internal legal function together with the use of external solicitors, auditors and insurance brokers.

Financial risk management and policies are reviewed regularly, with the CFO, People Team and Company Secretary undertaking 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, where appropriate, relevant expert reports are also presented to the Board. 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 excess cash assets safely and profitably. See note 22 for further information. Due to the nature

of the Bango business and the status of its customers – 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 cash reports 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 including new investment in cloud-based infrastructure.

### Software licensing

Bango use 3rd party software tools and systems from a variety of suppliers which are normally restricted in use with user, capacity or enterprise software licenses. Controls for the introduction of new software along with procedures for granting users access ensures Bango remains 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

Some of the Bango revenue streams and assets of some of Bango'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 offset and by a 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. As a result of increasing revenue flows coming from the United States ('US') in US dollars, the Group entered into forward exchange contracts with a maturity of less than a year to partly protect against future volatilities. No 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 and has recently gained ISO27001 accreditation. 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. It 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 but, at latest review, there are still a wide range of significant players in both fields. 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

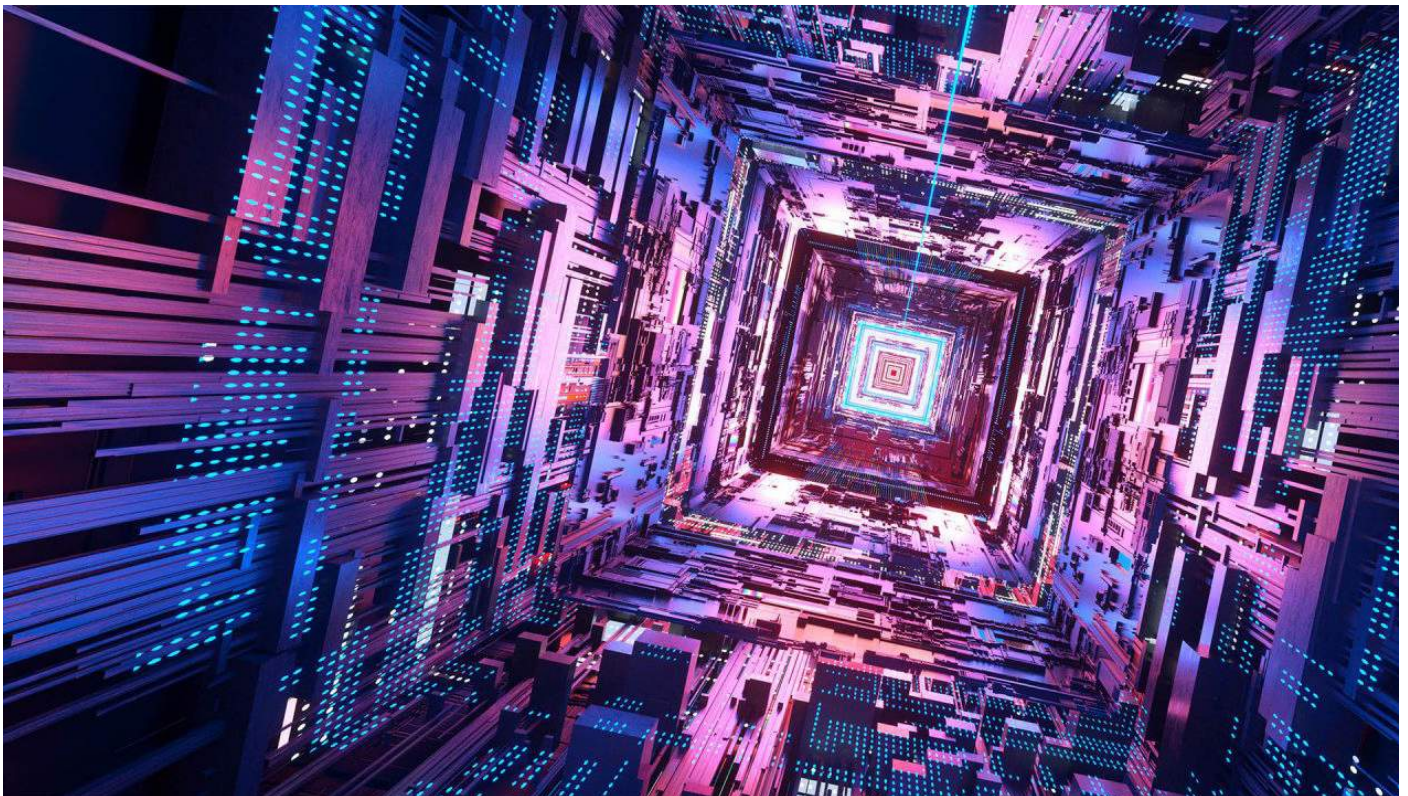
Bango continues to monitor the benefits and drawbacks of having exited the EU and any new trade deals. To date, the business has not experienced significant adverse or unmanageable effects. Developments relating to Ukraine

Sanctions on certain companies and citizens linked to the Russian Federation are not expected to have any significant impact on Bango trading. Bango undertakes a small amount of development work in Ukraine, where business continuity plans have been triggered to mitigate against any business impact.

## Covid-19

While there is uncertainty about when countries will return to pre-pandemic "business as usual" following Covid 19, many countries are beginning to exit tight controls and undertaking pre-pandemic activities albeit with certain changes. No negative impacts to the Bango business have been identified so far as a result of the pandemic – indeed Bango has seen an acceleration in uptake for digital payment processing which is continuing as the pandemic eases.

Paul Larbey  
CEO



# Key performance indicators



## Financial KPIs

### 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 3.11 of the financial statements.

### Adjusted EBITDA

Bango considers Adjusted EBITDA, earnings before interest, taxes, depreciation, amortization and share based payment charge, to be a key performance indicator as a way of showing the operations, profitability, and performance of the business.

### Cash

The Bango Board reviews a cash forecast on a regular basis to ensure that Bango has sufficient cash to reinvest in Research & Development and Sales & Marketing 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 Research & Development and Sales & Marketing.

## Non-financial KPIs

### 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.

### End User Spend (EUS)

EUS encompasses the total value of transactions processed by the Bango Platform (excluding taxes) together with a calculation of the spend from non-payment transactions which gives the pool of data available to the company for data monetization.

### Other

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.

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

## Who is NHN?

NHN is a strategic Bango Partner headquartered in South Korea. Alongside its leading South Korean internet businesses, NHN also operates the largest payment platform in South Korea.

## What does NHN do?

NHN has developed powerful tools that use AI and machine learning to help merchants grow their businesses more quickly.

## Why Bango and NHN partner

NHN partners with Bango to build strong partnerships with mobile operators and app developers in South Korea and neighboring regions.

## The NewDeep joint venture

In April 2020, Bango and NHN entered into a joint venture, NewDeep, to deliver powerful marketing actions to on-line marketers.

NHN was excited by the way Bango had advanced purchase behavior targeting technology from an earlier acquisition of Italian CDP (customer data platform) company Audiens. NHN was also impressed by the way Bango had grown the core Audiens business and refocused it towards the fast-growing Shopify ecosystem.

NHN saw that by injecting its know-how, and providing investment, it could support the growth of the Audiens business from dozens to thousands of customers. In early 2022, the self-serve capabilities that were deployed at www.audiens.com enabled Shopify stores from India and the USA to sign up without human intervention, setting the scene for significant business scale-up in the year ahead.

## Data provider

NHN is also a Data Provider — as the operator of a payment platform NHN has significant payment data, which it is now able to monetize via Bango Audiences. As with all our data providers, Bango shares a portion of Bango Audience revenue back with NHN.

## Shareholder

NHN is also an Investor — NHN initiated a 4.7% holding in Bango PLC in April 2020 and has grown that stake by buying in the market over the last two years, to over 10% in early 2022.

*“We support the Bango strategy to create the global platform that uniquely brings together payment data and marketing. Bango, with its unique and special position at the center of payment behavior, can scale up from a business generating tens of millions of dollars of revenues today, to a business generating hundreds of millions of dollars in future. Bango has strong partnerships and a sophisticated software platform, which means it can scale without major capital investment. That is why we have, since our first investment continued to acquire shares from the market, more than doubling our stake”.*

Jin Soo Lee  
CEO of NHN Data





# Directors

**Paul Larbey**  
Chief Executive Officer

Paul joined Bango in 2019 as Chief Operating Officer and became Chief Executive Officer in January 2020. He leads the talented Bango team as they continue to innovate with industry leading technology and is responsible for crafting and delivering the Bango strategy. With over 20 years' experience in the telecoms market, Paul has a strong track record of successfully bringing new technologies to market and is passionate about driving transformational change.



*"With significant growth drivers in the business and a powerful product offering, I am more confident than ever that our journey to hundreds of millions of dollars of revenue is a question of when not if."*

**Matt Garner**  
Chief Financial Officer

Matt joined Bango as Chief Financial Officer in March 2021. He leads the finance team, ensures robust financial systems are in place to support Bango's growth and is responsible for mid and long term strategic financial planning. Matt has a wealth of international experience managing hi-tech businesses, holds an Honours degree in Law from the University of Liverpool and has been certified as an Associate Chartered Management Accountant since 1996.



*"Bango has well diversified revenue streams in fast-growth markets. The high margin nature of the business means Bango is generating significant cash to reinvest and capture this growth."*

**Ray Anderson**  
Executive Chair

Ray co-founded Bango in 1999 after realizing the convergence of the internet with the ubiquity of mobile phones could open-up huge opportunities for content and service providers. Ray was Chief Executive Officer before moving into the role of Executive Chair in 2020. He has 30 years' experience in technology and product innovation, as well as scaling growth companies. Ray is also a Director on the board of NewDeep, a joint venture between Bango and NHN



*"Bango has unique technology and a talented and passionate team. Accelerated by fruitful partnerships that bring increased reach in Asia & Africa, Bango is fueling the growth of the world's leading online businesses."*

**Anil Malhotra**  
Chief Marketing Officer

Anil co-founded Bango in 1999 and, as Chief Marketing Officer, is responsible for Bango's marketing activities and app store partnerships. Anil has extensive experience in creating successful partnerships between technology innovators and major market players in online technologies and OEMs. He is highly skilled at, and plays a central role in, both product and market strategy and success.



*"Bango's unique ability to monetize data to help grow the revenues of our partners and customers continues to be a powerful competitive differentiator."*

# Directors

**Sir Eric Peacock**  
Senior Independent Non-Executive Director

Eric joined Bango in 2019 to guide and support the expected rapid growth of Bango as it builds on its global relationships and capitalizes on its data monetization technology. Eric has a strong track record of growing shareholder value during periods of rapid growth by creating cultures that result in competitive advantage and customer service excellence.



*“The Bango THRIVE values are important to ensuring a diverse and inclusive team. Both are essential for long term success and prove a real advantage when engaging with customers and partners around the world.”*

**Frank Bury**  
Non-Executive Director

Frank joined the Bango board in 2019. He has significant experience in finance and investing in & 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 brings considerable global experience, especially in key Asian markets including Japan and Korea.



*“Bango is implementing unique, highly scalable software which is not only benefitting customers but our financial performance and cash generation. This cash powers the reinvestment needed to maximize growth.”*

**Marcus Weldon**  
Non-Executive Director

Marcus joined the board in October 2021. He brings vast experience in the telecoms space with a focus on innovation which is immensely valuable to Bango. Marcus was most recently Chief Technology Officer of Nokia and President of Bell Labs where he was responsible for setting the strategic direction of the business and inventing solutions to allow that strategy to be followed. Before that he worked as CTO at Alcatel-Lucent and at AT&T.



*“Working with Bango is a rare opportunity to solve what is an acknowledged problem in the industry between the owner of the content and the owner of the billing relationship. Being at the nexus of those two things can drive tremendous value and that is exactly what Bango does.”*

**Lisa Gansky**  
Non-Executive Director

Lisa joined the board in October 2021. She has spent the last 30 years making significant contributions to the emergence of the internet. She has expertise in decentralized marketplaces and utilizing data science. Her entrepreneurship and investment acumen are hugely valuable to Bango through its next phase of growth. Lisa has founded and invested in many technology businesses, especially those bringing disruptive innovations to the market.



*“Bango has technology, talent and strategy coming together to drive performance. The ability to leverage the growth of payments and explore the huge adjacency in Bango Marketplace means there is significant, exciting opportunity for Bango.”*

## 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 M Weldon – Non-Executive Director L Gansky – 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
Website	<a href="http://www.bango.com">www.bango.com</a>    <a href="http://www.bangoinvestor.com">www.bangoinvestor.com</a>



## Directors report

The Directors present the Annual Report and audited financial statements of Bango PLC for the year ended 31 December 2021. 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 2021	Ordinary shares of 20p each 31 Dec 2020
R Anderson	6,552,816	6,608,725
Paul Larbey	42,690	28,297
A Malhotra	3,973,271	3,973,271
M Garner*	-	N/A
C Rand**	N/A	-
G D'Agostino***	N/A	19,500
N Cruickshank****	16,858	16,858
F Bury	383,500	333,500
E Peacock	-	-
L Gansky*****	-	N/A
M Weldon*****	11,000	N/A
Total	10,980,151	10,894,996

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

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

\*\*\* Non-Executive Director Gianluca D'Agostino retired as a Director on 31 October 2021.

\*\*\*\* Non-Executive Director Nancy Cruickshank retired as a Director on 31 December 2021.

\*\*\*\*\* Lisa Gansky and Marcus Weldon were appointed as Non-Executive Directors on 19 October 2021.

Frank Bury and Marcus Weldon hold Bango shares but due to their size, their holdings are deemed not to affect their independence as Non-Executive Directors.

There have been no changes in Director share ownership between 31 December 2021 and the date of signature of this annual report.

For Directors' biographies and experiences see pages 30-31.

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 2021	31 Dec 2020
R Anderson			
08 September 2021	£2.02	50,000	
17 March 2021	£2.08	50,000	
17 September 2020	£1.72	50,000	50,000
07 April 2020	£1.22	50,000	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		632,500	532,500

A Malhotra			
08 September 2021	£2.02	50,000	
17 March 2021	£2.08	50,000	
17 September 2020	£1.72	50,000	50,000
07 April 2020	£1.22	50,000	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		632,500	532,500

P Larbey			
08 September 2021	£2.02	100,000	
17 March 2021	£2.08	100,000	
17 September 2020	£1.72	48,760	50,000
07 April 2020	£1.22	47,912	50,000
18 September 2019	£1.38	47,080	50,000
27 March 2019	£0.93	246,248	250,000
Total		590,000	400,000

M Garner*			
08 September 2021	£2.02	50,000	
17 March 2021	£2.08	150,000	
Total		200,000	-

\* Matthew Garner was appointed as a Director on 1 March 2021

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. More detail on the share option policy can be found in the Remuneration Committee report.

## Directors report

The total number of Director share options which were vested but unexercised, and exercised in 2021 are:

	Total Options Held at 31 Dec 2021	Vested & Unexercised at 31 Dec 2021	Exercised in 2021
R Anderson	632,500	474,212	0
A Malhotra	632,500	474,212	0
P Larbey	590,000	340,038	10,000
M Garner*	200,000	41,694	0

\* Matthew Garner was appointed as a Director on 1 March 2021

### 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 2020: \$nil).

### Research and development

Bango has continued to invest in research and development in the year increasing the strength and size of the research and development team. 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. The payment data from processing these payments is then used to help marketing teams find paying users. The success of the resale platform, where large telcos use Bango as the sole integration point for bundling subscription services, has resulted in additional functionality to manage offers, marketing assets and bundles being added to the Bango platform. Further development was undertaken on Bango Audiences where a self-serve capability was added to allow Audiences to be used by more app developers without requiring Bango to scale headcount. Additionally, the Audiences product was enhanced with the ability to create very specific tailored Audiences and by adding support of TikTok as a marketing platform. 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, and adjustments, where necessary. The Sustainability section (p18-21) 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, cash equivalents and cash held in short term investments of \$9.7M at 31 December 2021 (31 December 2020: \$8.0M) and financing debt of \$0.1M (31 December 2020: \$0.2M). With a continued trajectory of growth in EUS and revenue in 2021, Bango experienced another period of cash increase supporting planned investments to grow sales and develop new products. The Board believes there continues to be sufficient cash and resources to support further planned investments to drive sales growth and to continue the development of the platform and 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 2021, 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:

	Number	%
Liontrust Asset Management LLP	8,775,900	11.55%
Herald Investment Management	7,928,470	10.43%
NHN Corporation	7,574,780	9.97%
Hargreaves Lansdown Asset Management	7,178,082	9.44%
Odey Asset Management LLP	6,500,178	8.55%
Interactive Investor Services Ltd	3,966,811	5.22%
Stonehage Fleming Investment Management Ltd	3,003,118	3.95%

### Financial risk management

Details of the financial risk management objectives and policies for the Group can be located within the Principal risks & uncertainties section on pages 26-27.

### Directors' responsibility statement

The following statement, which should be read in conjunction with the report of the auditor set out on page 51, 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.

## Directors report

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The group and company financial statements are required by law and UK-Adopted 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 UK-Adopted International Accounting Standards.
- 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 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.

### Auditors

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 auditors, RSM UK Audit LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Bango annual general meeting to be held in May 2022.

BY ORDER OF THE BOARD

R Greenhalgh  
Company Secretary



## 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://bangoinvestor.com/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 second year as CEO, a year during which Bango has worked almost exclusively remotely due to COVID-19 restrictions, Paul built on 2020's strong results, and again exceeded market expectations by delivering higher than forecasted revenue growth. The resultant profit has been reinvested into research and development and sales and marketing to ensure Bango's continued success and growth in to 2022 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.

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.

Lisa Gansky has spent the last 30 years making significant contributions to the emergence of the

## Corporate governance report

internet, having founded and invested in many technology businesses, especially those bringing disruptive innovations to the market, and worked for several large technology companies including AOL and Kodak Digital. Her entrepreneurship and investment acumen are hugely valuable to Bango through its next phase of growth.

Marcus Weldon brings vast experience in the telecoms space with a focus on innovation which is immensely valuable to Bango. Marcus was most recently Chief Technology Officer of Nokia and President of Bell Labs where he was responsible for setting the strategic direction of the business and inventing solutions to allow that strategy to be followed.

One Director identifies as female, two as non-binary 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 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 of and involvement in the setting of strategy, 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

After stepping down as CEO in January 2020 Ray Anderson was appointed as Executive Chair of the Board. In his executive role he focusses on business strategy, and key strategic partnerships. Recognizing his significant value and contribution to the success of Bango, key shareholders indicated their support of Ray taking on this role, as well as the concept of having an Executive Chair.

At the time of this change the Board recognized that the existence of an Executive Chair would necessitate wider changes to the Board and its composition. Strict policies and procedures were established and are

monitored to ensure continued strong and effective corporate governance and an independent Board.

All Non-Executive Directors are independent and changes were implemented to the Articles of Association at the 2020 AGM to protect the independence and integrity of the Board. The amendments were:

- 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.

The Board also implemented the following:

- Sir Eric Peacock acts 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 is considered by the Board to be perfectly suited to take on this vital role.
- 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 and Remuneration Committees

## Corporate governance report

- 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 driving key projects, as determined by the CEO or the Board. 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 independent oversight on the basis that the Chair is a founder, a major shareholder and an Executive Director.

### Board meetings

The Board meets formally 10 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 management pack monthly, which incorporates key financial and operational information as well as information on the KPIs for Bango, and a more detailed management pack quarterly incorporating wider, more detailed information as well as extensive information on Bango KPIs. 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 2021 was as follows:

	Board	Audit Co	Rem Co	Nom Co
Ray Anderson	10 (10)	2 (2)*	1 (1)*	-
Paul Larbey	10 (10)	2 (2)*	1 (1)*	-
Matt Garner	8 (8)	2 (2)*	-	-
Carolyn Rand	2 (2)	-	-	-
Anil Malhotra	10 (10)	2 (2)*	-	2 (2)
Gianluca D'Agostino	8 (8)	2 (2)	-	-
Nancy Cruickshank	10 (10)	2 (2)*	4 (4)	2 (2)
Eric Peacock	10 (10)	2 (2)	4 (4)	2 (2)
Frank Bury	10 (10)	2 (2)	4 (4)	-
Lisa Gansky	1 (2)	-	-	-
Marcus Weldon	1 (2)	-	-	-

(x) Number of meetings entitled to attend.

\* 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.



## Corporate governance report

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 resulted in the establishment of a Disclosures Committee and the appointment of two new Non-Executive Directors in 2021. Continued evaluation of the skills matrix in 2021 identified certain key areas where the Board could benefit from additional strategic expertise and experience and the Board is actively engaged in the search for a further Non-Executive Director to join the Board in 2022.

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

### Advisors to the Board

During 2021, 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 2021, considerations relating to data privacy, ESG matters and employee share incentive schemes. 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.

During 2021 Bango appointed Kreston Reeves LLP to provide advice and assistance on the change in presentational currency from GBP to USD announced in December 2021.

Other than the advisors referred to above and those listed on page 32, no further external advisors were appointed by either the Board or any of its sub-committees during 2021, 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://bangoinvestor.com/>

- 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.

Strategy days are regularly held. 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 2021 strategy day was held in person in October, was very well attended and warmly received. The content presented during the strategy day is available to view at <https://bangoinvestor.com/bango-strategy-day-2021/>. Details of the next strategy day will be made available at <https://bangoinvestor.com/> and by RNS.

All statutory financial reports, as well as accompanying presentations are published on <https://bangoinvestor.com/> 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 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.

## Corporate governance report

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 19, 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://bangoinvestor.com/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. 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://bangoinvestor.com/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://bangoinvestor.com/aim-rule-26/>

**Ray Anderson**  
Executive Chair;

**Sir Eric Peacock**  
Senior Independent Director

## Audit committee report

This report explains the role and responsibilities of the Audit Committee and how it discharged those responsibilities during the year. It highlights those key items considered by the Committee, including in relation to the financial statements, and how the independence and objectivity of the external auditors is safeguarded.

External auditor for Bango is RSM UK Audit LLP, who was appointed as Bango external auditor for the first time in 2019. Bango has no formal policy on rotation of auditors but understands the need to review to ensure quality of audit. Given the recent appointment and performance, the Committee does not consider a rotation is necessary at this time. There are no contractual restrictions on auditor choice.

The Committee comprises the Senior Independent Director, Eric Peacock, and two other Non-Executive Directors, Frank Bury and Lisa Gansky (appointed 19 October 2021) who are all independent of management. Gianluca D'Agostino also sat on the committee until his retirement from the Board on 31 October 2021.

The Committee is chaired by Frank Bury, who has significant experience in executive and non-executive roles within both financial markets and the wider business world, especially in the technology sector. He is a Registered Representative under the FCA. Eric Peacock, who was knighted in 2003 for his services to international trade, has previously sat on the boards of UK Trade & Investment, the Foreign and Commonwealth Office and the Department for Business, Innovation and Skills. He sits on the Committee together with Lisa Gansky, who provides valuable experience having founded and invested in many technology businesses during the emergence of the internet. Her entrepreneurship and investment acumen are a great asset for Bango.

This combination of management, financial experience and qualifications gives the Committee considerable strength and depth across a broad range of industries and scale of businesses, from both the private and public sectors.

### Responsibilities

The 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 relating to the financial performance of Bango.
- Monitor Bango's accounting policies, 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.

During the year ended 31 December 2021, the Committee specifically considered the preparation and basis of, as well as the work undertaken on, the change in presentational currency, by referring to presentations made by the CFO. Following review, the Committee was satisfied that the correct approach has been adopted by the Group and that sufficient external guidance on the matter had been received and incorporated into the change.

### External Audit

In relation to Bango's external auditor 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 on the basis of their knowledge and experience and/or for reasons of confidentiality while safeguarding their objectivity and independence.

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.

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.



## Audit committee report

### 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. Bango does not currently run a formal internal audit function in line with other Groups its size.

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 are 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. More detail on the measures taken to identify, assess and manage risk can be found in the Principles Risk and Uncertainties section on pages 26-27.

Frank Bury  
Audit Committee Chair

## Nominations committee Report

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

### Composition

The Committee is composed of two Non-Executive Directors, Eric Peacock and Frank Bury, and one Executive Director, Anil Malhotra (CMO). Eric Peacock, Senior Independent Director, acts as Chair of the Committee. The Committee is supported by the Company Secretary.

The Senior Independent Director's role as Chair of the Nominations Committee is important at Bango given the Executive role undertaken by the Board Chair. 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, including the Senior Independent Director's oversight of the performance of the Executive Chair at Board level, may be found within the Corporate Governance report.

The 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:

- 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

### 2021 Activities

The Committee considered the strengths of the Board members and proposed changes to the Board that were required, anticipating the scheduled resignations of Gianluca D'Agostino and Nancy Cruickshank in October and December 2021 respectively. This review was formalized in October 2021 with the appointment of Marcus Weldon and Lisa Gansky to the Board as Non-Executive Directors. Marcus is a member of the Remuneration Committee and Lisa is a member of the Audit Committee. Both Marcus and Lisa bring strong, additional USA technology experience to the Board,

fulfilling an objective the Committee had set out during its annual board composition review in FY2020.

Earlier in the year, Matt Garner joined Bango as CFO and was formally appointed to the Board as an Executive Director in March 2021. Matt brings considerable experience to the Board, gained from board roles in publicly listed companies in the UK and Singapore.

### Sir Eric Peacock

Nominations Committee Chair and Senior Independent Director

## Remuneration committee report

### Composition

The Remuneration Committee is composed of three Non-Executive Directors – Frank Bury, Marcus Weldon and Eric Peacock (Senior Independent Director) 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 tasks are 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.
- 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.
- Report to Bango's shareholders in relation to remuneration policies applicable to Bango's Executive Directors.
- Monitor and approve the grants of all share option schemes to employees.

The Committee closely follows the QCA Remuneration Committee Guide, with its five key responsibilities being to:

- 1) Develop remuneration packages to support the delivery of business objectives in the short, medium and long-term.
- 2) Align the interests of the executive team with the interests of long-term shareholders.
- 3) Apply performance criteria to encourage executives to operate within the risk parameters set by the Board.
- 4) Ensure that Bango can recruit and retain high quality executives through fair and attractive, but not excessive, packages.
- 5) Communicate with Bango shareholders on remuneration through the Annual Report.

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 uses independent 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. These benefits 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 structure offered to other Bango employees. Bango offers Executive Directors a base salary, performance related bonuses, as well as share options and a workplace pension. Executive Director remuneration and policy is reviewed annually by the Committee to ensure each 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 in 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 towards the end of 2020, the findings of which were implemented in 2021. 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 2020 FIT benchmarking exercise concluded that the fixed element of remuneration for the CEO ranked in the lower quartile and should therefore be increased in 2021. The CFO was a new hire at market rates in 2021. The fixed element of remuneration for the CMO was found to be in the lower quartile to median range. It was increased to compensate in part for the move to a percentage of salary bonus target from a fixed target. The fixed element of remuneration of the Exec Chair was reviewed 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 Bango financial goals (revenue and profitability) shared by all Directors and individual targets for each Director based on their role and responsibilities.

The Board reserves the right to enforce claw back terms related



## Remuneration committee report

to the bonus if it is discovered that any of the parameters under which the bonus was granted should change.

FIT's review of the performance-related elements of remuneration concluded that the fixed bonus targets resulted in less competitive on-target pay compared to a pure salary basis. As a result, the Committee updated its policy in 2021 to set Directors' on-target bonus values as a percentage of base salary (30%) so that any increase in achievable bonus targets is linked to growth in base salary.

In 2021 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, between minimum and target the payout scaled to 100% and if the maximum metric was exceeded the payout was up to 150%. In 2021 the Executives Directors earned 101% of the bonus target for these common financial targets. The metrics and results were split as follows:

Financial Metric	Bonus Weighting	Result*
Revenue	75%	78%
Adjusted EBITDA	25%	23%
TOTAL	100%	101%

\* (0% if minimum not achieved, scales to 100% from min to target, up to 150% if maximum metric exceeded)

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

Individual Objectives	Result (max 15%)
Exec Chair	7%
CEO	7.3%
CMO	6.5%
CFO	10%

### 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 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 and talent profiling 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 price at the date of grant. The Directors therefore gain no value from 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 expected 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 pages 33-35. It also mitigates against the danger of "underwater" options becoming de-motivating if general stock market conditions have adverse effects on Bango share price in the shorter term.

Options, including those of the Executive Directors, vest in equal tranches, quarterly over three years from the date of option grant. This is in-line and competitive with standard practice in global technology companies, Bango's partners and competitors for talent. This also ensures consistency of implementation of the scheme across Bango, placing the Executive Directors on an equal footing with the wider workforce. 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 subsequently reduced for the Executive Directors.

The QCA Remuneration Committee Guide recommends that options be "exercisable after three years, and subject to... (in

## Remuneration committee report

some cases) the achievement of additional performance conditions". In 2020 an investor proxy service recommended a vote against the company accounts at the AGM stating "a lack of disclosure on whether the options granted to the Executive Directors during the year are subject to achievement of challenging performance conditions; and the awards granted to the Executive Directors during the year feature a vesting period of less than three years" as the rationale. Only one institutional investor followed this recommendation. The Board considers this recommendation to be misjudged and not in the interests of Bango or its shareholders for the following reasons:

- Share Options are granted at the market price; they are not Restricted Stock Units. Unlike schemes used by some others, Bango options cannot be repriced or adjusted in a static or falling market; Directors are only able to benefit from their options should the share price increase, aligning their interests with those of the wider shareholder base.
- On the basis options are granted every six months, a sustained, long-term increase in share price is the only way Directors can achieve tangible benefit from their options.
- Although the vesting period is three years, the practical retention period is much longer with only small trades for personal tax reasons having been executed over recent years.
- By avoiding the linkage of short-term performance criteria to artificially increase the option allocation value, the Executives are motivated to avoid excessive risks and to ensure that business decisions are aligned with the mid- and long-term business objectives.
- The number of share options granted to Executive Directors is limited when considered alongside comparable companies yet form an important element of remuneration; they allow Bango to attract and retain high quality executives while offering fixed compensation at the lower end of the market.
- The limited number of share options granted to Executive Directors also mitigates against the Directors benefiting from a strong growth in share price due to factors other than their own efforts. It also guards against driving the wrong behaviors at Board level; only sustained, medium- to long-term growth in the share price will realize value from the Directors' options.

For the same reasons, and after confirming the support of key shareholders, the Executive Directors have recommended that, in 2022, a share option scheme for Non-Executive Directors should be introduced.

Further details of the option plan and outstanding options as at 31 December 2021 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 33.

### Pensions

Executive Directors may participate in the Bango defined contribution pension scheme or chose to pay into their own private pension scheme. 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 permitted 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 2021 (2020: none).

### 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.

### 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 2022

After careful consideration, evaluating both the FIT benchmarking from the end of 2020 and the Committee's own experience and resources, the Remuneration Committee determined that in 2022:

- The bonus scheme will remain similar to the scheme used in 2021 with Revenue and adjusted 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 2022 the target bonus for all Executive Directors will remain at 30% of base salary.
- No change is anticipated to the Exec Chair salary. The CMO and CFO 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 several objective measures.

## Remuneration committee report

### Directors' emoluments

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

31 December 2021	Wages and salaries	Variable pay	Pension and other benefits	Total
	\$	\$	\$	\$
R Anderson	291,792	92,652	2,037	386,481
P Larbey	316,433	100,798	13,258	430,489
A Malhotra	251,194	79,390	10,887	341,471
C Rand*	49,991	-	13,791	63,782
M Garner**	195,960	63,634	5,755	265,349
G D'Agostino***	25,936	-	-	25,936
F Bury	33,479	-	-	33,479
N Cruickshank****	33,479	-	-	33,479
E Peacock	33,479	-	-	33,479
M Weldon*****	8,901	-	-	8,901
L Gansky*****	8,901	-	-	8,901
	<u>1,249,545</u>	<u>336,474</u>	<u>45,728</u>	<u>1,631,747</u>

\* Carolyn Rand resigned as CFO and a Director on 1 March 2021. She remains employed as an advisor to the chair.

\*\* Matthew Garner was appointed as CFO and a Director effective 1 March 2021

\*\*\* Gianluca D'Agostino retired as a Director on 31 October 2021

\*\*\*\* Nancy Cruickshank retired as a Director on 31 December 2021

\*\*\*\*\* Marcus Weldon and Lisa Gansky were appointed as Directors effective 19 October 2021.

During the year P Larbey exercised 10,000 options at a gain of \$13,997

31 December 2020	Wages and salaries	Variable pay	Pension and other benefits	Total
	\$	\$	\$	\$
R Anderson	272,668	102,243	11,402	386,313
P Larbey*	272,979	105,153	19,708	397,840
A Malhotra	225,521	105,569	10,403	341,493
C Rand	186,927	34,358	70,764	292,049
G D'Agostino	28,882	-	-	28,882
F Bury**	31,220	-	-	31,220
N Cruickshank	28,882	-	-	28,882
E Peacock***	31,220	-	-	31,220
D Sear**	7,065	-	-	7,065
	<u>1,085,364</u>	<u>347,323</u>	<u>112,277</u>	<u>1,544,964</u>

\* 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.

Sir Eric Peacock

Remuneration Committee Chair



# 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 2021 which comprise the consolidated and company statements of financial position, the consolidated statement of comprehensive income, the consolidated and company cash flow statements, the 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 UK-adopted International Accounting Standards 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 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards 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 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.

## Summary of our audit approach

Key audit matters	<p>Group</p> <ul style="list-style-type: none"> <li>• Revenue recognition</li> <li>• Development cost capitalization</li> </ul> <p>Parent Company</p> <ul style="list-style-type: none"> <li>• No matters identified</li> </ul>
Materiality	<p>Group</p> <ul style="list-style-type: none"> <li>• Overall materiality: \$311,000 (2020: \$243,000)</li> <li>• Performance materiality: \$232,000 (2020: \$182,000)</li> </ul> <p>Parent Company</p> <ul style="list-style-type: none"> <li>• Overall materiality: £119,000 (2020: £95,000)</li> <li>• Performance materiality: £89,250 (2020: £71,250)</li> </ul>
Scope	Our audit procedures covered 100% of revenue, 92% of total assets and 97% of group loss 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.

## Independent auditor's report to the members of Bango PLC

### 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 for the payments revenue stream. In addition, we performed cut-off testing and other substantive testing procedures utilising data analytics software 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 non-transactional revenue agreements. The main judgements surrounded whether the performance obligations for integration activities and the sale of software licences 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 3.11 and the judgements disclosed in note 3.21.</p>

### 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 3.21.</p>

## Independent auditor's report to the members of Bango PLC

### 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:

	Group	Parent company
Overall materiality	\$311,000 (2020: \$243,000)	£119,000 (2020: £95,000)
Basis for determining overall materiality	2% of transactional payments and data monetization revenues	0.2% of net assets
Rationale for benchmark applied	This key performance is focused upon by the 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	\$232,400 (2020: \$182,000)	£89,200 (2020: £71,250)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of \$15,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £5,950 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 15 components, mainly operating from the United Kingdom, but located in the United States, Japan, Spain, Brazil, Nigeria, the Republic of Ireland and Canada. 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	Loss before tax
Full scope audit	2	100%	79%	51%
Specific audit procedures on associate	-	-	13%	46%
Total	2	100%	92%	97%

Analytical procedures at group level were performed for the remaining 13 components.

### 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.



## Independent auditor's report to the members of Bango PLC

In forming our assessment of going concern we note the strength of the group balance sheet including there being no external bank borrowings and cash of \$8.7m. In considering the levels of cash and expected costs there would be required to be a considerable loss of revenue before going concern became uncertain.

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 authorised for issue.

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

### 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.

### 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 pages 34 to 35, 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

## Independent auditor’s report to the members of Bango PLC

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.

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 operate 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 regulation.
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 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.

## Independent auditor's report to the members of Bango PLC

### 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  
7 March 2022

## Consolidated statement of financial position

### As at 31 December 2021

		31 Dec 2021	31 Dec 2020	1 Jan 2020
	Note	\$ '000	\$ '000	\$ '000
<b>ASSETS</b>				
Non-current assets				
Property, plant and equipment	5.1	242	155	375
Right of use assets	5.2	83	179	1,235
Intangible assets	5.3	18,645	16,490	16,188
Investments accounted for using the equity method	16	5,630	7,771	-
		24,600	24,595	17,798
Current assets				
Trade and other receivables	6	7,099	4,367	3,434
Research and development tax credits		778	-	792
Short-term investments	19	945	-	-
Cash and cash equivalents		8,706	7,958	3,565
		17,528	12,325	7,791
<b>Total assets</b>		<b>42,128</b>	<b>36,920</b>	<b>25,589</b>
<b>EQUITY</b>				
Capital and reserves attributable to equity holders of the parent company				
Share capital	7	24,392	24,033	23,028
Share premium account		62,057	60,173	56,575
Merger reserve		2,886	2,886	2,886
Share based payment reserve		3,635	3,306	6,005
Foreign exchange reserve		2,109	2,323	721
Accumulated losses		(58,265)	(59,804)	(69,714)
<b>Total equity</b>		<b>36,814</b>	<b>32,917</b>	<b>19,501</b>
<b>LIABILITIES</b>				
Current liabilities				
Trade and other payables	8	5,209	2,552	4,538
Lease liabilities	5.2	56	100	401
		5,265	2,652	4,939
Non-current liabilities				
Lease liabilities	5.2	49	102	992
Deferred tax liability	14	-	1,249	157
		49	1,351	1,149
<b>Total liabilities</b>		<b>5,314</b>	<b>4,003</b>	<b>6,088</b>
<b>Total equity and liabilities</b>		<b>42,128</b>	<b>36,920</b>	<b>25,589</b>

These financial statements were approved and authorized for issue by the Directors on 7 March 2022 and are signed on their behalf by:

M Garner  
Director

Company registration number 05386079  
The notes on pages 58 to 82 are an integral part of these consolidated financial statement



## Consolidated statement of comprehensive income

### For the year ended 31 December 2021

	Note	2021 \$ '000	2020 \$ '000
Continuing operations			
Revenue	4	20,704	15,743
Cost of sales		(1,231)	(447)
Gross profit		19,473	15,296
Administrative expenses		(18,928)	(13,715)
Adjusted EBITDA		6,178	5,989
Share based payments	11	(1,547)	(1,055)
Depreciation	5	(224)	(434)
Amortization	5.3	(3,862)	(2,919)
Operating profit		545	1,581
Interest payable	13	(10)	(34)
Interest income	13	11	-
Share of net loss of associates accounted for using the equity method	16	(2,081)	(677)
(Loss) / profit before taxation from continuing operations	10	(1,535)	870
Income tax	14	1,977	151
Profit from continuing operations		442	1,021
Profit from discontinued operations	15	-	4,909
Profit for the financial year (attributable to equity holders of the company)		442	5,930
Other comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange on consolidation		(214)	1,558
Foreign exchange realized on discontinued operations		-	44
Profit and total comprehensive income for the financial year		228	7,532
Earnings per share attributable to the equity holders of the parent			
Basic earnings per share			
From continuing operations	17	0.58c	1.40c
From continuing and discontinued operations		0.58c	8.09c
Diluted earnings per share			
From continuing operations	17	0.57c	1.37c
From continuing and discontinued operations		0.57c	7.97c

The notes on pages 58 to 82 are an integral part of these consolidated financial statements.

## Consolidated cashflow statement

### For the year ended 31 December 2021

	Note	2021 \$ '000	2020 \$ '000
Net cash generated from operating activities	18	6,001	4,649
Cash flows used by investing activities			
Purchases of property, plant and equipment		(209)	(109)
Expenditure on capitalized development costs and intangible assets		(5,102)	(2,478)
Acquisition of other intangibles		(1,048)	-
Short-term investments	19	(945)	-
Purchase of remaining shares in Audiens		-	(1,352)
Net cash expended on disposal of subsidiary		-	(462)
Interest received		11	-
Net cash used in investing activities		(7,293)	(4,401)
Cash flows generated from financing activities			
Proceeds from issuance of ordinary shares		2,243	4,603
Interest payments		(7)	-
Interest payments on finance lease obligations		(3)	(34)
Capital repayments of finance lease obligations		(97)	(318)
Net cash generated from financing activities		2,136	4,251
Net increase in cash and cash equivalents		844	4,499
Cash and cash equivalents at beginning of year		7,958	3,565
Exchange differences on cash and cash equivalents		(96)	(106)
Cash and cash equivalents at end of year		8,706	7,958

	At 1 January 2021 \$ '000	Cash flow \$ '000	Other non-cash movements \$ '000	Exchange \$ '000	At 31 December 2021 \$ '000
Cash and cash equivalents	7,958	844	-	(96)	8,706
Lease liabilities	(202)	100	(3)	-	(105)
Net cash at end of year	7,756	944	(3)	(96)	8,601

	At 1 January 2020 \$ '000	Cash flow \$ '000	Other non- cash movements \$ '000	Exchange \$ '000	At 31 December 2020 \$ '000
Cash and cash equivalents	3,565	4,499	-	(106)	7,958
Lease liabilities	(1,394)	352	840	-	(202)
Net cash at end of year	2,171	4,851	840	(106)	7,756

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

The notes on pages 58 to 82 are an integral part of these consolidated financial statements.

## Consolidated statement of changes in equity (restated)\* For the year ended 31 December 2021

	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 2021	24,033	60,173	2,886	3,306	2,323	(59,804)	32,917
Share based payments	-	-	-	1,547	-	-	1,547
Transfer for exercised options	-	-	-	(1,097)	-	1,097	-
Exercise of share options and warrants	359	1,884	-	-	-	-	2,243
Transactions with owners	359	1,884	-	450	-	1,097	3,790
Profit for the year	-	-	-	-	-	442	442
Foreign exchange translation	-	-	-	(121)	121	-	-
Foreign exchange on consolidation	-	-	-	-	(335)	-	(335)
Total comprehensive income for the year	-	-	-	(121)	(214)	442	107
Balance at 31 December 2021	24,392	62,057	2,886	3,635	2,109	(58,265)	36,814

	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	23,028	56,575	2,886	6,005	721	(69,714)	19,501
Share based payments	-	-	-	1,055	-	-	1,055
Transfer for exercised options	-	-	-	(3,980)	-	3,980	-
Issue of new shares	874	3,094	-	-	-	-	3,968
Exercise of share options	131	504	-	-	-	-	635
Transactions with owners	1,005	3,598	-	(2,925)	-	3,980	5,658
Profit for the year	-	-	-	-	-	5,930	5,930
Foreign exchange realized on discontinued operations	-	-	-	-	44	-	44
Foreign exchange translation	-	-	-	226	(226)	-	-
Foreign exchange on consolidation	-	-	-	-	1,784	-	1,784
Total comprehensive income for the year	-	-	-	226	1,602	5,930	7,758
Balance at 31 December 2020	24,033	60,173	2,886	3,306	2,323	(59,804)	32,917

\* See note 2.1 for additional details

The notes on pages 58 to 82 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 32. 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 2021 (including the comparatives for the year ended 31 December 2020) were approved by the Board of Directors on 7 March 2022.

## 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 2021, in accordance with UK-adopted 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 3.21.

These financial statements are presented in US Dollars (USD), the presentation currency of Bango PLC Group. The Group's functional currency is GBP Sterling. The directors have reviewed the functional currency of the group in light of the change in presentational currency and are comfortable that their assessment of GBP remains appropriate for the Group's functional currency.

### 2.1 Changes in presentation currency

The Group's presentation currency has changed in the year from Pound Sterling ("Sterling") to US Dollars ("USD"), this is on the basis that an increasing proportion of the Group global customer transactions are in US Dollars or USD linked currencies. We consider that this change will give investors and other key stakeholders a clearer understanding of Bango PLC's performance over time.

Following this change in accounting policy the impact was applied retrospectively and thus the comparatives in the consolidated financial statements were restated in US Dollars, as required by IAS 8. The procedures used for this restatement were formed based on the requirements of IAS 21 and were as follows:

- Share capital, share premiums and other reserves are translated at historic rates prevailing at the dates of transactions. Transactions up until December 2019 were translated at the average rate for each financial period, this approach is considered appropriate by the directors on the basis that there were a high volume of alternations to share capital and share premium spread across each previous period.

- Other assets and liabilities are translated into US Dollars at closing rates of exchange.
- Trading results are translated into US Dollars at the average rate for the financial period.
- For differences resulting from the assets and the results for the period have been presented in the foreign exchange reserve, a component within shareholders' equity.
- The foreign exchange reserve was set to zero as of 1 January 2006, the initial consolidated period of account. Cumulative currency translation adjustments are presented as if the Group had used US Dollars as the presentation currency of its consolidated financial statements since that date.

### 2.2 Going concern

Bango had cash of \$8.7M at 31 December 2021 (31 December 2020: \$8.0M) and financing debt of \$0.1M (31 December 2020: \$0.2M). Bango also has \$0.9M available in a short-term deposit account. Bango grew its EUS and revenue in 2021 in line with prior year trends, and generated cash in 2021, 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.



## Notes to the financial statements

### 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.

### 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:

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 – 7 years straight-line
Intellectual property	5 – 7 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 7 years. Assets related to data access acquired are recognized and amortized over 5 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.

## Notes to the financial statements

### 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) Short-term investments

Short-term investments relate to funds placed in deposit accounts with financial institutions with a notice period of between 3 to 12 months.

#### c) Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently at amortized cost using the effective interest rate 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.

### 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 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; (Transactional)
2. The data monetization business; (Transactional)
3. Establishing connectivity and connections for customers connected to the platform; (Non-transactional)
4. Licence fees for the use of the software. (Non-transactional)

#### 3.11.1 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.

#### 3.11.2 Revenue linked to non-transactional services:

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. Revenue, such as integration fees, is recognized

## Notes to the financial statements

on completion of contractual milestones and after consideration of the requirements of IFRS 15 (Revenue from Contracts with Customers). Where Bango charges for an integration blueprint from which the customer can benefit on any platform, revenue is recognized when this is provided otherwise it is recognised over the period of access.

### 3.11.3 Data monetization

Revenue from data monetization consists of fees charged for making data useable by merchants or other advertisers in digital marketing campaigns.

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

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

### 3.11.4 Revenue activity from the sale of perpetual 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.

## 3.12 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.

## 3.13 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.

## 3.14 Foreign currencies

### 3.14.1 Functional Currency

The functional currency of the Group is Sterling.

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, including those resulting from the revaluation of monetary assets and liabilities of the Company, are included in the profit or loss for the period.

Subsidiaries have adopted a functional currency in line with the local currency in the countries where they are registered except those based in Spain, Brazil and Nigeria who have a functional currency of Sterling. Exchange differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in foreign exchange reserve within equity.

### 3.14.2 Presentational Currency

The presentation currency of the Group is US Dollars ("USD"). Assets and liabilities are translated into USD at closing rates of exchange for the period. Trading results are converted into USD at the average exchange rate for the period. Any subsequent differences are included in the foreign exchange reserve. Share Capital and Premium are stated at the historical values using prevailing exchange rates at the time of the transaction.

### 3.14.3 Derivative Financial Instruments

The Group undertakes trading activities which expose it to risks of changes in foreign currency exchange rates in the market. The Group uses foreign exchange forward contracts to manage some of these exposures. These derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognized in profit or loss. A derivative with a positive fair value is recognized as a financial asset, whereas a derivative with a negative fair value is recognized as a financial liability. Foreign exchange forward contracts are measured using quoted forward exchange rates to match the maturities of these contracts.

As the Group transacts in multiple currencies, the Group partly mitigates the foreign exchange exposure by matching sales and cost in the same currency where possible.

## 3.15 Segment reporting

Following the disposal of Bango Deep business in 2020, 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.

## 3.16 Financial instruments

Bango uses a simplified approach in accounting for trade and

## Notes to the financial statements

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 (including trade and other payables and lease 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.

### 3.17 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.

#### 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 USD. This reserve only arises at consolidation.

#### Retained earnings

Retained earnings include all current and prior period retained profits.

### 3.18 Exceptional items

If incurred, 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.

### 3.19 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 2021. 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 2022, 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.

### 3.20 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 12.

### 3.21 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 2021, the directors reviewed certain new software licence sales and integration services and determined they were distinct as the customer could separately benefit from these services and licenses. In addition, they assessed contract modifications to ensure they were appropriately treated in line with the requirements of IFRS 15.

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 2021. 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.

Judgement is also required in determining the tax base of acquired intangible assets and hence whether a deferred tax provision is required on their acquisition. See note 14.

#### 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



## Notes to the financial statements

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 \$9.8M (2020: \$7.4M).

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 seven 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 15.

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) Revenue analysis

Revenue by product:

	2021	2020
	\$ '000	\$ '000
Payments - transactional & data monetization	15,684	12,056
Payments non-transactional (licensing of software, platform & technology), and integration	5,020	3,687
	20,704	15,743

Most income is currently recognized at a point in time rather than over time. Bango believes that any further breakdown could reveal commercially sensitive information.

#### (b) Geographical analysis

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

	2021	2020
	\$ '000	\$ '000
United Kingdom (country of domicile)	948	1,137
EU	2,213	479
USA and Canada	4,428	2,720
Rest of the World	13,115	11,407
	20,704	15,743

All turnover is spread over many territories, of which \$6.7M comes from two partners in the Rest of the World and \$2.6M comes from a partner in USA and Canada. (2020: \$1.8M from the partner in the USA and Canada, \$6.9M from two partners in the Rest of the World).

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

	2021	2020
	\$ '000	\$ '000
United Kingdom (country of domicile)	24,600	24,595
	24,600	24,595

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
<b>Cost</b>				
At 1 January 2021	366	87	2,489	2,942
Additions	-	18	191	209
Disposals	(364)	-	(2)	(366)
FX Revaluation	(2)	(1)	(30)	(33)
At 31 December 2021	-	104	2,648	2,752
<b>Depreciation</b>				
At 1 January 2021	366	71	2,350	2,787
Charge for the year	-	8	120	128
Disposals	(364)	-	(1)	(365)
FX Revaluation	(2)	(2)	(36)	(40)
At 31 December 2021	-	77	2,433	2,510
Net book value at 31 December 2021	-	27	215	242

	Leasehold improvements \$ '000	Office equipment \$ '000	Computer equipment \$ '000	Total \$ '000
<b>Cost</b>				
At 1 January 2020	384	400	2,391	3,175
Additions	12	1	96	109
Disposals	(19)	(252)	(5)	(276)
Disposals of subsidiary	(21)	(71)	(7)	(99)
Transfer to leases	-	-	(62)	(62)
FX Revaluation	10	9	76	95
At 31 December 2020	366	87	2,489	2,942
<b>Depreciation</b>				
At 1 January 2020	360	264	2,176	2,800
Charge for the year	7	23	110	140
Disposals	(7)	(207)	(4)	(218)
Disposals of subsidiary	(4)	(19)	(3)	(26)
Transfer to leases	-	-	(11)	(11)
FX Revaluation	10	10	82	102
At 31 December 2020	366	71	2,350	2,787
Net book value at 31 December 2020	-	16	139	155
Net book value at 1 January 2020	24	136	215	375

## Notes to the financial statements

### 5.2 Leases

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000	1 Jan 2020 \$ '000
Right of use assets			
Building	-	-	1,057
Computer equipment	83	179	167
Others	-	-	11
	<u>83</u>	<u>179</u>	<u>1,235</u>
Lease liabilities			
Current	56	100	401
Non-current	49	102	992
	<u>105</u>	<u>202</u>	<u>1,393</u>

During the year Bango Plc acquired and recognized nil (2020: \$131,000) as a right of use assets. The incremental borrowing rate for existing leases is 5%.

Amounts recognized in profit or loss

	2021 \$'000	2020 \$'000
Depreciation charge on right of use assets		
Building	-	122
Computer equipment	96	161
Others	-	11
	<u>96</u>	<u>294</u>
Interest expense (included in finance cost)	3	34
Expense relating to leases of low-value assets and short-term leases (included in administrative expenses)	234	19

The total cash outflow for right of use asset leases in the year was \$0.1M (2020: \$0.31M).

The company leases equipment with varying terms ranging from 12 months to 3 years. The Westbrook Centre, Cambridge lease was terminated in September 2020. During the year the company entered into a short-term building lease which commenced in August 2021 for less than 12 months at a cost of \$0.27M which term expires in June 2022.



## Notes to the financial statements

### 5.3 Intangible assets

	Domain names	Internal development	Acquired Intangibles (Other)	Acquired intangibles (Software)	Acquired intangibles (Contracts)	Acquired intangibles (Brand)	Goodwill	Total
	\$ '000	\$ '000		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Cost</b>								
At 1 January 2021	78	18,659	-	9,177	698	59	1,620	30,291
Additions	26	5,076	1,048	-	-	-	-	6,150
FX revaluation	(1)	(186)	-	(89)	-	-	-	(276)
<b>At 31 December 2021</b>	<b>103</b>	<b>23,549</b>	<b>1,048</b>	<b>9,088</b>	<b>698</b>	<b>59</b>	<b>1,620</b>	<b>36,165</b>
<b>Amortization</b>								
At 1 January 2021	48	11,307	-	1,738	652	56	-	13,801
Charge for the year	14	2,531	140	1,128	46	3	-	3,862
FX Revaluation	(1)	(132)	-	(10)	-	-	-	(143)
<b>At 31 December 2021</b>	<b>61</b>	<b>13,706</b>	<b>140</b>	<b>2,856</b>	<b>698</b>	<b>59</b>	<b>-</b>	<b>17,520</b>
NBV at 31 December 2021	42	9,843	908	6,232	-	-	1,620	18,645
<b>Cost</b>								
	Domain Names	Internal development	Acquired intangibles (Other)	Acquired intangibles (Software)	Acquired intangibles (Contracts)	Acquired intangibles (Brand)	Goodwill	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Cost</b>								
At 1 January 2020	43	18,586	-	3,446	698	163	4,753	27,689
Additions	33	2,445	-	6,623	-	-	-	9,101
Disposal of subsidiary	-	(2,436)	-	(1,292)	-	(104)	(3,133)	(6,965)
FX revaluation	2	64	-	400	-	-	-	466
<b>At 31 December 2020</b>	<b>78</b>	<b>18,659</b>	<b>-</b>	<b>9,177</b>	<b>698</b>	<b>59</b>	<b>1,620</b>	<b>30,291</b>
<b>Amortization</b>								
At 1 January 2020	43	9,607	-	1,276	512	63	-	11,501
Charge for the year	3	1,804	-	960	140	12	-	2,919
Disposal of subsidiary	-	(106)	-	(501)	-	(19)	-	(626)
FX revaluation	2	2	-	3	-	-	-	7
<b>At 31 December 2020</b>	<b>48</b>	<b>11,307</b>	<b>-</b>	<b>1,738</b>	<b>652</b>	<b>56</b>	<b>-</b>	<b>13,801</b>
NBV at 31 December 2020	30	7,352	-	7,439	46	3	1,620	16,490
NBV at 1 January 2020	-	8,979	-	2,170	186	100	4,753	16,188

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% pre-tax 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, \$1.62m 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% (2020: 2.5%) annually from 2022
2. Current margins will remain the same in future years

## Notes to the financial statements

3. Pre-tax discount rate of 20% (2020: 20%) has been applied
4. Major customers will continue the on-going business relationship. The customers have continued to increase business with Bango in the past few years
5. Annual capital expenditure will remain at \$50,000 (2020: \$50,000) each year
6. Assumed a terminal growth rate of 3% (2020: 3%)

If Bango lost the business of a key customer which resulted in a revenue collapse in excess of 50% over the forecast period, 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 2021 \$ '000	31 Dec 2020 \$ '000	1 Jan 2020 \$ '000
Trade receivables	4,847	2,799	2,078
Expected credit loss of trade receivables	(30)	(37)	(74)
Net trade receivables	<u>4,817</u>	<u>2,762</u>	<u>2,004</u>
Other receivables	189	265	226
Prepayments and accrued income	<u>2,093</u>	<u>1,340</u>	<u>1,204</u>
Total	<u><u>7,099</u></u>	<u><u>4,367</u></u>	<u><u>3,434</u></u>

At 31 December 2021, 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 2021 \$ '000	31 Dec 2020 \$ '000	31 Dec 2019 \$ '000
Not more than one month	383	354	398
One to two months	68	89	272
Three to twelve months	69	75	157
More than twelve months	5	-	4
	<u>525</u>	<u>518</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 2021

	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%	2.5%	8.5%	
Gross carrying amount	383	68	69	5	525
Lifetime expected credit loss	2	-	2	1	5

Receivables not yet due of \$4,322,000 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 \$30,000, a specific provision of \$25,000 (2020: \$34,000) has been recognized for a debt due from a client. The balance of \$5,000 is the lifetime expected credit loss.

## Notes to the financial statements

As at 31 December 2020

	Current	One to three months	Three to twelve months	Over twelve months	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Expected credit loss rate	0.5%	0.5%	1.5%	5%	
Gross carrying amount	354	89	75	0	518
Lifetime expected credit loss	1	-	2	-	3

Receivables not yet due of \$2,281,000 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 \$37,000, a specific provision of \$34,000 has been recognized for a debt due from a client. The balance of \$3,000 is the lifetime expected credit loss.

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

	31 Dec 2021	31 Dec 2020
	\$ '000	\$ '000
Brought forward provision	37	74
Charge for the year	17	34
Utilized	(24)	(66)
Released	-	(5)
Carry forward provision	<u>30</u>	<u>37</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 2019	70,685,742	23,028
Issue of new share	3,515,500	874
Exercise of share options	510,026	131
As at 31 December 2020	<u>74,711,268</u>	<u>24,033</u>
Exercise of share options and warrants	1,302,391	359
As at 31 December 2021	<u>76,013,659</u>	<u>24,392</u>

During the year 1,027,360 share options and 230,025 warrants were exercised at exercise prices between 43 pence and 208 pence and a par value of 20 pence per share. The total proceeds were \$2,243,555 of which \$359,155 was recognized as share capital and \$1,884,400 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 \$2.43 (£1.80) each, which will lapse after 10 years. During the year 230,025 warrants were exercised whilst 508,374 remained outstanding as at 31 December 2021.

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 unapproved scheme.

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 2021 Options	Average exercise price per share	31 Dec 2020 Options
	p		p	
Outstanding at 1 January	132	5,411,056	129	4,645,617
Granted	205	1,801,750	130	1,542,000
Lapsed	160	(465,220)	131	(266,535)
Exercised	112	(1,027,360)	98	(510,026)
Outstanding at 31 December	156	5,720,226	132	5,411,056
Exercisable at 1 January	132	3,399,940	129	3,288,161

The weighted average share price at date of options exercised during the year was 156.04 pence (2020: 131.78 pence). No options expired during the periods covered above.

The range of principal Group assumptions applied in determining the fair value of share-based payment related options during the year under review are:

Assumptions affecting inputs to fair value models	2021	2020
Risk free rate of return (%)	0.34 – 0.39	(0.11) – 0.54
Expected life of options (years)	5	5
Number of options issued during the year	1,803,750	1,542,000
Forfeiture rate (%)	13.5	13.5
Fair value of options (pence)	101 - 105	0.46 – 0.77
Weighted average share price at grant date (pence)	205	130
Volatility of share price (%)	50 – 60	60

The expected price volatility has been based on the historic volatility adjusted for any expected future change in volatility due to publicly available information.



## Notes to the financial statements

At 31 December 2021, Bango PLC had the following outstanding options and exercise prices:

Expiry date		Average exercise price per share	Options	31 Dec 2021 Remaining Contractual Life	Average exercise price per share	Options	31 Dec 2020 Remaining Contractual Life
		Pence	Number	Months	Pence	Number	Months
17 March	2021	-	-	-	82.50	6,250	2
9 September	2021	-	-	-	82.00	8,875	8
23 March	2022	142.50	10,500	3	142.50	15,322	15
20 September	2022	166.50	19,000	9	166.50	30,323	21
26 March	2023	232.00	44,500	15	232.00	54,000	27
02 April	2023	218.50	10,000	15	218.50	10,000	27
04 October	2023	126.00	20,000	21	126.00	54,000	33
01 April	2024	136.00	26,000	27	136.00	36,000	39
22 October	2024	101.00	32,540	34	101.00	71,040	46
16 March	2025	106.00	65,998	39	106.00	101,248	51
18 September	2025	88.50	106,830	45	88.50	119,030	57
16 March	2026	43.00	156,912	51	43.00	292,412	63
21 September	2026	89.00	176,244	57	89.00	221,074	69
21 March	2027	114.50	184,076	63	114.50	284,751	75
22 September	2027	255.00	277,000	69	255.00	371,000	81
14 March	2028	173.00	251,198	75	173.00	396,533	87
19 September	2028	156.50	140,780	81	156.50	253,914	93
21 September	2028	173.00	100,000	81	173.00	150,000	93
03 January	2029	90.00	60,000	85	90.00	100,000	97
27 March	2029	92.50	558,187	87	92.50	736,528	99
18 September	2029	137.50	303,575	93	137.50	446,828	105
1 October	2029	128.50	138,330	94	128.50	150,000	106
18 March	2030	67.50	277,240	99	67.50	386,428	112
7 April	2030	121.50	314,486	100	121.50	392,000	113
17 September	2030	172.00	663,574	105	172.00	723,500	117
17 March	2031	208.00	886,256	111	-	-	-
8 September	2031	201.50	897,000	117	-	-	-
<b>Total</b>			<b>5,720,226</b>	<b>92</b>		<b>5,411,056</b>	<b>91</b>

Options are granted to employees and expire 10 years after the grant date.

### 8 Trade and other payables

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000	1 Jan 2020 \$ '000
Trade payables	1,646	863	1,743
Social security and other taxes	599	493	343
Other creditors	643	-	-
Put and call option	-	-	1,313
Accruals and deferred income	2,321	1,196	1,139
	<b>5,209</b>	<b>2,552</b>	<b>4,538</b>

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.

## Notes to the financial statements

### 9 Expenses by nature

	2021 \$ '000	2020 \$ '000
Employee benefit expense after capitalization of staff costs	8,347	6,952
Depreciation and amortization	4,086	3,353
Other expenses	6,495	3,410
	<u>18,928</u>	<u>13,715</u>
<i>Analyzed as:</i>		
Administrative expenses	13,295	9,307
Share based payments	1,547	1,055
Depreciation	224	434
Amortization	3,862	2,919
	<u>18,928</u>	<u>13,715</u>

### 10 Profit / (loss) before taxation

Profit / (loss) before taxation is stated after charging / (crediting):

	2021 \$ '000	2020 \$ '000
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the financial statements	8	8
Fees payable to the Group's auditors for other services: audit of Group's subsidiaries	140	109
Exchange rate variances	272	297
Depreciation on property, plant and equipment – owned assets	96	121
Depreciation on property, plant and equipment – right of use assets	128	313
Amortization of intangible assets	3,862	2,919

### 11 Employee benefit expense

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

	2021 No	2020 No
Admin & marketing staff	22	21
Technical & support staff	66	57
	<u>88</u>	<u>78</u>

The gross payroll costs of the above were:

	2021 \$ '000	2020 \$ '000
Wages and salaries	8,874	7,010
Social security costs	875	665
Other pension costs	339	271
Share based remuneration	1,547	1,055
	<u>11,635</u>	<u>9,001</u>

Included in the above payroll costs is \$3,288,000 (31 December 2020: \$2,049,000) capitalized within internal development (note 5.3). The outstanding pension contributions on 31 December 2021 which was payable in January 2022 was \$31,000 (2020: \$25,000).

## Notes to the financial statements

The Directors have identified seventeen (31 December 2020: fifteen) key management personnel. The key management comprise of the directors and functional leads of key departments who constitute the leadership team. Compensation to key management is set out below:

	2021 \$ '000	2020 \$ '000
Wages and salaries	2,563	1,921
Employers national insurance	294	253
Other pension costs	79	120
Share based compensation	643	493
	<u>3,579</u>	<u>2,787</u>

### 12 Directors

Remuneration in respect of Directors was as follows:

	2021 \$ '000	2020 \$ '000
Emoluments	<u>1,632</u>	<u>1,545</u>

Further details can be found in the Remuneration Committee Report on page 47. The highest paid Director received total salary of \$417,231 (2020: \$378,132), pension contributions of \$13,258 (2020: \$19,708), and share based compensation of \$144,000 (2020: \$75,000).

The number of Directors who accrued benefits under pension schemes was five (2020: four).

The total share based compensation for Directors was \$468,000 (2020: \$245,000).

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

### 13 Interest income and interest payable

	2021 \$ '000	2020 \$ '000
Bank interest receivable	<u>11</u>	<u>-</u>
Interest on lease liabilities	3	34
Interest payable	7	-
	<u>10</u>	<u>34</u>

## Notes to the financial statements

### 14 Taxation

	2021 \$ '000	2020 \$ '000
UK taxation		
R&D tax credits receivable	(697)	-
Under recognition of prior year credit	(69)	(32)
Foreign taxation		
Under recognition of prior year R&D credit	-	(53)
Tax paid overseas	12	1
Total current tax	(754)	(84)
Original and reversal of timing differences	-	(123)
Over provision in respect of prior year deferred tax	(1,223)	-
	<u>(1,977)</u>	<u>(207)</u>

Income tax expense is attributable to:

Continuing operations	(1,977)	(151)
Discontinued operations	-	(56)
Loss on ordinary activities before taxation	<u>(1,977)</u>	<u>(207)</u>

The over provision of deferred tax relates to the reversal of deferred tax recognized in relation to the acquisition of software following the disposal of the Bango Deep group as the amortization of this asset is now considered to be tax allowable and therefore the tax base of the assets acquired have been revised.

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

	2021 \$ '000	2020 \$ '000
(Loss) / profit from continuing operations	(1,535)	870
(Loss) / profit from discontinued operations	-	4,823
(Loss) / profit on ordinary activities before taxation	<u>(1,535)</u>	<u>5,693</u>
(Loss) / profit on ordinary activities multiplied by standard rate of tax of 19% (2020: 19%)	(292)	1,082
Effect of:		
Expenses not deductible for tax purposes	478	560
Non-taxable profit on disposal of discontinued activities	-	(1,182)
Enhanced R&D relief	(664)	(526)
Losses not recognized	(207)	-
Movements in deferred tax not recognized	-	(51)
Adjustments in relation to prior years	(1,292)	(90)
Total tax	<u>(1,977)</u>	<u>(207)</u>

At 31 December 2021, the unutilized tax losses carried forward amounted to \$47.6 million (at 31 December 2020: \$46.5m).

Deferred tax assets/ (liabilities):

	Provided 31 Dec 2021 \$000	Provided 31 Dec 2020 \$000	Provided 1 Jan 2020 \$000	Unrecognized 31 Dec 2021 \$000	Unrecognized 31 Dec 2020 \$000	Unrecognized 1 Jan 2020 \$000
Share option deduction	-	-	-	68	120	45
Tax losses	2,056	1,224	882	9,899	7,645	6,453
Short term timing differences	21	(11)	-	-	-	-
Accelerated capital allowances and capitalized development costs	(2,077)	(2,462)	(1,039)	-	-	-
	<u>-</u>	<u>(1,249)</u>	<u>(157)</u>	<u>9,967</u>	<u>7,765</u>	<u>6,498</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. The UK corporation tax rate increase to 25% from 1 April 2023 has been substantively enacted at the year end so amounts which will unwind after this date have been measured at 25% (2020: 19%).



## Notes to the financial statements

The following is an analysis of the movement of the deferred tax liabilities recognized by the Group:

	2021 \$ '000	2020 \$ '000
Opening balance at 1 January	(1,249)	(157)
Recognized in the consolidated income statement – continuing operations	1,223	141
Recognized in the consolidated income statement – discontinued operations	-	(1,265)
Exchange translation adjustment	26	32
	<hr/>	<hr/>
Closing balance at 31 December	-	(1,249)
	<hr/> <hr/>	<hr/> <hr/>

### 15 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

### 15.1 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
Revenue	236
Expenses	(277)
Depreciation & amortization	(119)
Exceptional items — transactional costs	(965)
Profit on sale of the subsidiary (Note 15.3)	5,948
Profit before tax	<u>4,823</u>
Taxation	56
Profit after tax from discontinued operation	<u>4,879</u>
Exchange differences on translation of discontinued operation	30
Profit from discontinued activities	<u><u>4,909</u></u>
Cash movements from discontinued activities	
Net cash inflow from operating activities	420
Net cash flow from investing activities	(111)
Net cash flow from financing activities	<u>(4)</u>
Net increase in cash generated by the subsidiary	<u><u>305</u></u>

### 15.2 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	3,659
Goodwill	3,133
Trade receivables, cash & other debtors	1,191
Research and development tax credits	230
Total assets	<u>8,213</u>
Trade and other payables	1,025
Deferred tax liability	140
Total liabilities	<u>1,165</u>
Net assets	<u>7,048</u>

### 15.3 Profit on the sale of the subsidiary

	2020 \$ '000
Fair valuation of 40% investment in associate	7,644
Acquired intangible assets — proprietary software retained in group	6,623
Carrying amount of net assets (note 15.2)	(7,048)
Deferred tax on acquired intangible assets	(1,271)
Profit on sale of subsidiary	<u>5,948</u>

## Notes to the financial statements

### 16 Interest in associates

	2021 \$ '000	2020 \$ '000
Opening balance as at 1 January	7,771	-
Addition – fair value of interest retained in the Bango Deep group	-	7,644
Share of operating losses	(2,081)	(677)
Foreign exchange movements	(60)	804
Closing balance as at 31 December	5,630	7,771

Name of entity	Place of business	% of ownership interest in 2020 and 2021	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. The registered address of NewDeep Limited and Audiens Limited is First Floor Victory House, Vision Park, Chivers Way, Histon, Cambridge, CB24 9ZR, United Kingdom. The registered address of Audiens Srl is Piazza della Repubblica, 14-16, Milano, 20124, Italy.

### 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 2021 \$ '000	31 Dec 2020 \$ '000
Cash	3,400	7,031
Other current assets	289	1,747
Non-current assets	11,064	12,375
Current net assets	14,753	21,153
Finance liabilities (excluding trade payables)	(268)	(421)
Other current liabilities	(410)	(1,305)
Net assets	14,075	19,427
Reconciliation of carrying amounts		
Opening book value of assets	19,427	3,986
Fair value adjustment on acquisition	-	8,355
Cash injection - NHN	-	8,778
Loss for the period	(5,203)	(1,692)
Foreign exchange translation	(149)	-
Closing net assets	14,075	19,427
Group share in %	40%	40%
Group's share	5,630	7,771
Carrying amount	5,630	7,771

## Notes to the financial statements

### Summarized statement of comprehensive income

	31 Dec 2021	31 Dec 2020
	\$ '000	\$ '000
Revenue	90	526
Cost of sales	(10)	(238)
Administrative expenses	(4,375)	(1,821)
Depreciation and amortization	(958)	(640)
Interest payable	(13)	(17)
Interest income	63	22
Taxation	-	476
	<hr/>	<hr/>
Loss for the period	(5,203)	(1,692)
Other comprehensive income	-	-
Total comprehensive loss	<hr/> (5,203) <hr/>	<hr/> (1,692) <hr/>

Following the loss of control by Bango Plc of New Deep Limited (formerly Bango Deep Limited) recharges of nil (2020: \$211,000) were issued by Bango.Net Limited a subsidiary of Bango Plc to New Deep Limited for transition support services. At 31 December 2021 the total amount outstanding was nil (2020: \$57,000).

### 17 Earnings per share

#### (a) Basic

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

#### Basic earnings per share

	2021	2020
	\$ '000	\$ '000
Profit attributable to equity holders of Bango PLC:		
From continuing operations	442	1,021
From discontinued operations	-	4,909
Profit attributable to equity holders of Bango PLC	<hr/> 442 <hr/>	<hr/> 5,930 <hr/>
Weighted average number of ordinary shares in issue	75,640,815	73,347,201
From continuing operations	0.58c	1.40c
From discontinued operations	-	6.69c
Basic earnings per share attributable to equity holders from continuing and discontinued operations	<hr/> 0.58c <hr/>	<hr/> 8.09c <hr/>

#### Basic adjusted earnings per share

Adjusted earnings per share is a key financial information which discloses the financial performance of the core business for which the directors have direct control. Adjusted basic earnings per share is determined as the profit attributable to equity holders of Bango PLC excluding the Bango share of the net loss of associate for the period and discontinued operations divided by the weighted average number of ordinary shares in issue during the year.

	2021	2020
	\$ '000	\$ '000
Profit attributable to equity holders of Bango PLC:		
From continuing operations	442	1,021
Share of net loss of associates accounted for using the equity method	2,081	677
Profit attributable to equity holders of Bango PLC	<hr/> 2,523 <hr/>	<hr/> 1,698 <hr/>
Weighted average number of ordinary shares in issue	75,640,815	73,347,201
Basic earnings per share attributable to equity holders from continuing operations	<hr/> 3.34c <hr/>	<hr/> 2.32c <hr/>

#### (b) Diluted

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.

## Notes to the financial statements

### Diluted earnings per share

	2021	2020
	\$ '000	\$ '000
Profit attributable to equity holders of Bango PLC	442	5,930
Weighted average number of ordinary shares in issue	75,640,815	73,347,201
Options	1,579,100	1,036,358
Weighted average number of ordinary shares in issue (including options)	<u>77,219,915</u>	<u>74,383,559</u>
From continuing operations	0.57c	1.37c
From discontinued operations	-	6.60c
Diluted earnings per share attributable to equity holders from continuing and discontinued operations	<u>0.57c</u>	<u>7.97c</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.

### Diluted adjusted earnings per share

Adjusted basic earnings per share is determined as the profit attributable to equity holders of Bango PLC excluding the Bango share of the net loss of associate for the period divided by the weighted average number of ordinary shares in issue during the year.

	2021	2020
	\$ '000	\$ '000
Profit attributable to equity holders of Bango PLC	2,523	1,698
Weighted average number of ordinary shares in issue	75,640,815	73,347,201
Options	1,579,100	1,036,358
Weighted average number of ordinary shares in issue (including options)	<u>77,219,915</u>	<u>74,383,559</u>
Diluted earnings per share attributable to equity holders from continuing operations	<u>3.27c</u>	<u>2.28c</u>



## Notes to the financial statements

### 18 Cash generated from / (used by) operations

	2021 \$ '000	2020 \$ '000
Profit for the financial year		
From continuing operations	442	1,021
From discontinued operations	-	4,909
	<u>442</u>	<u>5,930</u>
Depreciation and amortization	4,086	3,353
Taxation credit	(1,977)	(151)
Investment income	(11)	-
Interest payable	10	34
Share-based payment expense	1,547	1,055
Share of loss of associate	2,081	677
Gain on disposal of subsidiary	-	(5,948)
Loss on disposal of fixed assets	-	59
Gain on disposal of right of use assets	-	(75)
Net exchange differences	(29)	106
Increase in receivables	(2,802)	(1,049)
Increase / (decrease) in payables	2,654	(69)
	<u>6,001</u>	<u>3,922</u>
Corporation tax received	-	727
Net cash generated from operations	<u>6,001</u>	<u>4,649</u>

### 19 Short-term investments

The Group invested \$945,000 (2020: nil) in a short-term investment deposit with a 95-days' notice.

### 20 Financial assets and liabilities

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

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000
Financial assets held at amortized cost	<u>14,657</u>	<u>10,985</u>
Total financial assets	<u>14,657</u>	<u>10,985</u>

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

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000
Short term financial assets		
Trade and other receivables	5,006	3,027
Short-term investments	945	-
Cash and cash equivalents	8,706	7,958
	<u>14,657</u>	<u>10,985</u>
Total financial assets	<u>14,657</u>	<u>10,985</u>

## Notes to the financial statements

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

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000
Financial liabilities measured at amortized cost	4,715	2,261
Total financial liabilities	<u>4,715</u>	<u>2,261</u>

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

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000
Financial liabilities		
Trade and other payables	2,289	863
Accruals	2,321	1,196
Lease liabilities	105	202
Total financial liabilities	<u>4,715</u>	<u>2,261</u>

### 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.

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 2021 Bango's financial liabilities had gross contractual maturities which are summarized below:

	31 Dec 2021 \$ '000	31 Dec 2020 \$ '000
Trade and other payables within 6 months	4,610	2,059
Right to use obligations within 12 months	57	100
Right to use obligations 1 year to 5 years	49	104
Financial liabilities	<u>4,716</u>	<u>2,263</u>

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 2021 Bango only had lease liabilities including liabilities related to the right of use assets.

## Notes to the financial statements

### 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. Therefore no sensitivity analysis has been disclosed.

#### 23.2 Foreign currency forwards

The Group has hedged an expected total receipt of USD1.65M (2020: nil) at a rate of 1.3493 to GBP till 28 December 2022. At the year-end there was no material valuation differences between the forward and spot exchange rates.

#### 23.3 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. The Group has hedged some expected cash in USD.

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

Nominal amounts	31 Dec 2021			31 Dec 2020		
	\$'000 Financial assets	\$'000 Financial liabilities	\$'000 Net assets/ (liabilities)	\$'000 Financial assets	\$'000 Financial liabilities	\$'000 Net assets/ (liabilities)
GBP £	8,684	4,391	4,293	2,461	1,809	652
GBP						
Euro	1,440	597	843	48	48	-
EUR						
Australian \$	1	-	1	53	-	53
AUD						
Canadian \$	195	2	193	151	-	151
CAD						
Indonesia Rp						
IDR	62	-	62	47	-	47
South African Rand						
ZAR	18	-	18	33	-	33
Saudi Arabian Riyal						
SAR	5	-	5	63	-	63
Japanese Yen						
JPY	1,861	375	1,486	2,685	35	2,650
Other	171	9	162	117	4	113
	<u>12,437</u>	<u>5,374</u>	<u>7,063</u>	<u>5,658</u>	<u>1,896</u>	<u>3,762</u>

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, EUR 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 \$324,000 and the effect on the statement of financial position would be a loss of \$336,000. However, if the exchange rates of USD, EUR and JPY moved by 10% then the impact on profits of the group will be a loss of \$619,000 and the effect on the statement of financial position would be a loss of \$642,000.

## Statement of financial position of Bango PLC

### As at 31 December 2021

	Note	31 Dec 2021 £'000	31 Dec 2020 £'000
<b>ASSETS</b>			
Non-current assets			
Investment in subsidiary	V	53,359	52,223
Trade and other receivables due after one year	VI	<u>7,685</u>	<u>6,645</u>
		<u>61,044</u>	<u>58,868</u>
Current assets			
Trade and other receivables due within one year	VI	<u>36</u>	<u>24</u>
		<u>36</u>	<u>24</u>
Total assets		<u><u>61,080</u></u>	<u><u>58,892</u></u>
<b>EQUITY</b>			
Capital and reserves			
Share capital	IX	15,203	14,942
Share premium account		40,306	38,940
Share-based payment reserve		1,673	1,673
Retained earnings		<u>3,827</u>	<u>3,254</u>
Total equity		<u><u>61,009</u></u>	<u><u>58,809</u></u>
<b>LIABILITIES</b>			
Trade and other falling due within one year	VII	<u>71</u>	<u>83</u>
Total liabilities		<u>71</u>	<u>83</u>
Total equity and liabilities		<u><u>61,080</u></u>	<u><u>58,892</u></u>

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 £563,000 (2020: £1,186,000).

These financial statements were approved and authorized for issue by the Directors on 7 March 2022 and are signed on their behalf by:

M Garner  
Director

Company registration number 05386079

The notes on pages 86 to 90 are an integral part of these Company financial statements

## Statement of changes in equity of Bango PLC

### For the year ending 31 December 2021

	Share capital £ '000	Share premium account £ '000	Other reserve £ '000	Retained earnings £ '000	Total £ '000
Balance at 1 January 2021	14,942	38,940	1,673	3,254	58,809
Exercise of share options and warrants	261	1,366	-	-	1,627
Share based payments	-	-	-	1,136	1,136
Transactions with owners	261	1,366	-	1,136	2,763
Loss for the year	-	-	-	(563)	(563)
Balance at 31 December 2021	15,203	40,306	1,673	3,827	61,009
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

The notes on pages 86 to 90 are an integral part of these Company financial statements



## Cashflow statement of Bango PLC

### For the year ended 31 December 2021

	2021 £'000	2020 £'000
Loss for the year	(563)	(1,186)
Cash flows from operating activities		
Increase in receivables	(1,051)	(2,434)
Decrease in payables	(12)	(68)
Net cash used by operating activities	(1,626)	(3,688)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	1,626	3,688
Net cash generated from financing activities	1,626	3,688
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 86 to 90 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 2021, in accordance with UK-adopted International Accounting Standards ("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 they 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 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 and share based payment reserve.

## Notes to the financial statements

### II. Directors, employees and key management personnel

Details of Directors' remuneration and key management personnel are disclosed in notes 11 and 12 of the Group accounts. A charge of £111,642 (31 December 2020: £125,806) 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:

	2021 No	2020 No
Non-executive directors	4	4
Executive directors	4	4
	8	8

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

	2021 £ '000	2020 £ '000
Wages and salaries	106	119
Social security costs	6	7
	112	126

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 2020	52,223
Share based payments	1,136
Investment in subsidiary undertakings and associates at 31 December 2021	53,359
Investment in subsidiary undertakings at 31 December 2019	51,417
Share based payments	806
At 31 December 2020	52,223

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 2021 are as follows:

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

<sup>1</sup> Botanic House, 100 Hills Road, Cambridge, CB2 1YG, United Kingdom

<sup>2</sup> 675 N. First Street, Suite 1180, San Jose, California, 95112, United States

<sup>3</sup> Paseo de la Castellana 141, Edificio Cuzo IV, Madrid, 28046, Spain

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

<sup>5</sup> 1 Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria

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

<sup>7</sup> Piazza della Repubblica, 14-16, Milano, 20124, Italy

<sup>8</sup> 43-49 Sir John Rogerson's Quay, Dublin 2, Ireland

<sup>9</sup> 400 - 725 Granville Street, Vancouver, BC V7Y 1G5, Canada

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

<sup>A</sup> Bango Resale Limited (registered number: 12999158) and Bango Resale Holdings Limited (registered number: 12977914) are exempt from the requirements of the Companies Act relating to the audit of individual accounts due to Company granting a guarantee to Bango Resale Limited and Bango Resale Holdings Limited.

### VI. Receivables

	31 Dec 2021 £ '000	31 Dec 2020 £ '000
Amounts due from Group undertakings (due after one year)	7,685	6,645
Other receivables (due within one year)	36	24
	<u>7,721</u>	<u>6,669</u>

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 a subsidiary undertaking based in the United States and is charged at the United States Applicable Federal Rate of interest, calculated monthly on the balance outstanding. During the year the rates has varied between 0.52% - 1.26%.

## Notes to the financial statements

### VII. Payables

	31 Dec 2021 £ '000	31 Dec 2020 £ '000
Trade payables	30	49
Accruals	41	34
	<u>71</u>	<u>83</u>

### VIII. Financial assets and liabilities

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

	31 Dec 2021 £ '000	31 Dec 2020 £ '000
Financial assets held at amortized cost	<u>7,721</u>	<u>6,669</u>
Total financial assets	<u>7,721</u>	<u>6,669</u>

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

	31 Dec 2021 £ '000	31 Dec 2020 £ '000
Current financial assets		
Other receivables	36	24
Non-current financial assets		
Amounts due from Group undertakings	<u>7,685</u>	<u>6,645</u>
Total financial assets	<u>7,721</u>	<u>6,669</u>

	31 Dec 2021 £ '000	31 Dec 2020 £ '000
Financial liabilities held at amortized cost	<u>71</u>	<u>83</u>
Total financial liabilities	<u>71</u>	<u>83</u>

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

	31 Dec 2021 £ '000	31 Dec 2020 £ '000
Current financial liabilities		
Trade payables	30	49
Accruals	41	34
Total financial liabilities	<u>71</u>	<u>83</u>



## Notes to the financial statements

### IX. Share capital

Allotted, called up and fully paid:

Ordinary shares of 20p each in Bango PLC	No	£ '000
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
Exercise of share options and warrants	1,302,391	261
As at 31 December 2021	76,013,659	15,203

During the year 1,072,366 share options and 230,025 warrants were exercised at exercise prices between 43 pence and 208 pence and a par value of 20 pence per share. The total proceeds were £1,626,360 of which £260,478 was recognized as share capital and £1,365,882 as share premium.

During the year 1,801,750 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 5,720,226 options were outstanding. Further details relating to employee share options are provided in note 7 in the Group financial statements.

### X. Related party

	Purchases 2021 £'000	2020 £ '000
Subsidiary	136	126
Others	-	-
	136	126

	Receivables outstanding 31 Dec 2021 £ '000	31 Dec 2021 £'000	Creditors outstanding 31 Dec 2021 £'000	31 Dec 2020 £ '000
Subsidiary	7,685	7,193	-	548
	7,685	7,193	-	548

Following the loss of control by Bango Plc of New Deep Limited (formerly Bango Deep Limited) recharges of nil (2020: £168,000) were issued by Bango.Net Limited a subsidiary of Bango Plc to New Deep Limited for transition support services. At 31 December 2021 the total amount outstanding was nil (2020: £42,000)



