2022 Annual Report & Accounts

bango®

Contents

Highlights

Financial highlights

- Revenue up 38% to $28.5M (FY21 $20.7M).
- Accelerated organic growth in annual recurring revenue[1] (ARR) to $5.0M (2021: $1.1M), driven by multi-year SaaS contract wins with T-Mobile, Televisa Univision and Liberty Global, alongside the launch of Verizon +Play in December 2022.
- Trading momentum in 2023 has continued, in particular for Bango Digital Vending Machine ("DVM") technology. 2023 exit ARR is now expected to reach $10M, comfortably ahead of previous $7M guidance.
- End User Spend (EUS) $5.6B (2021 $4.1B). Run rate EUS exiting 2022 was $8.6B/yr.
- Adjusted EBITDA[2] of $5.0M (2021 $6.1M), ahead of market expectations, including the initial negative contribution from the DOCOMO Digital acquisition as planned.
- $11M of the planned $21M/year cost synergies from the acquisition of DOCOMO Digital in August 2022 had been executed as of 31 Dec 2022. The acquisition remains on track to deliver $10M of incremental Adjusted EBITDA in 2024.
- Cash at period end of $12.7M (30 June 2022: $5.7M). This includes $2.9M of restricted cash related to a discontinued business segment from the DOCOMO Digital acquisition.

1. Annualized December revenues derived from ongoing, repeating contracts.
2. Adjusted EBITDA is earnings before interest, tax, depreciation, amortization, share based payment charge, negative goodwill and exceptional items.

Operational highlights

Bango Payments & DOCOMO Digital Acquisition

- Transformational acquisition of DOCOMO Digital in August 2022 solidifies Bango market leadership. The deal brings significant scale to the business, adding an additional $3.5B EUS and $16M in annual revenue from 2023, as well as over 100 new customers including Telefonica, Hutchison, Discovery+, Jetstar & Shopify.
- Migration of services from the legacy DOCOMO Digital system to the Bango Platform is underway and on track to complete in early 2024.
- Long-term strategic agreement with NTT DOCOMO (the world's largest provider of direct carrier billing) for integration of global merchants into Japan.
- Strong positive feedback from existing and acquired customers, creating new sales opportunities across the business.

Digital Vending Machine

- New Digital Vending Machine (DVM) deals with T-Mobile, Televisa Univision and Liberty Global. These, alongside the December 2022 launch of Verizon +Play, drove ARR growth.
- 44 new organic merchant customers including McAfee, HBO, Paramount, NFL and Duolingo, plus major win in June of the 'Global Tech Leader'. These merchants can now offer their products to all the operators connected to the Bango Platform.
- Strong pipeline of DVM deals expected to close during 2023.

Bango Audiences

- Growing demand for Bango Audiences in existing sectors including gaming and more broadly with e-commerce retailers such as Adidas.

Sustainability

- Record employee engagement score of 83%.
- Reduced carbon intensity by 12% and committed to net zero by 2040.

Bango vision:

The technology behind every payment choice

Bango purpose:

Putting people at the centre of e-commerce

Bango values:

Chair statement

In nuclear physics, a chain reaction can occur if a single nuclear reaction causes an average of one or more subsequent nuclear reactions, leading to a self-propagating series of reactions. Critical mass is the smallest amount of material needed for a sustained nuclear chain reaction — which depends on its structure, enrichment and surroundings.

The Bango Platform, following the acquisition of DOCOMO Digital, has now reached its own critical mass with its unique structure, financial strength, and its surrounding partners. Bango is unleashing explosive growth with rising energy, momentum and awesome power that is harnessed by merchants to grow their businesses faster.

$200B/year of digital services will flow though telcos in the coming year. Bango is expanding into this huge market opportunity as our unique technology and market position replaces legacy methods. Without Bango, the market is large but fragmented and inefficient. Hundreds of one-to-one integrations, with no easy way for consumers to get to grips with their multiple subscriptions.

The emergence of the Bango Platform as a global standard, and its innovative Digital Vending Machine, is catalyzing a new wave of efficiency and effectiveness for merchants, telcos and consumers. Adoption of Bango technology is accelerated by the increasing demand from consumers for greater choice and better value in online content and services. With leading telcos such as NTT DOCOMO, Verizon and LGI backing the Bango Platform, merchants offering these services have confidence in the Bango vision. As one of these said to me recently: "At last there is a standard model that the industry can rally around to drive the next wave of growth."

The flow of digital commerce enabled by Bango doubled over 2022 to a run rate of well over $8B/year. The power of a common platform means the additional revenue generated by this growing volume does not add extra cost, so revenue flows through to operating profit, providing Bango with increasing firepower to drive more growth.

Every new adoption of the Bango Platform adds value to those already on the Platform, so existing customers encourage more customers to join, as you can see from the glowing testimonials they give Bango (see p.10).

Bango proved that a Platform approach streamlines assimilation when we acquired US based BilltoMobile in 2016. Dozens of customers were seamlessly migrated to the Bango Platform within sixteen months, enabling the closure of legacy systems and software and delivering the expected synergies. Eight months into the process with the DOCOMO Digital acquisition, and with the added benefit of critical mass and market momentum, the team is on plan and synergies are flowing. This should give you confidence that Bango is in a strong position to drive further consolidation and able to add new capabilities into the Bango Platform as the chain reaction effect drives increasing market share.

Part of my role as Chair is to catalyze high level relationships with companies that are synergistic with Bango. In addition to developing our relationships with industry giants like NTT DOCOMO in Japan and NHN Corporation in Korea, we continue to innovate. Beyond the existing $200B digital services opportunity, the broader subscription economy is growing fast. There is nothing to prevent Bango expanding into this space in future, building on our success in digital.

New alliances include the use of the Bango Platform in the Metaverse through our activities with Digigooz (see p.33 for more detail).

The importance of Bango is not just shown by its financial metrics. In the coming year, you will see the increasing adoption of Bango Platform to deliver the Digital Vending Machine model across the industry and the increasing adoption of the privacy safe Bango model for Purchase Behavior Targeting. I look forward to working with the Board as Bango progresses through this significant value inflection point.

Ray Anderson
Executive Chair

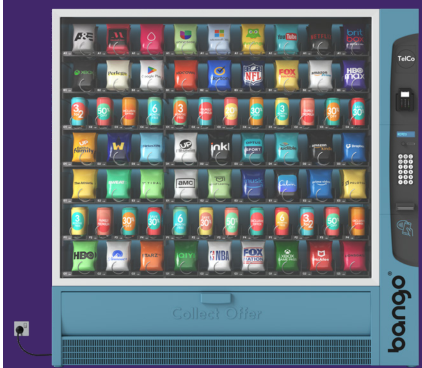
Group overview

Bango puts people at the center of commerce, providing frictionless ways for customers to find and purchase goods and services online. By providing the technology that enables merchants to acquire more online customers who 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 and AI, Bango generates insights from this data that boost the effectiveness of online marketing. In addition to increased marketing returns for merchants, this powerful technology improves the online experience for consumers, ensuring they are only shown the most relevant and useful advertisements.

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

Bango has 3 core products and monetization methods (see page 11 for revenue model).



The Digital Vending Machine

The Bango 'Digital Vending Machine' is deployed by resellers (e.g. telcos, utilities and retailers) that want to attract and engage more customers by bundling third-party subscriptions with their first-party services. Resellers have a trusted billing relationship with millions of subscribers, a key benefit to merchants looking for new customers, and merchants have exciting content that helps those resellers differentiate their services.

Market leaders, including Liberty Global, Verizon and BT, use the Bango Digital Vending Machine to create, launch and manage dozens of subscriptions including Netflix, HBO, Amazon Prime, Microsoft 365 & Xbox Game Pass, Duolingo, Calm, Peleton, McAfee and other subscription services for their customers.

Transactional Payments

Bango Payments enables online stores and individual merchants to reach and collect money from billions of users across the globe using alternative payment methods. Merchants offer digital and physical goods, on a one-off and subscription basis.

The world's leading online businesses, including Amazon, Google, and Microsoft, use Bango technology to offer their customers alternative ways to pay, including direct carrier billing, a mobile wallet or another recurring bill, such as a subscription service. This allows them to deliver a quick, easy and frictionless payment experience to millions of users online.

Bango Audiences

Bango Audiences enable online marketing teams to find new paying users through unique Bango Purchase Behavior Targeting. 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 metrics like demographics, what people search for (e.g. Google) or what they 'like' (e.g. Facebook).

Used in marketing campaigns on Facebook, TikTok, SnapChat and other digital marketing platforms, Bango Audiences allow marketers to target their digital advertising campaigns directly at users who can and do pay, enabling faster revenue generation and a greater return on their ad spend. App developers, content companies and consumer brands achieve better performance across all areas of the marketing funnel, acquiring new, paying customers.

All three components of the Bango business are highly synergistic and revolve around one common platform. 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.

Market trends - payments

The telco services market is valued at $1.8 trillion and set to reach $2.4 trillion by 2027[1]. With nearly two thirds of the world's population connected to the internet, telco providers connect an estimated 5 billion people across the planet.

Meanwhile, one in every four dollars spent is by people buying online. Collectively, that creates a global e-commerce market generating $5.2 trillion dollars in sales[2], growing at around 23% every year.

Bango sits at the centre of these two huge areas of commerce. Our technology brings online merchants and telcos together, enabling merchants to leverage the enormous reach and billing capacity of the global telecommunications industry.

Online payment methods such as telco or carrier billing (DCB) and mobile wallets are increasingly used by consumers who like the convenience and control they provide.

Consumers charge online goods and services to their phone bills instead of using a credit card or digital wallet to buy in a single click. DCB is a large and growing market. Globally, DCB for digital content, commerce and services is forecast to grow from $60B in 2022 to more than $94B in 2026[3]. The digital games industry is the largest source of revenue for DCB, representing 51% of the total. It continues to grow but is being outpaced by video and other categories. Global DCB revenue from the games industry is set to grow by 24% from $30.7B in 2022 to $38B in 2026. This compares to DCB revenue from the video industry which will grow a massive 49% in the same time period from $14.3B to $21.3B.

Global DCB Spend $B	2022	2023	2024	2025	2026
Games	$30.7	$32.2	$33.9	£35.8	$38.0
Video	$14.3	$15.9	$17.6	$19.4	$21.3
Music	$4.3	$4.9	$5.5	$6.2	$7.0
Lifestyle	$3.2	$3.6	$4.2	$4.8	$2.4
ePublishing	$1.9	$2.1	$2.2	$2.4	$2.7
Total	$54.5	$58.7	$63.4	$68.5	$74.5

Source: 3

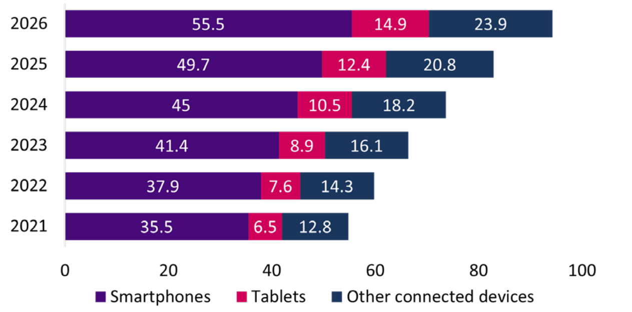
Telcos provide both distribution and billing services to the publishers of online video subscriptions, as well as other media entertainment services. This drives DCB growth in two ways. For example, if a telco bundles Amazon Prime, the subscription is charged to the customer's mobile bill. Then, if that customer wants to buy an additional film, not included with the basic Prime Video offer, they can charge this straight to their mobile phone bill too.

Share of Global DCB Turnover	2022	2023	2024	2025	2026
Physical Assets	6.1%	7.5%	9.2%	11.6%	14.3%
Ticketing	2.9%	3.8%	4.6%	5.3%	6.1%

Source: 3

In addition to digital content, sectors like physical goods & ticketing are driving further growth in DCB. Generating $3.6B of DCB spend in 2022, these sectors are expected to reach $13.5B in 2026, representing more than 14% of the DCB market.

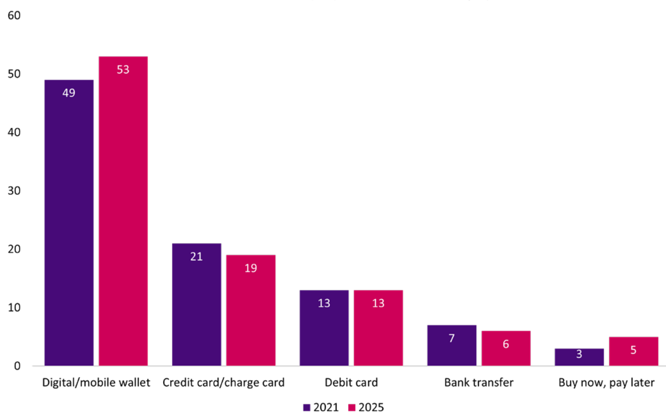
DCB turnover by device ($B)



Source: 3

The use of DCB now goes beyond mobile phones. Increasingly consumers are charging goods and services to their home broadband and phone bills from tablets, games consoles and other connected devices. In 2021, $12.8B (one third) of DCB spend was made from devices other than a mobile phone or tablet and is set to increase 87% to $23.9B by 2026.

Global e-com payment methods (%)

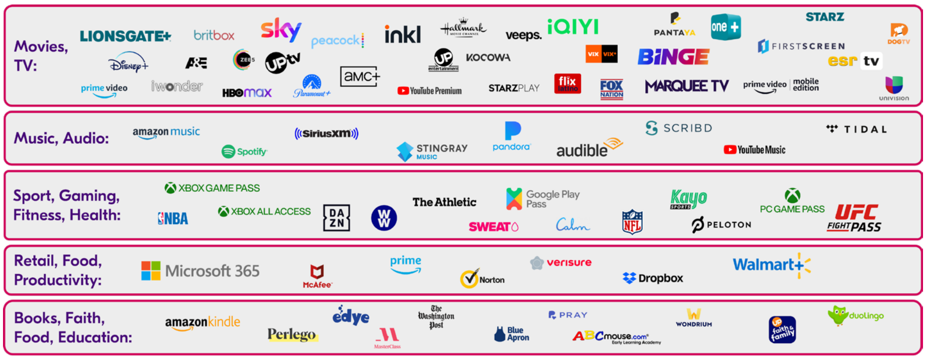


Source: 4

Much like DCB, digital wallets offer a simple and convenient customer experience and greater flexibility in underlying payment methods. Digital wallets represented 49% of e-commerce transaction value globally in 2021 and are projected to rise to 53% of transaction value in 2025. By comparison, credit cards are set to represent just 19% of transaction values by 2025.

1 https://hydeparkcapital.com/wp-content/uploads/2023/02/HPC-Telecom-Services-Market-Insights-Q1-2023.pdf
2 https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/
3 https://www.telecoming.com/wp-content/uploads/2022/06/PAPER-DCB-2022-EN.pdf
4 https://www.fisglobal.com/en/global-payments-report?

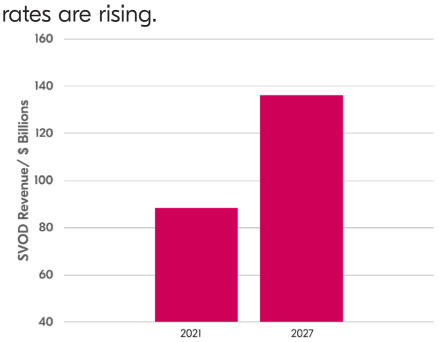
Market trends - DVM



The Bango Digital Vending Machine (DVM) solves a key and growing problem in the market, a problem that affects the telecommunications industry, the media and entertainment businesses who are increasingly reliant on subscriptions to monetize their content, and consumers who are switching more of their spending online and subscribing to an increasing number of services each year. The problem is - *how do we put subscribers at the center of the thriving subscription economy?*

Telcos struggle to differentiate. They are suffering from lack of consumer stickiness and are searching for ways to better attract and retain consumers. With a third of 4G users in the USA stating that they are likely to change carrier in the next 12 months, telcos need to find new ways to keep hold of customer attention[1].

Subscription service providers, especially in the TV & Movies sector are suffering from crowding in their markets. Subscription video on demand (SVOD) revenue is growing quickly, set to reach $137B by 2027[2]. But, for individual SVOD services, churn rates are rising.



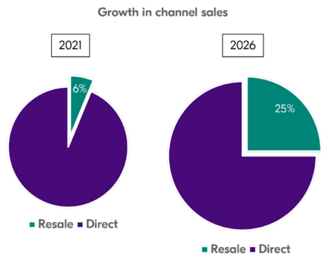
Consumer budgets are under pressure. With an increasing number of services previously bought as single payment purchases now being offered as subscriptions, there are more subscription services on offer than ever before and consumers are becoming overwhelmed. This means, acquiring new customers, as well as keeping the ones you've got, is harder than ever before.

It's not just movies and films but music, gaming, fitness, lifestyle, productivity, e-commerce, food, education and more.

In a recent Bango study, 72% of US consumers surveyed said there were 'too many subscription services'. However, when we drilled down into the reasons why consumers felt this way, it became clear that the fragmented nature of managing so many services was the primary pain point with a massive 78% saying they want to manage all their subscriptions in one place. Coupled with this, merchants are facing increasing regulatory pressure to ensure consumers have easy ways to view and manage their subscription services, meaning there is demand for a solution from all sides.

By bringing telcos and merchants with subscription services together, Bango is solving a key problem in the market. The Bango Digital Vending Machine provides a way for merchants to leverage the trusted billing relationship and ready marketing channel telcos have with consumers. It provides telcos a way to differentiate their services, attracting and retaining more customers by bundling exciting new content and it simplifies the headache of managing multiple subscription services for consumers. In fact, despite the 72% who said there were too many subscription services, 62% of those surveyed said they would sign up to more subscription services if they came as one centrally managed package.

Currently, c.6% of SVOD services are activated via a reseller like a telco rather than directly with the SVOD provider (the media company). This indirect sign-up to subscriptions is forecast to increase to 25% by 2027. This route to market is becoming a key driver of growth for SVOD services, with Bango positioned strongly to provide the technology that enables this fast growth market.



Source: Omdia,

At the same time that consumers are finding subscription services through their telco provider or other indirect channel, they are also demanding more flexibility with subscription services. 56% of US consumers surveyed want to be able to toggle subscriptions on and off, while a further 46% feel frustrated they can't temporarily pause subscriptions. These are features built into the Bango Digital Vending Machine which can be offered by our telco customers. Telcos like EE in the UK are already offering the ability to switch smart benefit on a monthly basis. The subscriber-centric subscription economy is a trend set to grow.

Super bundling — the business of bringing together and offering a variety of subscriptions from a wide range of content providers - is on the rise. In Australia, Optus SubHub already brings together everything from Netflix, to Prime, to Paramount, to Calm, and even Kindle.

In the US, Verizon's +play is also unlocking a similar subscriber-centric approach. Built using the Bango Digital Vending Machine, +play allows customers to manage their favorite subscriptions in one place, and to take advantage of offers like one year of Netflix Premium for customers who bundle with another service. Bango worked with Verizon to develop its +play platform using our unique network of over 80 streaming services and subscription apps. Verizon customers can now enjoy a sophisticated way to discover, shop, save on and manage subscriptions through +play.

***Find the full Bango survey data here:**

1 https://business.yougov.com/content/43854-how-likely-are-americans-switch-phone-carrier

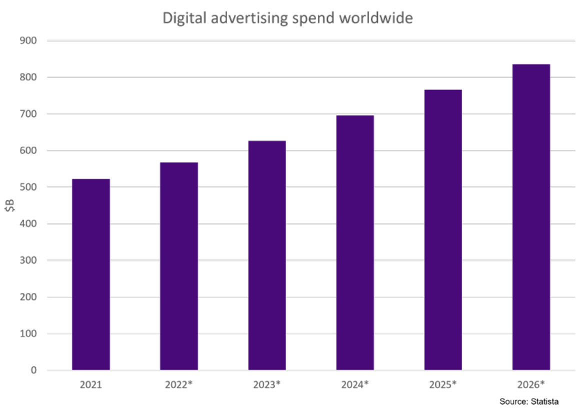
2 https://www.statista.com/outlook/dmo/digital-media/video-on-demand/video-streaming-svod/worldwide#revenue

Market trends - advertising

Value of payment data

Businesses spend an estimated $600B a year on digital advertising. The majority of this spend goes to paid search ads and paid ads on popular social media platforms. These platforms help advertisers target their ads at prospective customers by using search and social "indicators" - patterns of usage that suggest what kind of user each of us is.

What these platforms lack is any reliable data insight into what we actually spend our money on, irrespective of who we are. Without this data, search and social ad targeting is largely guesswork. E-commerce platforms do know what we decide to spend our money on and can therefore provide marketers with ad targeting directed at people who pay for specific types of products and services. This ability to link advertising with a customer's propensity to buy is why Amazon is the fastest growing purchase-related advertising platform in the USA. Consequently, advertisers are choosing to spend more budget on platforms where purchase behavior targeting is possible — ad spending by merchants contributed 9% to Amazon revenues last year[1]. Purchase behavior targeting is big business.



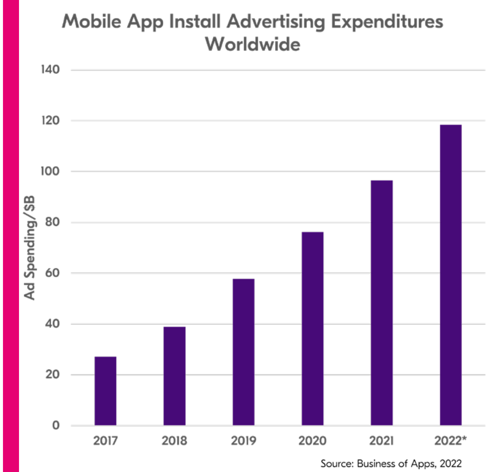
Outside of the e-commerce marketplaces like Amazon and Shopify, Bango provides purchase insights that can be used by marketers to target digital ads at users, particularly on social platforms. These Bango Audiences connect advertising on Google, Facebook, TikTok and Instagram to people most likely to pay for the advertisers' product.

*forecasted

1 https://ir.aboutamazon.com/news-release/news-release-details/2022/Amazon.com-Announces-Third-Quarter-Results/

Return on ad spend drives developer marketing:

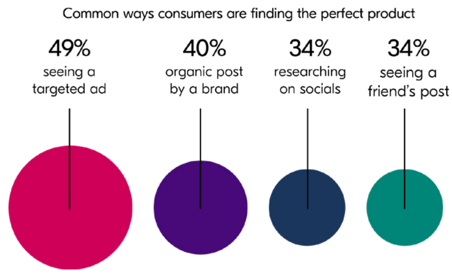
In the world of digital content, consumers spend c. $160B in app stores. A significant proportion of this revenue is reinvested by content publishers and developers into acquiring new customers. An estimated $119B was spent on ads to drive the download and installation of apps in 2022, compared to approximately $30B in 2017.



The key performance marketing measurement for an app publisher or streaming content provider is the revenue earned that can be attributed to that ad campaign, divided by the amount of money spent on the campaign. This measure — return on ad spend — drives decisions about where to direct digital advertising budgets.

It is not just app developers that are interested in consumers' "purchase intent". All marketers want to understand how to turn browsers into buyers. Many of the signals collected and interpreted by marketers to signify purchase intent are indirect indicators — circumstantial evidence, often based on demographic stereotypes. The hard indicator is purchase evidence. How we choose to spend our money is the most powerful signal for any advertiser.

This increase in ad spend drives revenue for Bango Audiences but also drives growth in paying customer numbers for app developers. More paying customers generates increasing app store spend, which drives more end user spend and revenue for Bango Payments.



Who Bango works with

Google amazon Microsoft verizon

BT LIBERTY GLOBAL T Mobile airtel

Televisa Univision NTT docomo Benefit one Hutchison Telecom

Telefónica shopify duolingo tinder

McAfee RAZER adidas Hard Rock

product madness An Aristocrat Company HUUUGE NEXON eToro

Case studies

Karen Langley, VP Digital Strategy & Architecture, Liberty Global

Our future digital journey means we want to sell our core products anywhere, any time and to anyone. But every competitor is doing that at the moment, so we need to do other things. The key component will be to sell beyond our base, and we have to move at speed because everybody else is moving at speed.

The future is personalized orchestration of services. What does one specific customer want vs another? Can we be flexible about what we offer customers. Choice, coupled with trust and identity, gives us a great relationship with customers and ultimately drives higher ARPU (average revenue per user). We have a unique position with our customers and we know how valuable the personalized value proposition and the flexibility that Bango brings us is.

Bango delivered in ten weeks and, for us, it's been amazing. Bango APIs - I'm loving them. They are the best things ever. We have such complex I.T systems at the moment. We service our six or seven carriers in a central location through to the rest of the European outfits we use. Bango connects to us once and we use them to serve on a omni-channel basis. We want to make sure that consumers can access any of these services via any medium.

Bango makes it seamless. For me it's been excellent. The most important thing for us is the collaboration. Bango are not a vendor for me, they are absolutely my partner, so I'm really, really pleased.

Tom Tahara, General Manager for Digital Reward Services

We believe that it is important for merchants to have an industry standard way to connect to the world of payments. In other words, one platform that can meet their needs. We decided the best vehicle for such an industry standard would be an independent, high growth business that can serve every merchant and work with every telco and payment provider.

Our goal (when divesting Docomo Digital) was to find a partner with a sophisticated, highly scalable platform technology that we could support to grow this business for our customers across the world. From NTT DOCOMO's perspective, there were three important requirements for this platform.

1. It should abstract the complexities of activating and offering different payment methods. This allows merchants to quickly launch in multiple markets.

2. Connection to the platform should be offered through a standard set of APIs. This makes it technically simple for merchants to connect, avoiding a "high maintenance" integration process.

3. Every merchant and bill provider should benefit from the full feature set. This allows everyone to benefit from any new features added to the platform.

In our analysis, Bango is the best implementation of a true platform for payments that provides all of these benefits. Bango brings down costs, reduces time to market and eliminates complexity. It provides the functionality and scalability that helps merchants acquire more paying users.

For NTT DOCOMO and our legacy Docomo Digital customers, this is the best market strategy to help them and us grow our businesses and access an increasing share of the $5 trillion online consumer spending market.

Stefana Pesko, UA Team Lead, Product Madness

Bango has been amazing, looking into data, helping us to target segments of Audiences which are not necessarily in our vertical. After three or four months of working together, it is quite a refined process now, we target very specifically and Bango helps us with that a lot.

I was very surprised at how easy it is to use Audiences. When you work with partners, you usually pass massive datasets of hashed IDs between yourselves and your data scientist and it takes a really long time to load those audiences in. With Bango and their API connection with Facebook, you request an Audience, it takes a day or two to create that Audience and it passes directly onto your account. You use the Audience and whenever you are finished with it, it is withdrawn.

Not only that, but that Bango team we work with is very knowledgeable. They look at the data, which has been an amazing experience as not all of your partners necessarily look at your data as closely. They offer amazing insights, the turnaround is super quick.

Overall, I am very happy with my personal experience of Bango.

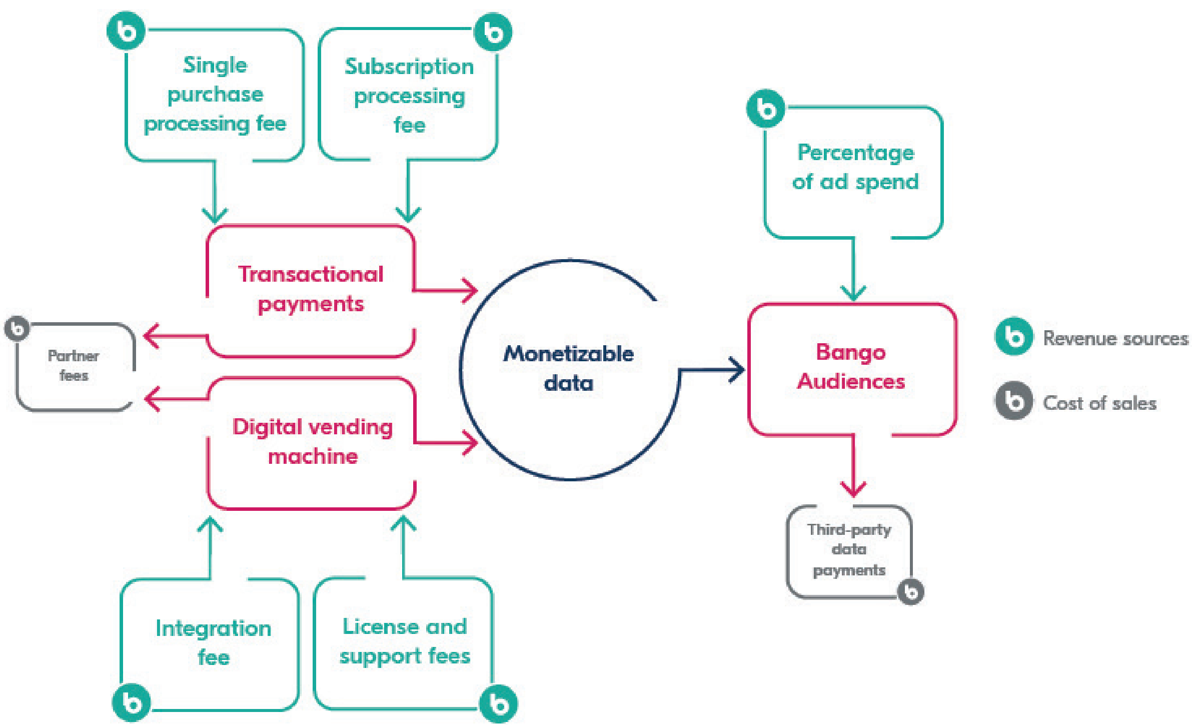
Revenue model

Bango technology is monetized through three product revenue streams. Customers often launch with one Bango product and then add further products to acquire more paying customers.

Transactional Payments – The merchant or payment provider (telcos, wallets, utilities) 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 fees of between <0.5 to 3% of the value of the End User Spend.

The Digital Vending Machine – The payment partner (for example; a telco) pays an upfront fee for Bango to provide the integration blueprint to the Digital Vending Machine. Once the service goes live, there are recurring SaaS fees which scale proportionally with the number of subscription entitlements managed (one entitlement equals one unique subscription service). In addition, there is a recurring support/maintenance fee which is calculated as a % of the license fee.

Bango Audiences – Bango Audience customers (app developers, online retailers etc.) pay between 7-10% of their ad campaign spend, subject to a minimum monthly fee, to use Bango Audiences in their digital ad campaigns. For this fee, Audience customers can use as many Audiences as they wish during the course of their campaign.



Third-party data payments - A portion of Bango Audiences revenue is shared back with the data owner, usually a mobile operator. This is charged as a cost of sales and is typically between 10-25%.

Every Bango customer contributes revenue to Bango. The revenue model means that in each area of the Bango business, revenue grows as customers' businesses grow, as well as by winning new customers.

Strategy for growth

Bango operates in large and fast-growing markets that benefit from the increasing digitization in consumers' lives across the world (see market trends p. 6 - 8). The Bango growth strategy is focused on creating technology standards in our markets which bring unique advantages to the digital services ecosystem, boosting customer success, increasing Bango market share and driving organic growth.

To maintain high rates of growth, Bango focuses on:

- Onboarding new Digital Vending Machine customers (e.g. telcos) which increases annual recurring revenue (ARR).
- Bringing more digital subscription merchants onto the Bango Platform.
- Winning more payment relationships to build end user spend (EUS) and generate Audience data.
- Growing the number of customers using Bango Audiences and increasing their spend
- Investing in R&D to develop Bango technology, and in people to support, sell and market products
- Establishing partnerships to market and sell the propositions.

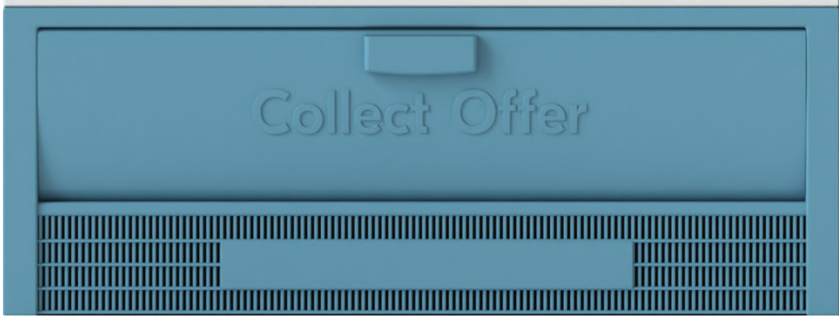
The Digital Vending Machine

Increasingly, telcos (as well as other 'utility' service companies) are using the appeal of entertainment and lifestyle services to attract and retain customers. Previously, one or two subscription services were offered, but a growing number of telcos are focusing on meeting consumer demand for more subscription services and becoming the single platform to help consumers manage those subscriptions.

The Bango 'Digital Vending Machine' (DVM) enables the world's leading telcos - including Verizon, T-Mobile, BT & Liberty Global - to offer their customers dozens of subscription services bundled with their own first-party services. These global leaders power growth for Bango by moving the market in the direction of 'super bundling' and by positioning Bango technology as the de facto standard for powering this business. In addition, these telcos act as a 'merchant magnet', bringing additional merchant relationships to the Bango Platform. Once a merchant is integrated to the DVM, any telco connected to Bango can then offer these services to their own customers, driving additional growth.

Growth in this business is generated by onboarding new DVM customers and by existing customers moving up through the license fee tiers. Each time a consumer subscribes to a service through a Bango DVM powered offer, this uses up one entitlement. In this way, a single consumer subscribing to many services through the DVM will use up multiple entitlements.

Using unique data insights generated by the Bango Platform, Bango helps DVM customers acquire new subscribers more quickly, scaling them through the entitlement tiers faster. For example, knowing a consumer spends money in a basketball game, means they are a good target for an NBA subscription offer; knowing a consumer already has Netflix, Disney & HBO Max indicates that offering them a music streaming service rather than another TV/Movies service is more likely to be successful.



Strategy for growth

Transactional Payments

Alternative payment methods, including direct carrier billing (DCB), wallets and subscription bundling, are growing in popularity globally, which brings new paying users to the Bango Platform. Additionally, underlying market growth causes an "organic" increase in the end user spend processed.

Adding new payment routes and new payment methods helps our merchant customers acquire more paying users.

Onboarding new merchants gives payment partners more services to monetize. Existing Bango customers also launch additional services that drive greater consumer spending through the Bango Platform.

Uniquely, by applying data insights, Bango helps customers acquire more paying users and grow end user spend, which drives up the volume of payments processed.

Bango Audiences

Growth in the Digital Vending Machine and Bango Payments brings more end user spend and more payment data to monetize via Bango Audiences.

Bringing in external data, such as credit card data, expands the pool of data available to create Bango Audiences.

Expanding sales and marketing efforts to verticals outside of gaming, such as fitness, financial trading and broader e-commerce, increases the available market opportunity.

Onboarding new social media platforms allows marketing teams to use Bango Audiences via multiple social media tools. Expanding the platforms marketers can use Bango Audiences through means capturing more of each customer's advertising campaign budget.

Using the data collected from launched Bango Audience campaigns, Bango optimizes the performance of new Audiences and future campaigns. This means generating more payers for customers, driving demand for Bango Audiences. More payers also means higher transaction volumes for Bango Payments.

Increasingly merchants in the Digital Vending Machine are using Bango Audiences to find new subscribers for their services. In addition to generating Bango Audiences revenue, it increases the subscription license fees paid by the operator of the vending machine.

M&A

In 2022, Bango generated additional growth via the acquisition of Docomo Digital. The deal brought Bango an additional $3.5B of EUS data, solidified our position as the number on telco integrator with global leaders like Amazon and Google and brought over 100 new merchant and telco customers to the Bango Platform. The deal was completely aligned with the Bango growth strategy. See p.17 for more detail on how the acquisition accelerated Bango growth by over 2 years.

Bango Virtuous Circle Strategy

Marketing that generates more purchase activity produces more data insights, which continuously improves marketing effectiveness

Bango Audiences — utilizing payment data to create a marketing tool that makes us indispensable to online merchants

Bango Payments — driving transaction volumes through the platform generating masses of data.

Digital Vending Machine — a new way to acquire subscribers, connecting multiple subscriptions to one consumer bill

The more payment data Bango processes, the more effective and valuable Audiences becomes.

bango® Awards

BUSINESS WEEKLY AWARDS
Winner
'Quoted Company of The Year'
bango®

bango®
WINNER of the **Diversity Champion** award
AIM Awards / 2022
#AIMAwards2022
aim-awards.co.uk

ECOMMERCE AWARDS 2022
WINNER

SALES AND MARKETING
"THE SAMMY"
TECHNOLOGY AWARD
2022

EFFECTIVE MOBILE MARKETING AWARDS 2022
FINALIST

bango®
Shortlisted
UKtech awards 2022
tech innovation of the year award

bango®
Shortlisted
UKtech awards 2022
tech growth business of the year award

UK-JAPAN PARTNERSHIP
BRITISH BUSINESS AWARDS 2022
SHORTLISTED

app growth awards 2022
apps
Shortlisted
User Acquisition Company

PMW awards UK
Performance Marketing World
Ad Tech Innovation
Bango Audiences
bango audiences
PMW awards UK
shortlisted 2022

bango®
Shortlisted for the **Best Investor Communication** award
AIM Awards / 2022
#AIMAwards2022
aim-awards.co.uk

CEO statement

Introduction

2022 was a transformative year for Bango.

1. The traction with the Digital Vending Machine increased 5x over the year. This technology enables telcos to make life easier for all of us by creating a single portal to manage subscriptions.
2. The acquisition of DOCOMO Digital and the signing of a new, long term strategic agreement with NTT DOCOMO solidified our position as a leader in payments, accelerating the Bango strategy by over two years and supporting our medium-term goal of moving towards hundreds of millions of dollars of revenue.
3. Bango Audiences, implementing unique Purchase Behavior Targeting ("PBT") technology, expanded its customer base beyond App Developers targeting new paying users, to major brands such as Adidas who are focused on the early identification of prospective customers higher up the marketing funnel.

I have always believed in the momentum of Bango. In Physics, momentum is velocity multiplied by mass. Bango has always had the velocity; moving quickly to capture new markets with technologies such as Purchase Behavior Targeting and solutions like the Digital Vending Machine. What 2022 brought was a substantial increase in mass; a doubling in scale with an EUS run rate ending 2022 of $8.6B/year. This serves only to compound our momentum, accelerating Bango growth.

This momentum delivered 38% revenue growth in a year where a strong dollar reduced the financial benefit from contracts in Euros and Japanese Yen and inflation & interest rates soared bringing a cost-of-living crisis at a level not seen for a generation. The momentum of Bango makes these major events minor bumps in the road rather than barriers or obstacles.

Bango progress is evident not only in the financial statements and major customer wins but in the recognition from across the industry. Awards such as "Diversity Champion" at the AIM Awards and "Quoted Company of the Year" at the Business Weekly Awards, in addition to numerous product awards, provide acknowledgement that Bango is an exceptional business; a point further reinforced by our annual employee engagement score which increased yet again to 83%.

Digital Vending Machine

How many subscriptions do you pay for? A recent Bango survey revealed that 78% of consumers want a single place to manage their subscriptions with most voting for their telco, broadband or PayTV provider to offer this service (for more detail see p.7). This is the problem the Bango Digital Vending Machine solves.

The Digital Vending Machine is the Bango Platform connecting multiple subscriptions to one consumer bill, for example, a telco bill, in a single online experience. The telco chooses which subscription products to stock the Digital Vending Machine with, and provides a way to pay, but it is the Bango Platform that 'dispenses' those subscriptions.

The Digital Vending Machine has created a recurring revenue stream for Bango. The telco providers pay a setup fee and then a monthly or quarterly license fee that scales with the number of subscriptions being managed. More users and more subscriptions per user moves telcos into the next license tier increasing Bango recurring revenue.

The world's largest telcos and merchants rely on Bango to drive their growth. In 2022, as a direct result of the Digital Vending Machine telco wins, 44 merchants joined the Bango Platform. This momentum puts clear distance between us and the nearest competitor in terms of connected merchants. Each new merchant makes the Bango proposition even more compelling to prospective customers. The addition of the "Global Technology Leader" back in June 2022 added the one missing logo to the list of mega merchants in the Digital Vending Machine.

The power of the merchants connected to the Bango Platform along with the rich feature set have led to some of the world's largest telcos including BT, Verizon, T-Mobile US, Optus Australia and Liberty Global adopting the Digital Vending Machine. Bango is rapidly becoming the de facto standard.

Payments & DOCOMO Digital Acquisition

The Bango Payments business allows global merchants to find new customers through alternative payment methods — simply put, this is anything other than credit cards, including both wallets and carrier billing. This business is built on the same Bango Platform that powers the Digital Vending Machine and Bango Audiences. Bango charges a percentage of the retail price to process the payment transaction. The organic growth of this business, coupled with the leverage in the Platform, has allowed us to generate profits and cash that we have chosen to invest in new growth areas such as the Digital Vending Machine and Bango Audiences. During 2022 the business continued to grow and the "Global Technology Leader" win announced back in June added another leading app store to the list of large global merchants using the Bango Platform.

In August, the strategic value of the Bango Platform was further evidenced when NTT DOCOMO (the world's largest carrier billing operator) selected Bango as the acquirer of DOCOMO Digital and simultaneously signed a multi-year strategic agreement that positions Bango as the platform to connect global merchants into Japan. This acquisition brought new operators such as Telefonica, Three and Millicom to Bango for the first time. It also solidified our position with existing operators such as Vodafone. The same story is reflected on the merchant side, Bango and DOCOMO Digital were, together, number 1 & 2 for both Google Play and Amazon integrations — when you combine the number 1 & 2 in any business, a clear leader emerges.

The acquisition accelerated our growth by over two years. It brought additional data to monetize in Bango Audiences, along with more merchants and operators for the Digital Vending Machine, adding further momentum to the Bango virtuous circle. On announcing the acquisition, we were very clear that in 2024 it would bring $16M of revenue and $10M of EBITDA. To get to this we must realize $21M of synergies by combining the companies and migrating all the routes to the Bango Platform. In the first four months we executed over half of the targeted savings. More work is needed but, although time consuming, it is neither difficult nor complex. The hard steps are behind us and we are executing to plan.

Bango Audiences

Payment data from the Bango Platform, along with third party data sources (such as credit card processors), are combined using unique Bango Purchase Behavior Targeting (PBT) technology to create Audiences of users, which allow marketers to target their marketing campaigns at consumers who have actually paid for similar products previously. Bango Audiences are much more effective (2-9x) than relying on soft

CEO statement

indicators such as "searched for" or "like" data provided by platforms such as Google and Facebook.

2022 was certainly not a dull year for marketers; the aftershocks of Apple's IDFA privacy changes, along with Facebook pricing and a certain degree of chaos at Twitter, created lots of uncertainty. One thing is certain however; as the dust settled, the value of Bango Audiences and PBT became even clearer.

PBT is a new concept to many marketing teams. In previous years, our own marketing campaigns have focused on raising awareness about the value this technology brings to ad targeting. In 2022, amid the turmoil, the industry started to see the benefits of Bango technology for itself as Bango won both the "Most Effective User Acquisition Company" at the Mobile Marketing Awards and the Sales & Marketing Technology Award 'The Sammy' for Ad Technology Product of the Year.

In 2022, we added support for Snapchat to the Bango Audiences product and, for the first time, attracted brands such as Adidas, who used Bango Audiences both at the bottom of the marketing funnel to drive the conversion of paying users and higher up the funnel in their brand awareness campaigns to find more interested and engaged customers.

2022 also saw the beginnings of Digital Vending Machine merchants becoming Bango Audience customers as they look to find new users for their subscription services.

Outlook

The Digital Vending Machine is our number one priority for 2023. We will invest to reduce sales cycles and deployment times, speeding-up the start of license revenue. Investments will include adding new features to the product and "pre-stocking" the vending machine with subscriptions using the Bango e-distribution ("e-Disti") model. The e-Disti model standardizes the technical and commercial model for selling digital subscriptions through channel partners. Bango acts as the merchant, supplying subscription services directly into the vending machine. The e-Disti model provides a faster launch of services and has already been successful with merchants such as Microsoft and McAfee.

We had previously stated our expectation was for $7M of ARR by the end of 2023. Given the progress so far and ongoing traction we now expect to reach $10M by 31 December 2023 (double that reported for December 2022).

Bango Audiences will focus on growing its share of the largest app developers' ad spend and expanding into brand marketing higher up the funnel. And, by using Bango Audiences to help Digital Vending Machine merchants target new customers, we not only generate revenue from the use of Bango Audiences but create more subscriptions to drive up ARR.

Inside Bango, our objectives for 2023 are grouped in to three categories:

Growth — Accelerating our growth

Simplify — The team, processes and tools to deliver growth with increased profitability

Sizzle — Making Bango THE winner - the company everyone wants to work with or at

The growth will be evident both in the announcements of new customers as well as in the financials. The simplification of the business will be evident in the EBTIDA as the cost synergies from the DOCOMO Digital Acquisition drop to the bottom line. The sizzle comes from the accelerating momentum of the Platform. The intersection of consumer subscription services delivered through a channel (e.g. a telco) is one where a single platform such as Bango will dominate.

We are excited by the opportunity as we enter the next stage of our growth journey, our 2023 results will demonstrate progress on our growth and simplify objectives, as for sizzle, ultimately, you will need to judge that for yourself — the Bango team certainly feels it.

Paul Larbey
Chief Executive Officer

Acquisition of DOCOMO Digital

Acquiring DOCOMO Digital, the global payments business of NTT DOCOMO, was a transformational deal for Bango, increasing scale, accelerating growth by more than two years, removing a significant competitor, and solidifying our leading position in the market. The financials are compelling - an expected $16M revenue from 2023 and $10M EBITDA increase in 2024, all without accounting for revenue synergies which are already starting to materialize.

Background:

On 29 August 2022, Bango completed the acquisition of DOCOMO Digital, the global payments business of NTT DOCOMO, Japan's largest telco and the world's largest provider of direct carrier billing. At the same time Bango signed a long-term strategic agreement with NTT DOCOMO, with Bango appointed as NTT DOCOMO's integrator for all global merchants into Japan. NTT DOCOMO has many years' experience working with Bango to facilitate the charging of physical goods to NTT DOCOMO customers' bills when purchasing from Amazon. The acquisition and long-term strategic partnership are a strong endorsement of the Bango Platform by the largest telco in the largest carrier billing market in the world.

NTT DOCOMO needed a long term, strategic partner who would be able to best serve its carrier billing requirements enabling billions of dollars of end user spend (EUS). After a competitive process, NTT DOCOMO decided the Bango Platform was best built to serve its needs and the needs of the broader market (see p.10 for more detail).

What the deal brings to Bango:

The acquisition is additive to all areas of the business. It is fully aligned with the Bango virtuous circle strategy and immediately added significant scale. It brings an additional $3.5B of EUS to the Platform, beneficial to the Payments business, as well as providing additional data for Bango Audiences to monetize.

The acquisition removed a competitor from the market and brings key new telco and merchant customers including Telefonica, Hutchison Group, Sony, Jetstar & Paramount+. It also deepens relationships with many existing customers. Bango and DOCOMO Digital were the number one and number two integrators for Amazon and Google, making Bango now the clear leader, by a sizeable margin.

Alongside customers, the talent acquired from DOCOMO Digital is highly complementary, with staff across the business bringing valuable skills and expertise to Bango, accelerating Bango growth by speeding up the recruitment process and fulfilling the need for additional resource in key operational functions.

Once the integration is complete, the deal will add significant financial benefit to Bango, forecasted to provide $16M/year revenue from 2023 and $10M EBITDA by 2024.

Ultimately, acquiring DOCOMO Digital accelerates Bango growth by more than two years, significantly enhances the scale of the business and solidifies Bango's leadership position.

DOCOMO DIGITAL

Docomo Digital, the Global Payments Business of NTT DOCOMO, was acquired by Bango PLC in August 2022

EUS....................$3.5B
Revenue....................$16M
Operators....................30
Merchants....................60
Cost synergies....................$21M
Growth acceleration....................>2 years
EBITDA +VE....................2023
$10M EBITDA.................... 2024

Integration:

After completing the acquisition, immediate action was taken to move all Sales & Marketing activity under the Bango brand and ensure colleagues across the business understood the strategic rationale for the acquisition, what we can achieve as a combined entity and the additional benefits Bango brings to all customers.

Bango identified $21M of cost synergies to be realized during the integration process. Of this, $11M were already executed by the end of 2022. The remaining synergies will be largely achieved as the DOCOMO Digital routes are migrated to the Bango Platform. Once migrated, those routes will transact at the usual Bango 99%+ margin.

Bango has highly applicable experience successfully migrating payment routes.

Examples include:

- Migrating all of Verizon's DCB business following the acquisition of Bill to Mobile in 2016
- Migrating routes for Amazon from a competitor in 2021
- Migrating a DOCOMO Digital customer to the Bango Platform also in 2021.

The fact that so many DOCOMO Digital customers are already connected to the Bango Platform further simplifies the migration which will complete in early 2024.

Technology & innovation

The Digital Vending Machine

The Bango Digital Vending Machine (DVM) keeps consumers engaged and maximizes the performance of super bundling services for telcos and other subscription resellers. It removes the pain that content providers would otherwise face if they had to integrate with multiple different interfaces and service models.

The Bango Platform enables customers to innovate, offering multi-product discounts and incentives that suit their millions of consumers and and they take Bango technology into new market sectors, most recently employee benefits programs.

In the past 12 months, Bango has developed and delivered enhanced reporting and automated reconciliation, as well as offer management and asset select technology.

Enhanced reporting and automated reconciliation gives DVM customers deeper visibility into their performance and helps them identify new areas for growth. With increased pressure on consumer spending, the value of this technology to reduce churn and increase customer acquisition rates is increasing.

Bango Offer Management technology allows resellers to customize offers to the specific interests and purchase behavior of customers. They can push the right offers and bundles to their customers, at the right time, optimized to achieve maximum conversion. For example, a consumer with three video subscriptions, might be more likely to take up a new music subscription than they would another video subscription. This flexibility improves customer acquisition and average revenue per user (ARPU) and, as a result, Bango revenue grows.

Bango Asset Select is an API based system that enables DVM customers to respond rapidly to market events. An unexpected hit TV show, a home nation sports team progressing further than expected, or a mid-year fitness trend ignite the need for near-instant offers with bespoke marketing imagery to capitalize on these opportunities. One simple API call to Bango Asset Select, with information about the user for any of the target content, for any campaigns and communication channel, is sufficient to deliver the optimum campaign collateral at the right time and removes the errors that occur with legacy methods. Unique Bango knowledge of the end consumer, beyond that known by any individual merchant supports personalization of the assets provided to that user.

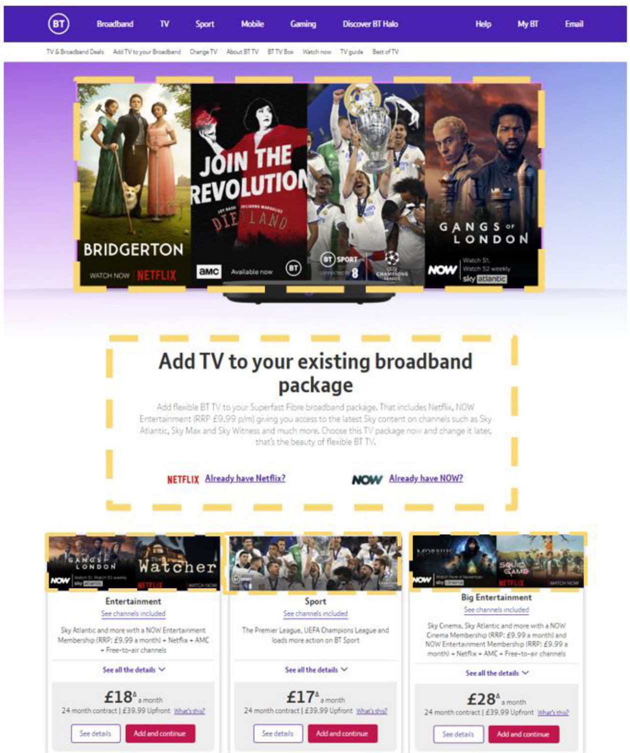
Using subscription fatigue to increase engagement

In 2019, Bango launched highly innovative ‘suspend and resume’ technology. This allowed operators to encourage pre-paid users to top up regularly by linking third-party product rewards to the top-up event. For example, receiving free access to Amazon Prime when topping up a minimum of $10 per month. Suspending rather than cancelling when a top up is missed, so that it can be seamlessly resumed once the criteria are met, increases lifetime value and drives more top ups. 12 operators on the Bango Platform are now using this technology to deliver a better experience to their customers.

Suspend and resume has since been extended to meet a market need driven by consumers who are looking for greater flexibility from their subscription services and by merchants and telcos looking to reduce customer churn.

Bango technology enables a customer to pause or ‘suspend’ their subscription for a short period (for example while on vacation) and restart it again or ‘resume’ without needing to repeat a sign-up process. For some subscriptions, for example those with an ad-supported free tier, the pause may result in a drop to that tier so that the service can still be consumed but is temporarily funded by ads.

Bango analysis de-bunks the widely held view that supporting consumer flexibility reduces customer lifetime value (LTV). Evidence shows that providing increased flexibility and encouraging customers to engage with their services, users stay for more than twice as many subscription periods than less engaged consumers.
Predictive authorization is another innovative Bango technology that increases customer retention, lifetime value and customer satisfaction in post-paid markets. For a contract customer, a subscription may be renewed at a point in the month when the account is at its monthly limit causing the subscription renewal charge to fail. To prevent subscriber loss, predictive authorization uses Bango payment analytics to “rank” if the customer is likely to meet their expected payment obligation later. Based on the analysis, the reseller or merchant can allow the customer to continue enjoying their service uninterrupted and Bango collects the payment a few days later, when the account is in credit again. This increases customer retention and lifetime value and improves the end user experience.



Adapter approach pays off again, with speed to market

The Bango Open API architecture means partners (merchants, telcos, app developers, wallets etc) can quickly and easily integrate with the Bango Platform. Software “adapters” are available or rapidly created to bridge between customer systems and the Bango Platform, eliminating the need for telcos and other big organizations to undertake significant development work.

Technology & innovation

This flexible approach is paying dividends following the acquisition of DOCOMO Digital in 2022. An adapter bridging the two platforms enabled customers to quickly establish an integration into the Bango Platform as a less disruptive way to migrate to the Bango technology stack, avoidinga complex re-engineering process.

To simplify onboarding, Bango offers a self-certification programme to customers. For Payment and Digital Vending Machine partners, this comes in the form of 'Bango Music', a demo merchant. Integrating with Bango Music provides payment providers with a way of connecting to the Platform in an agnostic way. Once the Bango Platform is integrated, Bango Music can be used for testing and demonstration to customers. Other merchants can then be simply "switched on" as commercial agreements are concluded. This means rapid growth in the deployment of merchants, leveraging the Bango "connect once, access many" philosophy.

Similarly, merchants have access to 'BangoTel' – a full function payment provider simulation, enabling them to integrate into the Bango Platform and be ready to activate any of the 100+ payment providers and telcos that are already connected.

By empowering partners to self-serve and self-certify, Bango enables them to iterate quickly and build high quality connections to the Bango Platform.

Audiences: Creating. Sharing. Measuring.

Digital marketers advertise on many of the popular social ad platforms (Facebook, TikTok, Instagram, SnapChat, Twitter). Now, delivering a campaign with a Bango Audience of paying users to every social platform is available on demand, due to the introduction of an automated API for Audience upload and sharing which eliminates what was previously a manual task.

Investment in the areas of Machine Learning AI have uncovered more insights into purchase behavior and increased Bango Audience performance. Bango is developing additional targeting techniques using semantic clustering and categorization based on content information about the applications. This will enable Bango to forecast application purchases with a high degree of accuracy based on targeted details. Factors such as recency or type of purchase and even specifically matching app details take marketing focus beyond high level sector categorisation.

This unique approach enables Bango to highlight correlations customers may not expect. For example, 35% of users who make a payment in a stock trading app also make payments or subscribe in a dating app, or 75% of all social casino app payments are made between the hours of 6pm and 11pm. This not only opens up huge pools of target customers with a high likelihood of conversion but means Bango can provide additional insights to marketers, such as the best time of day to run campaigns so they maximize return on ad spend (ROAS).

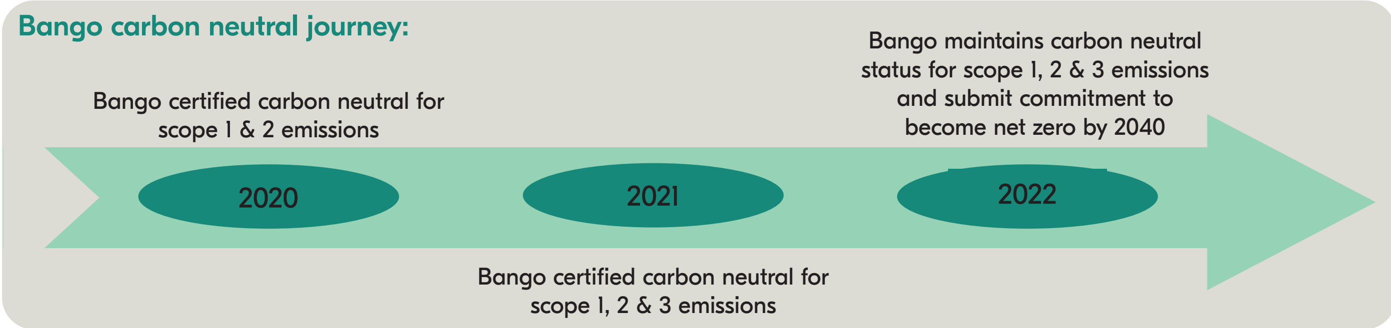
The scope of Bango Audiences through the marketing funnel is evolving. Audiences are delivering top and mid-funnel metrics, which return better engagement results than targeting without the benefit of Bango Audiences. Improved targeting, even with top of funnel activities, ultimately delivers higher return on ad spend, which is key across all businesses.

This data is also crucial to understanding the early stages of the customer journey into bundling, enabling resellers and content providers to develop more effective marketing and sales strategies and identify opportunities for engagement and conversion.

http://www.bango.ai

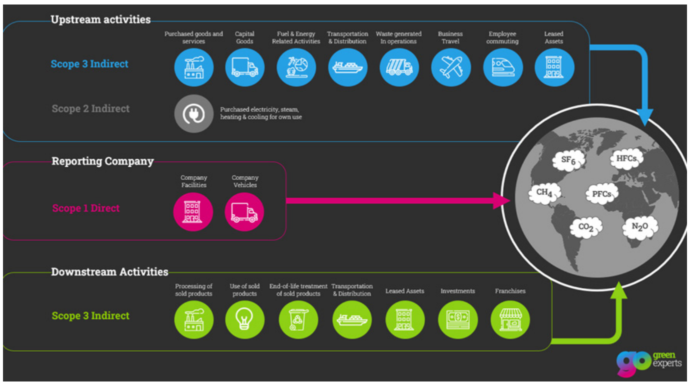
Environment

Bango is committed to doing everything it can to reduce the environmental impact of its business and encouraging partners and investors to do the same.



In 2020, Bango became certified as a Carbon Neutral business to the PAS 2060 standard for scope 1 & 2 emissions. During 2021, as well as maintaining Carbon Neutral status for scope 1 & 2 emissions, Bango extended the scope of certification to include scope 3 emissions. This extension to was also applied retrospectively to 2020.

A breakdown of what contributes to scope 1, 2 & 3 emissions is shown below:



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.

2022 environmental performance:

2022 was an unusual year for Bango environmental performance due to the acquisition of Docomo Digital. The acquisition saw Bango significantly increase the number of employees, offices, customers & suppliers. As a result, the environmental footprint of the business naturally increased.

Bango - Scopes Breakdown (Tonnes CO2e)				
	Scope 1	Scope 2	Scope 3	Total
Bango 2021	12.9	25.0	619.1	657.0
Bango 2022 ex. Docomo Digital	7.6	13.3	711.1	732.0
Total Bango 2022 incl. Docomo Digital	12.9	26.5	877.3	916.7

Excluding the acquired Docomo Digital emissions, Scope 1 & 2 emissions reduced significantly during 2022. This was largely due to changes in energy consumption at the Bango Cambridge HQ, switching from gas powered heating & cooling to renewable energy sources. In 2023, Bango plans to relocate the Cambridge HQ and securing an energy efficient building is a key priority. Bango also aims to ensure the building is fully powered by renewable energy. This will enable further reductions in scope 1 & 2 emissions.

Scope 3 emissions increased during the period, primarily due to more normalised (pre-covid) levels of international air travel. The acquisition also increased the need to travel, both when conducting negotiations and due diligence before the acquisition completed and, since completion, to ensure a smooth integration. Bango is also a high growth business which means scope 3 emissions naturally increase as we acquire more customers and partners.

Bango is committed to working with customers and partners to help them reduce their carbon footprint. We have already engaged with our key partners to offer insight and support on ways they can reduce their environmental impact. This has led to our largest supplier undertaking steps to become net zero, as well as several others engaging in carbon reduction activities.

In 2022, Bango hosted its first 'environment week' for employees, which featured a series of sessions and activities designed to educate staff on their environmental impact, provide advice on ways to reduce it and promote Bango supported initiates to encourage more environmentally friendly choices. Bango initiatives include an electric vehicle scheme, a cycle to work scheme and advice on how to reduce energy consumption at home. These initiatives will help to reduce scope 3 emissions by reducing the impact from commuting and working from home.

Additional Bango environmental initiatives:

To reduce waste, Bango operates paperless systems. All Bango employees are provided with reusable, personalized and Bango branded hot and cold drinking bottles and coffee cups, eliminating the need for disposable vessels.

Bango also works with an external company to manage the disposal of any waste hardware. This ensures data is erased to the most stringent standards and the physical hardware is recycled.

Continuing efforts made in 2021, Bango made a further drive to encourage investors to switch to paperless communications in 2022. Bango already provides the majority of shareholders with electronic communications — including statutory notices — and with digital reports, such as this Annual Report. This year we are again encouraging everyone who receives a paper copy to donate

Environment

£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

In April, Bango gifted employees a 'THRIVE' plant. For each plant gifted, Bango donated to plant a tree. These two activities resulted in 147 trees being planted by Bango during the year.

Bango environmental performance post-acquisition:

The total Bango carbon footprint increased during 2022 due to the acquisition of Docomo Digital on 29 August. This contributed to significantly higher Q4 emissions due to the increased number of employees, customer & suppliers. Scope 3 emissions were the most affected, caused by business travel and a high number of acquired employees working from home. This carbon contribution will decrease as the integration completes. Actions including headcount and office rationalization, supplier consolidation and the termination of data center contracts once the Docomo Digital Platform is switched off will significantly reduce scope 1, 2 & 3 emissions.

Despite an increase in the underlying numbers, Bango carbon intensity during 2022 reduced. Carbon intensity provides a valuable indication of the ongoing commitment to reducing our environmental impact.

Bango - Breakdown of Carbon Intensity by Scope (Tonnes CO2e / $m Turnover)				
	Scope 1	Scope 2	Scope 3	Total
Bango 2021	0.6	1.2	29.9	31.7
Bango 2022 ex. Docomo Digital	0.3	0.5	25.5	26.3
Bango 2022 incl. Docomo Digital	0.4	0.8	26.7	27.9

For emissions Bango was not able to eliminate during 2022, an investment was made to offset them. In 2023 Bango has committed to invest in Direct Air Capture technology (DAC) as this is considered one of the lowest risk methods of carbon removal technology. It is an expensive solution as the technology is not yet scaled, but through investment by organisations like Bango it is predicted that DAC technology will scale and become lower cost in the future.

Specifically, Bango has invested £3,600 in four tonnes of CO2 removal from the air for permanent storage using underground mineralization, this is in addition to the two tonnes purchased in 2021. The planned location of CO2 capture and permanent storage is Iceland, with CO2 capture delivered c.10 years from the investment date. The project is managed by Climeworks. In the year that the carbon is removed, Bango can use the carbon credit to support the mitigation of any remaining carbon footprint.

Bango has also purchased 917 tonnes of carbon credits from the World Land Trust's (WTA) high quality Carbon Balanced Project to offset 2022 carbon emissions. By choosing to offset through the WTA Carbon Balanced programme, 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 here. 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 also a key focus, particularly among Indigenous groups. Using project funds, FUNDAECO are working to develop sustainable agroforestry systems, sustainable livelihoods for farmers and fishermen, and an ecotourism programme that will employ members of local communities. The Conservation Coast is certified to the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standard (CCBS).

Path to Net Zero:

During 2022, Bango submitted a commitment to SBTi to become Net Zero by 2040.

Net zero means cutting greenhouse gas emissions to as close to zero as possible and ensuring any remaining emissions that cannot be avoided are removed from the atmosphere, for example via Direct Air Capture technology (DAC). Bango is already investing in DAC, as detailed earlier in this report.

Bango is targeting a 72% reduction in CO2e emissions by 2033 from the 2022 baseline position. This is equivalent to a 660 tonnes reduction in CO2e by 2033. Bango has also set an ambitious target to achieve 80% renewable energy use by 2025 and 100% by 2030.

The Bango Decarbonisation Strategy 2022 - 2040 and accompanying carbon footprint have been calculated by Go Green Experts, to identify the scale and prioritisation of measures to reduce the overall environmental impact moving forward. This strategy sets out ambitious, yet achievable, decarbonisation targets to 2040 and beyond.

A full sustainability report, including key Bango actions to achieve this plan will be published during 2023.

Bango's environmental policy has Board-level visibility and oversight. Progress towards the achievement of environmental initiatives and commitments is reported to and overseen by the Board through monthly management reports and regular discussion at Board meetings.

Social

Introduction

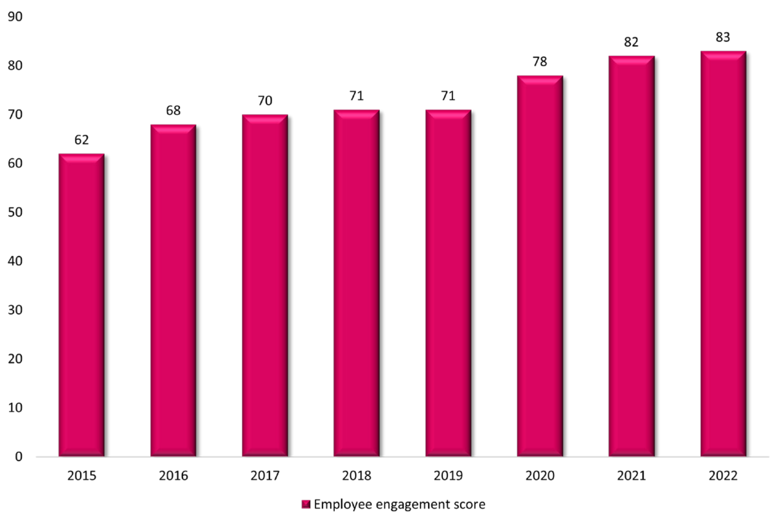
The Bango THRIVE values - transparent, happy, reliable, innovative, victorious and expressive - set high standards for everyone at Bango. They are fundamental to why Bango is such a special place to work and are values that everyone across the business commits to.

In August 2022, Bango acquired DOCOMO Digital. Maintaining the Bango culture while welcoming new colleagues has been key to the successful integration process and the values define a way of working that all employees have embraced, company wide.

Employee engagement

Each year, an externally managed employee engagement survey measures the impact of the Bango 'THRIVE' values.

In 2022, Bango recorded its highest ever engagement score of 83% beating the previous high score of 82% achieved in 2021. It also compares strongly against the 2022 sector average score of 74%, something of key importance to Bango when recruiting in a highly competitive market.



In a fast-growing company, the survey is an invaluable resource which allows employees to provide direct, detailed feedback and helps ensure Bango maintains its inclusive, innovative and stimulating company culture. With 99% of employees completing the survey - itself a strong indication of engagement - this is a great way to collect feedback across the entire business.

A score of 83% is an achievement Bango can be proud of, but the survey also identifies areas for improvement. The feedback and detailed responses from the survey are used to create actions which help Bango progress even further. These actions are monitored throughout the year by the leadership team and the Bango Board is presented with the full survey results, followed by a detailed update twice a year on engagement measurement and actions, with selected KPIs reported each quarter.

The engagement survey process is administered by Unicus, a highly respected leadership development organisation which works with some of the UK's leading companies.

In August, Bango headcount increased significantly from 130 to a peak of 351 after acquiring DOCOMO Digital. Retaining a highly engaged employee base was a key priority for the integration. Several measures were implemented during the integration to facilitate a smooth transition and ensure the THRIVE values and the Bango culture benefited all employees globally. Measures taken included quick, clear & transparent communication on changes to team structures, regular, company-wide Q&A sessions, and hybrid events to bring colleagues from offices around the world together in a more social setting.

To ensure these measures were effective, in December 2022 Bango conducted a 'pulse survey' to collect feedback from employees on how they thought the integration was progressing. The results were positive. 79% of employees agreed that the integration was progressing well, 84% said they understood how their role contributes to the success of Bango and 89% agreed that Bango creates a culture that values different opinions and backgrounds. These scores give room for further improvement, but it is encouraging to see such high levels of engagement and the widespread understanding and embracing of Bango culture. A second pulse survey is scheduled in April 2023.

Diversity & Inclusion

Expressive is a core value at Bango. We value difference, which is key to the continued growth and resilience of Bango. We aim to create a working environment where employees are comfortable to be themselves. In the 2022 engagement survey, Bango received a score of 96% in answer to the question 'Bango provides an environment for the free and open expression of ideas, opinions and beliefs'. By fostering difference, Bango not only creates an atmosphere where employees can thrive but also promotes a multiplicity of views and opinions, which fertilizes the innovation process.

In 2022, Bango won the 'Diversity Champion' award at the London Stock Exchange AIM awards. While this recognized the work done to date, Bango is committed to continuously encouraging and promoting diversity & inclusion (D&I).

Bango has a diverse work force with 70:30 male:female employees and 34 different nationalities. The Bango leadership team is 60:40 male:female and the Board is 67:33 male:non-male. We are committed to ensuring Bango continues to provide equal opportunities to all, free from stereotyping and bias.

In 2022, a D&I committee was formed by Bango employees, made up of people across Bango who are keen to ensure D&I is an area for continuing progress. Looking forward into 2023, Bango is investing in improving training, mentoring and awareness internally, as well as in projects externally in the community. Diversity remains an ongoing issue in STEM industries, which is why Bango is focused on developing opportunities in the wider community as well as in the business. We provide ongoing support and direction to our talent acquisition team to increase inclusion and remove any potential for bias from the hiring process with the aim of attracting the best and most diverse range of STEM talent.

Life at Bango

Bango hosts many events throughout the year to bring teams and colleagues together. These range from small events like the 'Bring & Share' hosted twice in 2022 (food is always a great way to bring people together!), through to larger events like the annual Bango quiz.

Social

By far the biggest event of the year was the Bango festival-themed summer party, called THRIVE-fest. As the finale to Global Week - an opportunity for employees from every Bango office to come together, share ideas, knowledge and experience - THRIVE-fest was a great opportunity to socialize with the Bango global employee base. The event featured international food, live bands, karaoke, a variety of beverages and an inflatable chicken!

Health & 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 who are available to provide support to employees and reduce the stigma around mental health issues. This year, during mental health week, Bango also provided a series of mental health awareness sessions provided by the Mindful Station to equip employees with the tools to destress and reduce anxiety should they need them.

Bango also provides employees with free weekly Yoga, Pilates and Cardio classes to support the mental & physical wellbeing of staff, as well as discounted Gym memberships.

In addition, after a review in 2022, Bango increased the healthcare cover available in the Bango benefits package to ensure employees have easy access to health and dental care should they need it.

Learning & Development

Bango designs development paths to support individuals through a combination of digital learning formats and in-person sessions. In addition to third-party training, Bango emphasizes 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.

In 2022, aside from regular in-house training sessions, Bango supported dozens of external training & development activities, ranging from courses to help employees progress into Management positions, to ACCA accounting courses, through to software training, bespoke to employees' individual needs.

When joining Bango, the Bango 'buddy' scheme gives new employees a 'go-to' person to help them get up to speed quickly. This is always a person from a different team to their own to help them get to know people across the business quickly. A Bango buddy helps new colleagues find out anything they want to know about Bango and settle into life at Bango as quickly as possible.

Giving Back

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

In 2022, Bango supported >20 charitable causes:

Hear from Bango employees

DAN HALE, DIRECTOR OF BUSINESS ANALYSIS

"I was given the opportunity to join Bango in 2013 as one of the first apprentice engineers in the business. This involved an intensive four-year training program, ending in a fully funded bachelor's degree and a role as manager of the 1st Line Support team.

During my time in the operations team, it became clear my enjoyment of problem solving and working directly with customers was a big motivator. As a result, I was encouraged to move into the sales team and became Head of Technical Sales, a role centred on being the technical influence in sales deals across the globe.

In 2021, an opportunity arose to expand the business analysis team in Bango which led to my current role as Director of Business Analysis. This role has provided me a lot of experience in building a high performing team and has enabled me to play a key role in successful delivery of Bango partnerships.

Over my decade long career in Bango, I have experienced excellent support to grow, been regularly challenged out of my comfort zone and have been lucky enough to work with some very talented people. I am looking forward to the amazing opportunities ahead for Bango."

RAQUEL QUINTANILLA, VP SALES OPERATIONS

"I joined Bango through the Docomo Digital acquisition in August, and I am responsible for all things sales operations related – processes, data, systems and cadences. Following the acquisition, the remit and the size of the team we now support have considerably increased, bringing new challenges and opportunities as we work closely with other functions to remove friction in the customer journey.

Driven by outcomes and operational excellence, I am an enthusiastic advocate for simple and efficient customer centric processes. Optimization and automatization are the foundation of everything we do as a team – something I was pleased to learn Bango also encourages - while providing key data insights to support decision making, drive forecast accuracy and revenue growth for the business.

I have found Bango provides the perfect environment for proactive individuals to thrive; if you are keen to deliver at speed and make an impact, you will be given every opportunity to do so in a supportive and collaborative setting, change is the only constant."

DAN LINTON, REGIONAL SUPPORT MANAGER

"I joined Bango in 2014 as a 1st Line Engineer and an early member of the Bango Apprenticeship programme, working in the 24/7 Bango Platform Operations Center (POC). I quickly got into my stride and, in 2017, as a 2nd Line engineer, began to oversee and manage the activities for our new merchant in Japan, Amazon.jp.

It was an exciting and unique opportunity as it was the first merchant Bango processed payments for that was selling physical, rather than digital, goods. In addition to providing 24/7 technical support and ensuring the Bango Platform was stable and reliable, I also spent time with Japanese carriers and Amazon, working to identify and implement ways to expand the service.

As part of the role, I often visited partners directly in Tokyo, as face-to-face time is valued very highly in Japanese business. Being able to travel and experience new cultures is one of the great things about working at Bango.

Recently, I have taken the role of Regional Support Manager, and moved to be based in Tokyo full time. From the Japanese office, I now manage a small team to ensure an excellent level of support for global merchants integrating with carriers in Japan. I have seen the office grow from just 2 people in 2014 to 8 people today!

I've enjoyed incredible career progression within Bango and have always felt like part of a very friendly and supportive (sometimes crazy) family and can't wait to see where the next few years takes us!"

Hear from Bango employees

PATRICK SMITH, TECHNICAL INTEGRATION SPECIALIST

"I joined Bango as a 1st line engineer in late 2017 in the 24/7 support team. The responsibility of monitoring the Platform and resolving customer issues was all part of the role. There was a lot of camaraderie in the team and we supported each other closely. To this day, some of my closest friends are colleagues from that team. The role provided a lot of responsibility early on which allowed me to grow as an individual and find my specialisation within Bango.

After a few years in the 1st line team, I became a 2nd line engineer in the newly founded Resale sub team. A highlight was meeting the Amazon Fuse team who had flown from around the world to meet us in London. This role was a step up in responsibility and with that came some added pressure, but again close help and support from colleagues in the team when you needed it.

Last year, I took advantage of an opportunity to move into the integrations engineering team as a Technical Integration Specialist. For me, this role is a natural progression as I was keen to get into a more delivery focussed role. I work with a team of developers and QA engineers delivering projects for some of Bango's largest customers. I'm grateful for the opportunities that have been available to me since joining Bango to continue learning and developing in my career."

LUISA HELENA BARONE MUNERATTI, SENIOR VP - SALES

"I joined Bango in September 2022 through the acquisition of Docomo Digital. After working at Docomo for more than 12 years managing and expanding the commercial operations in Latam and Europe, I was offered the opportunity at Bango to expand my horizons to cover North America, Latam and Iberia.

I started my career in the telecommunications industry back in 2007, when ringtones and sms subscriptions were the hype! Since then, I developed a passion to sell, and create strategies to better serve our customers. I was able, with confidence, to develop the entire Latam region, when nobody truly believed it was possible to build a sustainable business and it gave me fuel to keep growing and thriving.

Working at Bango is bringing me a lot of experience, fun, and, most important, I am developing my skills every day. The Bango go to market strategy makes me feel energized, inspired and super excited about our future. We have created a really driven team, aligned with our core values, and with great synergy! I am also more aware of promoting transparency (a core Bango value) between colleagues and clients, and encouraging our teams to speak openly, share new ideas and be part of something bigger. The support has been amazing and I'm very proud to be part of such innovative company."

MADHUMITHA SRINIVAS, PRINCIPAL SOFTWARE ENGINEER

I joined Bango in 2016 as a Senior Engineer with decade of experience in software development. I was part of a team responsible for a then new product, Bango Resale. This was an exciting project as it enabled Bango to move from processing transactional payments into bundling subscription offers. My work involved all aspects of the product development cycle including launches, features, maintenance, and integration and gave me the experience need to move into a Principal Engineer role, expanding my skills further. I was responsible for the Engineering ownership of Resale which provided insight into the cross functional aspect of the engineering development.

With the growth of Bango and the aim to expand the product more, I moved to become the Technical Lead for two teams. The role brought with it a wealth of experience around designing, architecture, migration, innovation, analysis, problem solving, and working across various kinds of teams.

In 2022, I was given the opportunity to take my experience of product delivery, functional management, and cross functional team liaising to an exciting new position of Engineering Delivery Manager.

It has been a pleasure to grow right along with Bango. There is always trust and support to take the paths that will enable you to achieve the most success. Bango is an interesting and dynamic place to work and there is absolute delight in knowing that there is always more to do and new horizons to reach.

bango®

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, shareholders, 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 2022 include:

- Decision to increase investment in both research and development as well as sales and marketing to accelerate the growth of the Digital Vending Machine. This decision maximizes the mid and long-term return for shareholders, provides more development opportunities for employees and improves the customer proposition.
- Extending commitment to the environment by submitting a pledge to SBTi to become Net Zero by 2040. Currently Carbon Neutral for scope 1, 2 & 3 emissions, the move to Net Zero will benefit the community & environment, as well as customers, partners and investors who are equally committed to reducing both their own environmental footprint, as well as that of companies they work with or invest in. The board remains committed to continually reducing Bango's impact on the environment. More information can be found in the environment section on p.20 - 21. A detailed plan of actions that will enable Bango to achieve Net Zero status by 2040 will be published in 2023.
- Decision to acquire DOCOMO Digital Limited from NTT DOCOMO. In making the decision and, setting the terms under which the acquisition would be made, the board considered possible risks from the integration in addition to the benefits for all stakeholders. The acquisition was made as the board considered the benefits (e.g. financial, scale, access to talent) to employees, shareholders and customers far outweighed the risks (e.g. the risk from integrating the two companies systems, platforms and employees).

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

Stakeholder	Stakeholder Description	Communication	Measures
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.	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. For customers using Bango Audiences, data insights are assessed during the course of customer ad campaigns to further improve conversion and paying user acquisition rates. Newsletters and social media provide a regular mechanism for updating customers on the latest developments in Bango.	The ultimate measure is the end user spend process by the platform. Support, performance, customer satisfaction and retention 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.

Section 172

Stakeholder	Stakeholder Description	Communication	Measures
Employees	People are the heart of Bango and are critical to its success. The Bango THRIVE values spell out the high standards 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.	Monthly all-staff meetings provide a regular engagement point to discuss the progress across Bango. With a global employee base, these are 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. Bango holds regular 'Global Weeks'. A Global Week is the opportunity for all of the company to gather in one place facilitating engagement, learning and development opportunities across teams. 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.	Bango conducts an annual engagement survey. For more detail, see the Social section on p22-25. 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.	Bango hosted an investor strategy day in November 2022. The event provided new and existing investors with a detailed insight into Bango technology and markets. It also provided the opportunity to hear presentations and ask questions of customers including NTT DOCOMO, Liberty Global and Product Madness. The event was well attended by both professional and private investors with c.70 guests attending in-person. The content presented during the strategy day is available to view at https://bangoinvestor.com/bango-strategy-day-2022/ RNS announcements and social media communications are used to communicate the latest developments. Regular face-to-face and virtual meetings are hosted with shareholders and prospective investors. Results videos were used to support investor communication. Bango uses Investor Meet Company (IMC) to update investors on results, as well as other key developments, such as the DOCOMO Digital acquisition. Meetings hosted via IMC are open to all and provide the opportunity for attendees to ask questions of the Management team. This year, Bango used the IMC platform to host a hybrid (virtual and in-person) AGM, enabling a greater number of shareholders to take part. Bango also presented at several conferences, targeting both professional and private investors during the year. 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 provides a simple way for all shareholders to raise questions to management.	The number of unique visitors to the Bango investor website increased by 45% in 2022. 10% more document downloads were made in 2022 vs 2021. The number of investors subscribing to the Bango news distribution serviced increased by 20% in 2022. More than 75 investor meetings were held during 2022, including several group meetings. A number of new investors were added to the share register in 2022. All resolutions put to shareholders at the AGM in May 2022 were passed.

Section 172

Stakeholder	Stakeholder Description	Communication	Measures
Suppliers	Key suppliers to Bango have executive sponsors to ensure a close partnership exists in preference to a transactional customer<->supplier relationship.	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	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. Scope 2 & 3 emissions are tracked and logged with Go Green Experts, an environmental consultancy appointed by Bango.
Community & 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.	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 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 2022 to help our largest suppliers reduce their carbon emissions. Bango submitted a commitment to become Net Zero by 2040.	A detailed outline of the Bango environmental performance can be found on p.20-21 In 2023, Bango will publish a comprehensive overview of the planned actions and milestones that will ensure Bango meets its Net Zero commitment by 2040. Matched fundraising is measured and reported to the board. Bango exceeded the target for the number and value of matched donations set in 2022. Details of some of the charities that received donations can be found on p.23

CFO statement

This financial year saw Bango continue to grow revenue organically, growth that was accelerated by the acquisition of DOCOMO Digital Limited at the end of August 2022. Even with increased and some replicated costs arising from the acquisition, the enlarged Bango still returned a positive Adjusted EBITDA and remained cash positive with no debt.

Bango revenue model

Bango continues to generate revenue from several streams. Transactional revenue which covers the transactional payments business and data monetization through Bango Audiences' purchase behavior targeting and non-transactional revenue which encompasses platform license and integration fees for the Digital Vending Machine. Where the business engages in distribution activities, it assesses the nature of that business against the Agent/Principal principles outlined in IFRS15 (Revenue from Contracts with Customers). Bango has been assessed to act in some cases as a principal and others as agent dependent upon its involvement.

Acquisition of DOCOMO Digital

On 29 August 2022, Bango completed the acquisition of the entire issued share capital of DOCOMO Digital Limited and its associated Group from NTT DOCOMO, Inc. of Japan. This acquisition has accelerated Bango growth by over two years and has added new customers, routes and relationships.

During the acquisition process, Bango undertook robust due diligence on the acquired entities, including financial and tax investigation and research with assistance from Grant Thornton and EY respectively, to identify risks and opportunities. Detailed financial projections were prepared outlining significant financial synergies and by the end of FY2022 Bango had executed on $11M of a targeted $21M of these savings with the balance expected by the end of FY2023.

Post-acquisition, Bango engaged with Grant Thornton in respect of the Purchase Price Allocation with assets and liabilities recognized based on the fair valuation on the date of acquisition per IFRS3. Bango identified two key areas to be considered and valued, customer relationships and technology IP with two other areas, non-competition agreements and trade names/brands considered but not valued. The outcome of these valuations resulted in a negative goodwill figure as the purchase price was lower than the total fair value of the assets and liabilities acquired and this recognized as an exceptional gain in the income statement.

End User Spend (EUS)

EUS is calculated based on the total value of transactions processed by the Bango Platform (excluding taxes) together. EUS, increased by 35.7% in the year from $4.1B to $5.6B. This measure, although less correlated than ever with revenue, continues to be an important Key Performance Indicator for the business and an essential provider of Purchase Behavior Targeting information for Bango Audiences.

Revenue and costs of sale

Total revenue from continuing operations increased 37.6% to $28.5M (2021: $20.7M). Bango continues to break this down into transactional payments & data monetization revenue and non-transactional payments revenue (encompassing platform & technology, licensing of software and integration) and has added a new metric for revenue monitoring during the period by breaking out Annualized Recurring Revenue (ARR). This metric, which is calculated by annualizing the December revenue derived from ongoing, contracted, repeating revenues, showed a 4.7x increase from December 2021 to $5.0M. This is a very strong indicator of the continuing, sustainable growth of the company.

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. Revenue, such as integration fees, is recognized on completion of contractual milestones and after consideration of the requirements of IFRS15 (Revenue from Contracts with Customers). Further consideration was also given to the separation between the integration fees and the subsequent ongoing platform license fees. It was judged, based on the contractual agreements, individual orders and discussions between customers and Bango, that these were two distinct revenue events.

Bango has seen gross profit margins reduce slightly this year to 90.6% (2021: 94.1%). This is the result of increasing revenue derived from the growing Audiences business, which shares revenue back with the data provider, additional cost of sales where a third party is used to provide connections to the local payment provider together with some costs associated with new Digital Vending Machine customers, and some short-term higher costs of sale from the newly acquired DOCOMO Digital business, which currently runs on a different platform and low distribution margin where Bango has acted as Principal.

Operating expenditure

The combination of the inclusion of DOCOMO Digital costs from the beginning of September with the ongoing planned, strategic investment in the development of the Bango Platform, saw administrative expenses increase to $30.3M (2021: $18.9M).

Adjusted EBITDA* for the year reduced to $5.0M, (2021: $6.2M). This reflects the impact from the additional costs taken on as part of the acquisition of DOCOMO Digital and before the impact of the $21M of annualized synergy savings that will be achieved by the end of FY2023.

The share-based payment charge was $1.6M (2020: $1.5M) 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. Share options are allocated to employees twice a year. It is a vital recruitment and retention tool in an increasingly competitive employment market.

Exceptional items

As explained above, Bango undertook a provisional Purchase Price Allocation process upon acquisition of DOCOMO Digital which resulted in a negative goodwill adjustment of $10.2M which is reflected within the consolidated statement of comprehensive income.

As part of the ongoing integration of DOCOMO Digital, Bango incurred certain costs related to personnel and overheads that are not part of the normal course of business. These have been included as exceptional costs within our profit & loss. These include both incurred costs and costs which have been communicated but not executed.

Financial results and earnings per share

The total loss after tax of $2.1M (2021 Profit : $0.4M) includes exceptional costs of $11.0M, exceptional income through recognition of negative goodwill of $10.2M, the Bango share of net loss from the NewDeep

CFO statement

associate of $1.4M (2021: loss $2.1M), share-based payments of $1.6M (2021 : $1.5M) and R&D tax credits from Bango investment in driving forward its technology of $1.2M (2021: $0.7M).

Basic loss per share was 2.81 cents (2021 earnings: 0.58 cents).

Statement of financial position

Net assets at 31 December 2022 decreased to $31.4M (31 December 2021: $36.8M). Investment in intangible assets that form the core of the business continue to be key and increased from $18.6M to $27.2M. Receivables and payables both increased as a result of the acquisition, reflecting the large cost burden of the acquired business against payables which includes liabilities under IFRS16 for leased offices and a deferred tax liability in respect of some withholding taxes. Receivables were again boosted by contracts converted late in the final Quarter with no abnormal debt payment issues. Accruals growth includes exceptional costs that will be expensed in FY2023.

Cash

Cash balance, including cash equivalents and cash held in short-term investments, at 31 December 2022 increased to $12.7M (2021: $9.7M) assisted by increasing sales, cash from the acquisition, favorable payment terms for a distribution contract and proceeds of share options exercised. Of this, $2.9M is considered to be restricted and related to a discontinued business segment from the DOCOMO Digital acquisition. There are no bank borrowings.

Intangible assets

Intangible assets net book value of $27.2M (2021: $18.6M) showed an increase of $8.6M and includes acquired contract intangibles, as well as internally developed capitalized R&D. Intangible asset costs relating to capitalized internal R&D increased $7.3M, after a reduction of $2.4M due to foreign exchange movements to $30.8M from $23.5M in 2021 reflecting the continued drive to innovate for future growth. The net value of internally developed capitalized R&D also increased from $9.8M to $15.0M at the end of 2022. 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

Lease liabilities at 31 December 2022 were $2.6M (2021: $0.1M) and have increased post-acquisition as a result of leased offices included with the DOCOMO Digital business.

Going concern

The combination of good operating cash flow and strong revenue growth supports the Directors' view that Bango has sufficient funds available to meet its foreseeable working capital requirements including costs related to any restructuring following the DOCOMO Digital acquisition. These requirements support the planned investment 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, exceptional items, negative goodwill 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 its business objectives. Bango uses a risk management framework to identify, quantify and evaluate risks in a uniform manner assessing impact, likelihood and mitigations put in place by the business. This thorough approach to the identification and assessment of current and emerging risks and the means to mitigate these risks through active preventative management are regularly monitored by the executive leadership team and the Board. The acquisition of DOCOMO Digital on 29 August 2022 added new risks, which are being closely monitored by the executive leadership team and discussed by the Board.

Financial risk management objectives and policies

Risks and uncertainties are scrutinized and monitored by the Board on a continuing basis. The Board is supported in this task by the Bango finance team, counsel from its internal legal function, as well as external solicitors and insurance brokers.

Financial risk management and policies are reviewed regularly, with the CFO and General Counsel 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 upon which issues of risk are reviewed. 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 (who also acts as Bango General Counsel).

Bango has a formal risk management policy and risk register which are 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 executive 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. 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 despite the economic uncertainties that arose during the year. These incoming cashflows have enabled Bango to internally fund the restructuring processes following the DOCOMO Digital acquisition. A detailed cashflow is produced and the Board reviews cash reports every month to ensure there is sufficient cash to continue to invest in the Platform and future developments to meet the requirements 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 continued investment in cloud-based infrastructure.

Integration & migration

Significant cost savings are expected following the acquisition of DOCOMO Digital. The executive leadership team continuously monitors the integration of the newly acquired business and the migration of routes from the acquired platform, against an internal timeline and financial plan. Bango regularly shares the progress of synergy savings as part of its financial updates.

Employee retention

It is important to recruit and retain people with the right experience and skills. Bango puts significant effort into providing an excellent working environment (see Social section on p.22-25) and benefits, including a highly attractive share option scheme and a share incentive plan which are available to all employees (note 25).

Currency risk

Many of the Bango revenue streams and assets of some Bango subsidiaries are transacted or held in currencies other than sterling which results in currency risk. This is 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 either extremely low or matched to the currency of the sale, there is very low 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. As a result of increasing revenue flows coming from the United States ('US') in US dollars, during the year the Group utilized some forward exchange contracts with a maturity of less than a year to partly protect against currency volatilities. No other such financial instruments have been used in the year for trading purposes nor has Bango entered into similar transactions for future periods.

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 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.

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.

Technology risk

Bango is dependent on its technology leading and/or keeping pace with developments in internet, marketing and

Principal risks & uncertainties

payment technology. It manages this risk with a continued investment in Research and Development (R&D) both personnel and architecture, combined with regular technology reviews with trading partners and sector specialists to ensure that market developments are understood and managed. This continued investment allows Bango to produce new products and features to meet the requests and requirements of its varied customer base.

Regulatory environment risk

Bango monitors the developing changes in the regulatory environments around the world to ensure that its products and offerings remain in line with the latest legislation. This is achieved through updates on current and upcoming changes relevant to the business especially in relation to data privacy, attending industry events and through participation with relevant associations. Bango also provides advice and recommendations to regulators directly and through industry bodies to help develop effective regulation in the future.

Customer concentration

The Bango strategy is based on a diverse customer base using the Bango Platform because it can provide functionality and insight that no one customer can do themselves. This capability extends from the provision of alternative payment services, such as carrier billing and mobile wallets, though to the Digital Vending Machine and Purchase Behavior Targeting.

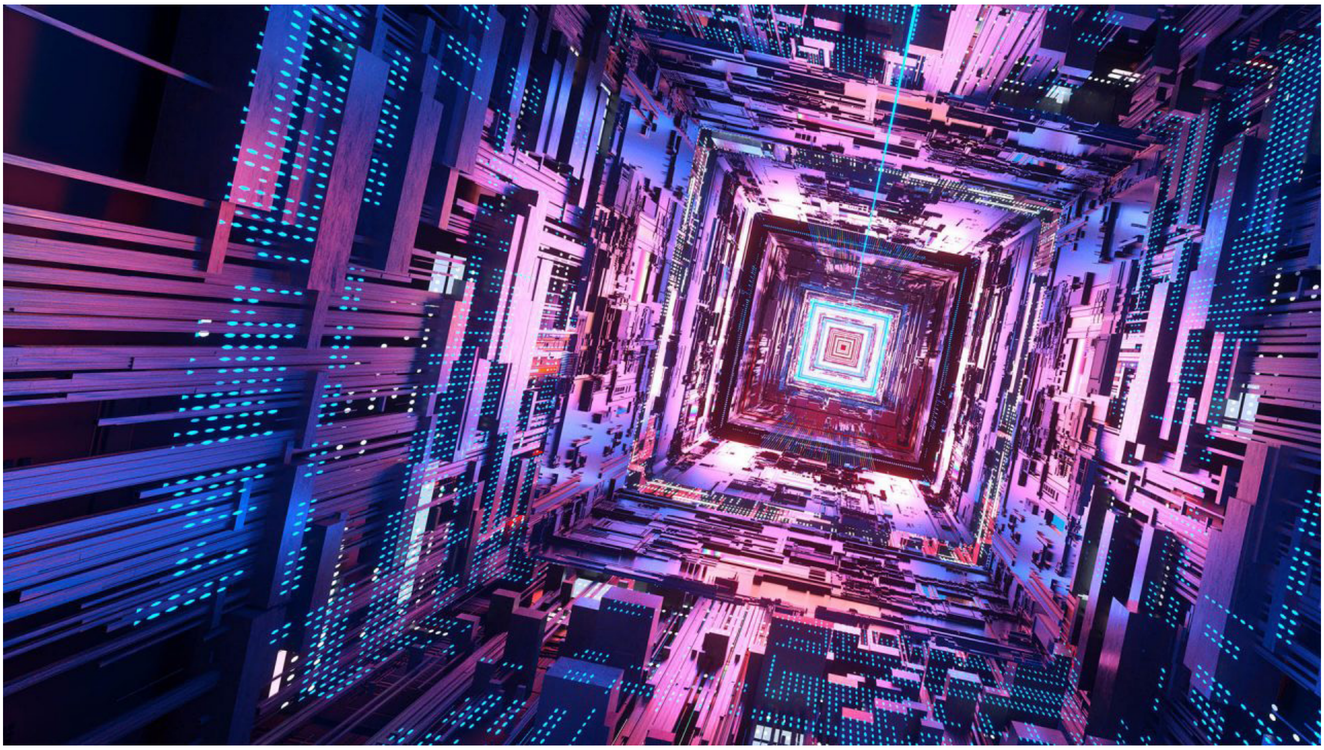
Extreme dominance of the market by one merchant or mobile operator could reduce the value of Bango but, at latest review and despite the acquisition of DOCOMO Digital, there are still a wide range of significant players in both fields. Even the largest internet companies have not managed to monopolize the global commerce market. Bango continues to secure deals with leading stores, including a leading multinational technology company, and expects diversity of customers and operators to continue and increase over time.

Bango Audiences, using Purchase Behavior Targeting, further diversifies the customer base with app developers joining the payment providers and global merchants connected to the Bango Platform.

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 continue to mitigate against business impact.

Paul Larbey
CEO



NewDeep & the Metaverse

In April 2020, Bango formed a Joint Venture (JV) with Korean Internet giant NHN Corporation to create a new business, NewDeep. NewDeep is working on the application of Purchase Behavior Targeting to first party customers data. NHN is contributing investment and advanced machine learning technology to the JV. Bango divested its CDP business (acquired in 2018 to accelerate Bango Audience technology) into the joint venture and contributes its experience working with hundreds of e-commerce businesses worldwide.

During 2022, the NewDeep JV made significant progress. Its Audiens.com business, that was delivering services for a few Italian websites, re-focussed on providing fast growing Shopify stores with specific, growth-oriented actions to drive repeat business. By visiting the Shopify App Store and activating an instant install app, customer purchases over their website's life are analyzed by NewDeep systems to identify new growth opportunities for the store. In this case, purchase behavior targeting, using the stores own first party data, enables email campaigns to generate predictable and repeat product sales from their customer base.

Across the millions of Shopify shops, NewDeep focusses on those that generate repeat business and have thousands of purchasing data-points. This segment represents over one million stores around the world. Because the technology is delivered as a Shopify App, scaling the business is straightforward. Shopify collects the monthly fee from the store owner and channels it to NewDeep.

Shopify stores are often operated by small traders, who have limited time to do "marketing" work. To speed up the creation of campaigns, NewDeep recently started using ChatGPT to generate email messages to be sent to users. Providing the details of the offer to make, the products to be promoted and the likely benefits to the customer, ChatGPT is generating some surprisingly effective email campaigns — without needing effort from humans!

The strategic fit of NewDeep and the mainstream Bango business is excellent. Digital merchants using the Bango Digital Vending Machines deployed by telcos and other partners want to prolong subscriptions and the telcos want to upsell combinations of subscriptions and add transactional products. Based on initial experiments, Bango has confidence that the techniques to analyze and use purchase behavior that are being developed and tested in the Shopify space by NewDeep will deliver significant advantage to customers in the digital services and subscriptions environment.

In addition to the technology synergies, there is the potential for Shopify stores to use Bango Audiences to target their social media spending, and for Bango Audiences to be able to leverage the purchase behavior AI to refine their effectiveness.

NHN is also a Bango shareholder, having increased its stake in Bango from 4.7% in 2020 to 13.7% in early 2023 by buying shares on the open market.

Enter the Metaverse

There are already hundreds of millions of monthly active users dwelling on the Metaverse. The largest chunk comes from Roblox (230 million), followed by Minecraft (165 million), and Fortnite (85 million), with Sandbox and Upland among the dozens of other spaces that are emerging.

Commerce within the Metaverse is becoming significant, and Bango is already seeing merchants starting to sell products and services to users using the Bango Platform. Bango is collaborating with Metaverse digital goods business Digigooz to enable payments and subscriptions to be handled seamlessly within the metaverse. With the metaverse achieving scale though smartphones, there is a perfect role for the Bango Platform in providing a bridge between telcos, with their reach and payment scale, and the many metaverse creators, merchants and fans that are interacting in this new growth arena.

Board of Directors

PAUL LARBEY
CEO

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.

In 2022, Paul closed the transformational acquisition of DOCOMO Digital, accelerating growth by more than two years and consolidating Bango's position as market leader. 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.

MATT GARNER
CFO

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 growth and is responsible for mid and long term strategic financial planning.

Matt brings many years of financial leadership from managing complex global tech businesses. Having listed a company on AIM as part of a dual listing, Matt has a deep knowledge of regulatory and compliance matters. He holds an Honours degree in Law from the University of Liverpool and has been certified as an Associate Chartered Management Accountant since 1996.

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. His strong entrepreneurial flair and product forsight inspire partners, investors and employees alike. Ray is also a Director on the board of NewDeep, a joint venture between Bango and NHN.

ANIL MALHOTRA
CMO N

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.

Board of Directors

ERIC PEACOCK
SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR A R N

Sir Eric Peacock 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's strong track record of growing shareholder value during periods of rapid growth by creating cultures that result in competitive advantage, customer service excellence and strong employee engagement equip him well for his role as Senior Independent Director.

FRANK BURY
NON-EXECUTIVE
DIRECTOR A R N

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.

LISA GANSKY
NON-EXECUTIVE DIRECTOR A

Lisa joined the board in October 2021. She has spent the last 30 years making significant contributions to the emergence of the internet.

Her entrepreneurship and investment acumen are hugely valuable to Bango. Lisa has founded and invested in many technology businesses, especially those bringing disruptive innovations to the market. She has worked for several large technology companies including AOL and Kodak Digital.

MARCUS WELDON
NON-EXECUTIVE DIRECTOR R

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.

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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-Eecutive Director L Gansky - Non-Executive Director
Company Director	R Ellis
Bankers	HSBC 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 Advisor and broker	Singer Capital Markets 1 Bartholomew Lane London EC2N 6ET
Joint broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET
Website	www.bango.com || www.bangoinvestor.com

Directors report

The Directors present the Annual Report and audited financial statements of Bango PLC for the year ended 31 December 2022. 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 2022	Ordinary shares of 20p each 31 Dec 2021
R Anderson	**6,555,597**	6,552,816
P Larbey	**45,471**	42,690
A Malhotra	**3,973,502**	3,973,271
M Garner	**2,781**	-
F Bury*	**383,500**	383,500
E Peacock	-	-
L Gansky	-	-
M Weldon	11,000	11,000
Total	10,971,851	10,963,277
*Direct and indirect interests		

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.

Between 31 December 2022 and the date of signature of this annual report, three Directors have traded in Bango shares. The associated changes in their beneficial interests in shares of Bango are:

	Ordinary shares of 20p each at date of signature	Ordinary shares of 20p each 31 Dec 2022
R Anderson	**5,802,781**	6,555,597
A Malhotra	**2,623,502**	3,973,502
F Bury*	**383,500**	383,500
*Direct and indirect interests		

For Directors' biographies and experiences see p.34-35.

The Directors' interests in share options of Bango are described in the Remuneration Committee report on p.44-49:

Share capital

Details of changes in the share capital of Bango during the year are given in note 19 to the financial statements.

Dividends

The Directors have not recommended a dividend (31 December 2022: $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 leading platform for merchants looking to find new customers for their goods and services. Details on the investments Bango has made and continues to make can be found on p.18-19 in the Technology & Innovation section.

Details of the internal development work that has been capitalized in the year is in Note 14.

Acquisition of DOCOMO Digital

On 30 August 2022 Bango announced the acquisition of DOCOMO Digital Limited, a subsidiary of the Japanese mobile operator NTT DOCOMO. Bango simultaneously signed a long-term strategic agreement to provide integrations for global merchants into NTT DOCOMO. The board considers the acquisition to be of strategic importance, accelerating the growth of Bango by over 2 years. Once the planned $21M of annualized cost synergies have been executed the acquisition is forecast to bring $16M of incremental revenue and $10M of EBITDA per year to Bango. More detail on the acquisition can be found on p.17.

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 Social section (p.22-25) 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 $12.7M at 31 December 2022 (31 December 2021: $9.7M) and financing debt of $2.6M (31 December 2021: $0.1M). With a continued trajectory of growth in EUS and revenue from the DOCOMO Digital Acquisition, as well as organically, the Board believes there continues to be sufficient cash and resources to support further planned investments to drive sales growth, to cover the restructuring costs of the DOCOMO Digital acquisition 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 2022, Bango PLC had been informed of the following interests, in addition to the interests of R Anderson and A Malhotra, amounting to 3% or more in the issued ordinary share capital of the company:

Holder	Number	%
NHN Corporation	**10,455,561**	13.70
Liontrust Asset Mgmt LLP	**9,166,095**	12.01
Herald Investment Mgmt	**7,928,470**	10.39
Hargreaves Lansdown Asset Mgmt	**6,748,205**	8.84
Odey Asset Management LLP	**4,820,000**	6.31
Interactive Investor Services Ltd	**3,507,462**	4.60
Stonehage Fleming	**3,028,118**	3.97

Directors report

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 p.31-32.

Directors' responsibility statement

The following statement, which should be read in conjunction with the report of the auditor set out on page 50, is made to distinguish for shareholders the respective responsibilities of the Directors and of the auditor in relation to the financial statements.

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and 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 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 (the Group and Company) 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 2023.

BY ORDER OF THE BOARD

R Ellis
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.

Details of the Directors and the relevant experience, skills and personal qualities and capabilities that each Director brings to the board are set out in the Directors Biographies section of this Annual Report on p.34-35.

One Director identifies as female, one as non-binary and six 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 2022 was as follows:

	Board	Audit Co	Rem Co	Nom Co
R Anderson	10 (10)	2 (2)*	1 (1)*	-
P Larbey	10 (10)	2 (2)*	1 (1)*	-
M Garner	10 (10)	2 (2)*	-	-
A Malhotra	10 (10)	2 (2)*	-	2 (2)
E Peacock	10 (10)	2 (2)	4 (4)	2 (2)
F Bury	10 (10)	2 (2)	4 (4)	1
L Gansky	10 (10)	2 (2)		-
M Weldon	10 (10)	2 (2)	4 (4)	-

(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 performance of the Executive Directors is monitored as outlined above by the Senior Independent Director and other Non-executive Directors.

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

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

The performance of the whole Board is evaluated continuously. The Board believes changes or actions that are identified through this process should be actioned immediately, instead of waiting for an annual or bi-annual review. The composition and performance of the Board is reviewed regularly against a "skills matrix" that highlights the contributions of current Board members, and areas where the Board might benefit from additional support. Evaluation of the skills matrix in 2021 identified certain key areas where the Board could benefit from additional international strategic expertise and experience and the Board remains actively engaged in the search for a further Non-Executive Director to join the Board once the right candidate has been identified and secured.

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 2022, there were no internal advisors to the Board, other than the Company Secretary, who also acts as Bango General 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 2022, considerations relating to data privacy, employee share incentive schemes and the acquisition of DOCOMO Digital. 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 2022, in addition to Mills & Reeve, Bango's legal advisors, Bango appointed Ernst & Young and Grant Thornton to advise and assist on the DOCOMO Digital acquisition.

Other than the advisors referred to above and those listed on p.36, no further external advisors were appointed by either the Board or any of its sub-committees during 2022, 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

Corporate governance report

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 or Capital Markets days are typically held every 18 months. All shareholders are welcome to attend strategy days, at which members of the Bango team present the Bango strategy and are available to take questions from, and communicate with, shareholders face to face. The 2022 strategy day, held in person in November, 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-2022/. 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.

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 Social section on page 22, 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. 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, which 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 who are all independent of management.

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 2022, the Committee specifically considered the acquisition of DOCOMO Digital Limited including the financial forecasts post combination and the third-party due diligence reports on financials and tax. Following a review, the Committee was satisfied by the forecasts prepared by the Group and that the reports prepared by external advisors had been properly reviewed and considered.

External Audit

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

- To 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.
- To discuss the nature, extent and timing of the external auditor's procedures and to discuss the external auditor's findings.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- To 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.

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. Following the acquisition, Bango has taken measures to integrate the new entities into its own internal control procedures as well as considering the internal controls of the acquired entities to adopt any suitable improvements. 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 Principal Risk and Uncertainties section on p.31-32.

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.

2022 Activities

At the start of the year, the Committee considered the strengths and experience of the Board members. After the changes that were made in 2021 — including the retirement of two long service Non-Executive Directors and the appointment of two new NEDs — it was considered that the skills and experience of the Board were both sufficiently broad and relevant to support the business but, beyond the near term, the Board would benefit from an additional NED, as Bango continued its rapid pace of growth, to increase non-executive independence and Board diversity.

To promote board member relationships, meetings in 2022 were held in London and New Jersey USA, allowing Non-Executive Directors to attend in person more easily. This practice will continue into 2023. Board meeting structure rotates, with certain meetings taking a full day, at which key areas of Bango strategy are scrutinized in depth, often including contributions from Bango people that lead teams or are subject matter experts.

Towards the end of 2022, the Nominations Committee considered the impact of the Docomo Digital acquisition to review if the composition of the Board continued to serve the long-term interests of the expanded business. Given that the benefits of the acquisition were to be absorbed into Bango and there was no new or unfamiliar market that would be addressed through the deal, it was decided that the Board was well resourced to oversee the integration of the enlarged business.

At the end of Q4 2022, the Committee reviewed Bango growth targets for the upcoming 12 month period. On the basis that growth synergies from the combined business would start to be realized during 2023, the Committee decided the Board should bring on the additional Non-Executive Director, highlighted as a medium term objective in 2021. The search will begin in early 2023, with the ideal candidate increasing the diversity of the Board and being in place by mid-year.

Finally, the share option scheme for Non-Executive Directors remains a critical factor in attracting top talent to the Bango Board, particularly NEDs with US experience who are likely to be based in North America. This scheme further aligns the interests of Directors with Shareholders and enables

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 the Bango 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 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 can use 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 the Bango registered office.

Remuneration policy

Bango remuneration policy 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 overall Bango 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, a workplace pension along with other standard Bango employee benefits. 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 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.

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 chosen as 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 was used to guide the committee in determining any increases during 2022. The committee concluded that the fixed element of remuneration for the CEO should be increased when business growth objectives related to Annualized Recurring Revenue (ARR) were met – this was implemented in 2022. The CFO was a new hire at market rates in 2021 and a moderate annual increase was implemented by the committee during 2022. The fixed element of remuneration for the CMO was reviewed and it was considered by the Remuneration Committee that no change was required. 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 proportion of total remuneration. The award 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 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 to the bonus if it is discovered that any of the parameters under which the bonus was granted should change.

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. This policy remained unchanged in 2022.

In 2022 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 revenue targets. Minimum, target and maximum

Remuneration committee report

levels were set. Below minimum, the payout was zero, between minimum and target the payout scaled to 100%, between target and maximum the payout scaled to 150%, if the maximum metric was exceeded the payout was capped at 150%. In 2022 the Executive Directors earned a 150% payout for this financial metric.

- The final 10% of the bonus target was based on individual objectives specific to each Executive. In determining the results, the committee considered the significant effort required to complete the acquisition of DOCOMO Digital while simultaneously continuing the organic growth of the business. The results were as follows:

Individual Objectives

Result (max 15%)	
Exec Chair	15%
CEO	15%
CMO	15%
CFO	15%

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 largely appropriate given the size and growth nature of Bango. Options lapse after 10 years and to date there has been a 12% maximum dilution at any point.

The enlarged workforce resulting from the DOCOMO Digital acquisition prompted the committee to review this dilution limit. After careful consideration the Committee recommended to the wider Board an increase in the limit to 15% to ensure the increased workforce could benefit from, and be incentivized through the award of, options. This increase would also ensure Bango remains able to attract leadership talent. This recommendation to increase in the dilution limit to 15% was subsequently approved by the Board.

Alongside all employees, Executive Directors are eligible to participate in the share option scheme. A separate share option scheme for Non-Executive Directors was implemented in 2022, the details of which are described in more detail below.

In January 2021 Bango sought independent advice from FIT on the structure and implementation of its share option policy for 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. Upon review the committee determined that no changes were required for 2022.

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. 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 – see below. 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 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 QCA Remuneration Committee Guide recommends that options be "exercisable after three years, and subject to... (in some cases) the achievement of additional performance conditions". In 2022 (as in 2021) 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.

Some institutions/nominees followed this recommendation. The Board considers this recommendation to be incorrect, misinformed and counter to the interests of Bango and 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 significant benefit from their options.
- Although the vesting period is phased over 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 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

Remuneration committee report

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.

Following consultation with key shareholders, the Executive Directors decided to implement a share option program for Non-Executive Directors in 2022. The rationale behind this is that, to attract top talent, especially in the US (an important market for Bango), much higher directors' fees would otherwise be needed. A share option program allows Bango to recruit the best Non-Executives globally while minimizing operating costs. The structure of the scheme also aligns interests of the Board members with the interests of shareholders. The rules of the scheme were determined by the Executive Directors in consultation with the Bango NOMAD and major shareholders. The structure of the scheme is:

- Options are granted at the closing market price on the day of grant. There is no discount from the market price.
- Options can not be repriced or adjusted in a static or falling market; Directors can only benefit from their options should the share price increase, aligning their interests with those of the wider shareholder base.
- Options are granted to Non-Executive Directors upon appointment (or for existing Directors upon the adoption of the scheme). There are no regular option grants. The Executive Directors review the situation annually to determine if a subsequent grant is appropriate.
- Options vest in one tranche on the fourth anniversary of the date of grant and expire after ten years.
- To ensure independence is not compromised Non-Executive Directors do not have to remain on the Board for the full vesting period for them to receive the benefit of their options. The exception to this would be if any Non-Executive Director was removed for cause.

Further details of the option plan and outstanding options as at 31 December 2022 are given in note 25 to the financial statements.

Details of the share options and shares held by the Directors of Bango are shown below.

Employee Share Purchase Scheme

In 2022, to further promote employee retention and engagement, as well as employee share ownership, Bango implemented a share purchase scheme. To simplify the initial implementation of this scheme, participation is currently limited to UK-based employees. The scheme is open to Executive Directors but not to Non-Executive Directors.

The scheme is an HMRC-approved Share Incentive Plan and so follows HMRC rules; employees and the company contribute funds to a trust that purchases and holds shares on the employees' behalf. The scheme is managed by Equiniti Share Plan Trustees Limited, which also manages the Bango share option program. Limits on employee and company contributions in any tax year are set by HMRC. In 2022 the employee contribution limit was £1,800 per tax year. Bango matches employee contributions at a ratio of 2:1, contributing a maximum of £3,600 per tax year per employee.

UK 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 minimum pension contribution is 5% under auto-enrolment rules. Bango matches this contribution and then contributes 0.2% for every 1% of salary the employee contributes.

Where an employee has reached the HMRC pension limits the company contribution is paid as an allowance which is subject to normal NI and Tax deductions.

Non-Executive Directors cannot 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 2022 (2021: 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 2023

Considering market data and company performance, the Remuneration Committee has determined that in 2023 there will be no material changes to Director compensation:
- The bonus scheme will remain similar that used in 2022
- Executive Directors' salaries will be reviewed and adjusted according to market conditions using the same methodology as that used for all Bango employees.

Remuneration committee report

Directors' emoluments

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

31 December 2022	Wages and salaries	Variable pay	Pension and other benefits	Total
	$	$	$	$
R Anderson	276,990	116,152	-	393,142
P Larbey	341,038	164,366	8,983	514,387
A Malhotra	225,939	99,989	10,851	336,779
M Garner	220,447	98,619	10,561	329,627
F Bury	37,121	-	-	37,121
E Peacock	37,121	-	-	37,121
M Weldon	46,873	-	-	46,873
L Gansky	46,873	-	-	46,873
Total	**1,232,402**	**479,126**	**30,394**	**1,741,923**

31 December 2021	Wages and salaries	Variable pay	Pension and other benefits	Total
	$	$	$	$
R Anderson	291,792	90,353	2,037	384,182
P Larbey	316,433	98,297	13,258	427,988
A Malhotra	251,194	77,420	10,887	339,501
C Rand*	49,991	-	13,791	63,782
M Garner**	195,960	62,055	5,755	263,770
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
Total	**1,249,545**	**328,125**	**45,728**	**1,623,398**

* 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.
Paul Larbey exercised 10,000 options at a gain of $13,997 during 2021.
Variable pay reflects bonus payment accrued in relation to the year reported. The 2021 figures have been restated to be consistent.

Directors' share options

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

		Options to buy ordinary shares of 20p each	
Date of grant	Option price	31 Dec 2022	31 Dec 2021
R Anderson			
29 September 2022	£1.96	50,000	
08 March 2022	£1.78	50,000	
08 September 2021	£2.02	50,000	50,000
17 March 2021	£2.08	50,000	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

Remuneration committee report

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		**732,500**	**632,500**
A Malhotra			
29 September 2022	£1.96	50,000	
08 March 2022	£1.78	50,000	
08 September 2021	£2.02	50,000	50,000
17 March 2021	£2.08	50,000	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		**732,500**	**632,500**
P Larbey			
29 September 2022	£1.96	100,000	
08 March 2022	£1.78	100,000	
08 September 2021	£2.02	100,000	100,000
17 March 2021	£2.08	100,000	100,000
17 September 2020	£1.72	48,760	48,760
07 April 2020	£1.22	47,912	47,912
18 September 2019	£1.38	47,080	47,080
27 March 2019	£0.93	246,248	246,248
Total		**790,000**	**590,000**
M Garner			
29 September 2022	£1.96	50,000	
08 March 2022	£1.78	50,000	
08 September 2021	£2.02	50,000	50,000
17 March 2021	£2.08	150,000	150,000
Total		**300,000**	**200,000**

Remuneration committee report

E Peacock			
08 March 2022	£1.78	50,000	
Total		**50,000**	-
F Bury			
08 March 2022	£1.78	50,000	
Total		**50,000**	-
M Weldon			
08 March 2022	£1.78	50,000	
Total		**50,000**	-
L Gansky			
08 March 2022	£1.78	50,000	
Total		**50,000**	-

The total number of Director share options which were vested but unexercised, and exercised in 2022 are:

	Total options held at 31 Dec 2022	Vested & Unexercised at 31 Dec 2022	Exercised in 2022
R Anderson	732,500	578,371	-
A Malhotra	732,500	578,371	-
P Larbey	790,000	502,531	-
M Garner	300,000	125,031	-
E Peacock	50,000	-	-
F Bury	50,000	-	-
M Weldon	50,000	-	-
L Gansky	50,000	-	-

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 2022 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company cashflow statements, consolidated and company statements of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2022 and of the group's loss 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	**Group** • Revenue recognition • Acquisition accounting • Development cost capitalisation **Parent Company** • No matters identified
Materiality	**Group** • Overall materiality: $427,000 (2021: $311,000) • Performance materiality: $320,000 (2021: $232,000) **Parent Company** • Overall materiality: £305,000 (2021: £119,000) • Performance materiality: £228,000 (2021: £89,250)
Scope	Our audit procedures covered 90% of revenue, 99% of net assets and 84% of loss before taxation.

Key audit matters

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

Revenue recognition

Key audit matter description	Under International Auditing Standards there is a rebuttable presumed risk of fraud that revenue may be misstated due to improper revenue recognition. 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". In addition, there is judgement involved in whether the group is acting as a principal or agent in relation to certain reseller arrangements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANGO PLC

How the matter was addressed in the audit	We considered the controls over the determination of end user spend for the payments revenue stream. We used data analytical software to identify outliers in revenue stream and tested these. In addition, we performed cut-off testing and other substantive testing procedures to validate the recognition of revenue throughout the year was in line with contractual arrangements. 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; and • whether the group is acting as principal or agent in relation to certain reseller arrangements. We also considered the adequacy of the Group's revenue recognition accounting policy and the judgements, both disclosed in note 3.

Acquisition accounting

Key audit matter description	On 29 August 2022, the group acquired 100% of the issued share capital of Bango 22 Limited ("Bango22"), formerly Docomo Digital Limited. This transaction falls under the scope of IFRS 3 "Business Combinations" which requires management judgement in determining the fair value of assets acquired, including intangible assets. The transaction resulted in the creation of negative goodwill of $10.2m which has been recognised in the Consolidated Statement of Comprehensive Income.
How the matter was addressed in the audit	We reviewed and challenged the reasonableness of the methodology and inputs used to determine the acquired intangible asset values. Our work also included testing of the opening balance sheet and subsequent adjustments to ensure completeness and accuracy of the fair value adjustments recognised by management. We considered the adequacy of the Group's business acquisitions accounting policy and key judgements, both disclosed in note 3, and disclosure surrounding the acquisition in note 24.

Development cost capitalisation

Key audit matter description	The internal development costs capitalised are disclosed in note 14. The group incurs expenditure on the development of its software and products which are capitalised if certain criteria are met in accordance with IAS 38 "Intangible Assets". We focus on the capitalisation of development costs due to the impact on reported earnings and the judgements involved in assessing whether the IAS 38 criteria for capitalisation have been met.
How the matter was addressed in the audit	We confirmed our understanding of management's basis for capitalising development costs, updated our understanding of key existing and new projects and determined whether the costs had been appropriately capitalised in accordance with IAS 38. Our procedures included an assessment over the appropriateness of any management judgements including the future expected economic benefit of capitalised projects and substantive testing of the costs capitalised. We also assessed the reasonableness of the amortisation policies in place and potential impairment. We also considered the adequacy of the Group's research and development accounting policy and the judgements disclosed in note 3.

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	$427,000 (2021: $311,000)	£305,000 (2021: £119,000)
Basis for determining overall materiality	1.5% of total revenue	0.5% of net assets
Rationale for bench-mark 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	$320,000 (2021: $232,000)	£228,000 (2021: £89,200)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstate-ments to the Audit Committee	Misstatements in excess of $21,350 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £15,250 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 33 components, the most significant of which are based and operate from the United Kingdom, but there are also entities located in the following countries; Republic of Ireland, United States of America, Canada, Portugal, Nigeria, Spain, Brazil, Japan, Germany, South Africa, Australia, Singapore, Liechtenstein, Italy, Austria, Switzerland, India and Mexico. 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.

	Number of components	Revenue	Net assets	Loss before tax
Full scope audit	2	82%	98%	81%
Specified audit procedures	2	8%	1%	3%
Total	4	90%	99%	84%

Analytical procedures at group level were performed for 31 components, including the two components on which specified audit procedures were performed.

Of the above, specified audit procedures for one component was undertaken by component auditors.

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.

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 $12.7 million. In considering the levels of cash, availability of financing 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANGO PLC

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 page 38, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANGO PLC

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 and component auditors 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; Inspection of correspondence with local tax authorities; Audit of the calculation of the research and development tax credit to ensure suitably supported.
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.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Consolidated statement of comprehensive income
For the year ended 31 December 2022

	Note	2022 $ 000	2021 $ 000
Revenue	4	**28,490**	20,704
Cost of sales		**(2,671)**	(1,231)
Gross profit		**25,819**	19,473
Other operating income	6	**1,123**	-
Administrative expenses	6	**(30,343)**	(18,928)
Adjusted EBITDA		**4,951**	6,178
Exceptional items	7	**(10,960)**	-
Negative goodwill	24	**10,203**	-
Share based payments	9	**(1,634)**	(1,547)
Depreciation	12, 13	**(760)**	(224)
Amortization	14	**(5,201)**	(3,862)
Operating (loss) / profit		**(3,401)**	545
Finance costs	10	**(58)**	(10)
Finance income	10	**57**	11
Share of net loss of associates accounted for using the equity method	15	**(1,393)**	(2,081)
Loss before taxation	5	**(4,795)**	(1,535)
Income tax expense	11	**2,655**	1,977
(Loss) / profit for the financial year (attributable to equity holders of the company)		**(2,140)**	442
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange on consolidation		**(4,921)**	(214)
(Loss) / profit and total comprehensive income for the financial year		**(7,061)**	228

(Loss) / earnings per share attributable to the equity holders of the parent

	Note	2022	2021
Basic (loss) / earnings per share	27	**(2.81) c**	0.58 c
Diluted (loss) / earnings per share	27	**(2.81) c**	0.57 c

The notes on pages 61 to 105 are an integral part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2022

	Note	**31 December 2022 $ 000**	31 December 2021 $ 000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**1,145**	242
Right of use assets	13	**2,640**	83
Intangible assets	14	**27,244**	18,645
Investments accounted for using the equity method	15	**3,766**	5,630
		34,795	24,600
Current assets			
Trade and other receivables	16	**22,016**	7,099
Research and development tax credits		**2,030**	778
Short-term investments	17	**41**	945
Cash and cash equivalents	18	**12,657**	8,706
		36,744	17,528
Total assets		**71,539**	42,128
EQUITY			
Capital and reserves attributable to equity holders of the parent company			
Share capital	19	**24,471**	24,392
Share premium account		**62,411**	62,057
Merger reserve		**2,886**	2,886
Share-based payments reserve		**4,029**	3,635
Foreign exchange reserve		**(2,812)**	2,109
Accumulated losses		**(59,541)**	(58,265)
Total equity		**31,444**	36,814
LIABILITIES			
Current liabilities			
Trade and other payables	20	**32,533**	5,209
Lease liabilities	13	**841**	56
		33,374	5,265

The notes on pages 61 to 105 are an integral part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2022 (continued)

	Note	**31 December 2022 $ 000**	31 December 2021 $ 000
Non-current liabilities			
Trade and other payables	20	**512**	-
Lease liabilities	13	**1,801**	49
Deferred tax	11	**4,408**	-
		6,721	49
Total liabilities		**40,095**	5,314
Total equity and liabilities		**71,539**	42,128

These financial statements were approved and authorized for issue by the Directors on 30 March 2023 and are signed on their behalf by:

M Garner
Director

Company registration number 05386079

The notes on pages 61 to 105 are an integral part of these financial statements.

Consolidated cashflow statement
For the year ended 31 December 2022

	Note	**2022 $ 000**	2021 $ 000
Cash flows from operating activities			
Net cash flow from operating activities	21	**5,867**	6,001
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	24	**9,179**	-
Acquisitions of property plant and equipment		**(1,435)**	(209)
Expenditure on capitalized development costs and intangible assets		**(9,640)**	(5,102)
Acquisition of other intangible assets	14	**-**	(1,048)
Short-term investments	17	**904**	(945)
Interest received	10	**57**	11
Net cash flows from investing activities		**(935)**	(7,293)
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs		**433**	2,243
Interest paid	10	**(10)**	(7)
Repayment of other borrowing		**-**	(3)
Payments to finance lease creditors		**(451)**	(97)
Interest payment on finance		**(48)**	-
Net cash flows from financing activities		**(76)**	2,136
Net increase in cash and cash equivalents		**4,856**	844
Cash and cash equivalents at 1 January		**8,706**	7,958
Effect of exchange rate fluctuations on cash held		**(905)**	(96)
Cash and cash equivalents at 31 December		**12,657**	8,706

The notes on pages 61 to 105 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital $ 000	Share premium account $ 000	Merger reserve $ 000	Share based payment reserve $ 000	Foreign currency translation $ 000	Retained earnings $ 000	Total $ 000
At 1 January 2022	**24,392**	**62,057**	**2,886**	**3,635**	**2,109**	**(58,265)**	**36,814**
Loss for the year	-	-	-	-	-	(2,140)	(2,140)
Foreign exchange translation	-	-	-	(376)	376	-	-
Foreign exchange on consolidation	-	-	-	-	(5,297)	-	(5,297)
Total comprehensive income	-	-	-	(376)	(4,921)	(2,140)	(7,437)
Share-based payment transactions	-	-	-	1,634	-	-	1,634
Transfer for exercised options	-	-	-	(864)	-	864	-
Exercise of share options and warrants	79	354	-	-	-	-	433
Transactions with owners	**79**	**354**	**-**	**770**	**-**	**864**	**2,067**
At 31 December 2022	**24,471**	**62,411**	**2,886**	**4,029**	**(2,812)**	**(59,541)**	**31,444**

The notes on pages 61 to 105 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022 (continued)

	Share capital $ 000	Share premium account $ 000	Merger reserve $ 000	Share based payment reserve $ 000	Foreign currency translation $ 000	Retained earnings $ 000	Total $ 000
At 1 January 2021	**24,033**	**60,173**	**2,886**	**3,306**	**2,323**	**(59,804)**	**32,917**
Profit for the year	-	-	-	-	-	442	442
Foreign exchange translation	-	-	-	(121)	121	-	-
Foreign exchange on consolidation	-	-	-	-	(335)	-	(335)
Total comprehensive income	-	-	-	(121)	(214)	442	107
Share-based payment transactions	-	-	-	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**
At 31 December 2021	**24,392**	**62,057**	**2,886**	**3,635**	**2,109**	**(58,265)**	**36,814**

The notes on pages 61 to 105 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2022

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 36. 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 2022 (including the comparatives for the year ended 31 December 2021) were approved by the Board of Directors on 30 March 2023.

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 2022, 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.

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 Basis of preparation (continued)

2.1 Going concern

Bango has prepared the financial statements on a going concern basis, which assumes that the Company will continue to operate in the foreseeable future. Bango's ability to continue as a going concern is dependent on several factors, including its ability to generate sufficient cash flows from operations, to obtain additional financing if required, and to meet its obligations as they become due.

As at 31 December 2022, Bango had cash of $12.7M (31 December 2021: $8.7M) and financing debt of $2.6M (31 December 2021:$0.1M) related to Right of Use assets associated with office occupancy. Bango grew its EUS and revenue in 2022 in line with prior year trends, and generated cash in 2022, mainly due to the stable cost basis of the platform.

During the year Bango paid $4.3M to acquire Bango 22 Limited (formerly Docomo Digital Limited). As part of the integration of the acquired business, Bango will expend cash on various restructuring activities including personnel. This one-off expenditure will be financed through the on-going cash inflows from the elevated levels of business and a preferential working capital payment agreement with a key customer. Further, Bango has active open discussions with financial institutions in case additional funding is required including an overdraft facility availability with its bank, HSBC, agreed after the period end.

The Board believes, based on regular cashflows, that there is sufficient cash and resources to support both planned investments to grow sales, to complete the planned integration 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

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 Principal accounting policies (continued)

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill. In the case of the acquisition of DOCOMO Digital Limited, Bango recognised negative goodwill, or a bargain purchase gain, as the purchase price was lower than the total fair value of the assets and liabilities acquired. This negative goodwill has been recognised as an exceptional gain within Bango's income statement.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

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.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Principal accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	20% straight-line
Office equipment	20% straight-line
Computer equipment	33.3% straight-line

Intangible assets

Separately acquired licenses and other intangibles are shown at historical cost.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

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.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Domain names	3 year straight-line
Internal development	5-7 years straight-line
Intellectual property	5-7 years straight-line

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Principal accounting policies (continued)

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.

Negative goodwill arising on an acquisition is recognised directly in the income statement.

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 Principal accounting policies (continued)

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.

Impairment of non-current assets
At each statement of financial position date, Bango Plc 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.

Current financial assets

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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.

Trade and other receivables
Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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

3 Principal accounting policies (continued)

Trade and other payables
Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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 Principal accounting policies (continued)

Revenue recognition

Recognition

Revenue is measured by reference to the fair value of consideration receivable by Bango for services provided, excluding taxes. Although Bango Plc 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 Plc.

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)

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Revenue linked to Payment activity

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

Revenue linked to non-transactional services

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). Where Bango Plc 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.

Revenue activity from distribution activities

Revenue from the distribution of software is accounted for in line with the Principal and Agent provision of IFRS 15. In certain cases, Bango acts as a principal and will recognize gross revenue. However, where Bango acts purely as a conduit for a monthly software licence, then it will act as an Agent and recognize only the net revenue.

3 Principal accounting policies (continued)

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.

Revenue activity from the sale of perpetual and annual 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.

Bango sells annual licences for access to the Bango Platform. Revenue earned from the sale of annual licences are recognized during the period when the customer receives technical access to benefit from the Bango Platform.

Cost of sales

Bango cost of sales for the the transactional payments business is minimal due to the platform nature of the business. The development and maintenance of the platform are accounted for within operating expenditure and capital expenditure which is amortised over its useful life. Bango recognises additional cost of sales where a third party is used to provide connections to the local payment provider. With the acquisition of DOCOMO Digital, Bango acquired additional platforms which, due to their architecture and deployment, incur a higher costs of sale. For the resale platform business, custom integration work or distribution will be recognized in cost of sales based on actual cost incurred and where Bango acts as Principal for distribution, Bango will recognize the cost of the product in full. For Bango Audiences the share of revenue provided to the payment provider who owns the data, is included as cost of sales.

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 Principal accounting policies (continued)

Share based payments

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.

The Group has an approved HM Revenue and Customs Share Incentive Scheme under which all eligible employees can be awarded free shares. The fair value of shares awarded under the Scheme is the market value of those shares at the date of grant which is then recognised on a straight-line basis over the vesting period. The free shares awarded are issued at nominal value and held in a trust managed by a third-party trustee. On vesting, an amount equal to the fair value of the shares at the date the shares were awarded is transferred from the share-based payments reserve into retained earnings.

Foreign currencies

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 Principal accounting policies (continued)

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.

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

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.

Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities (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.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Principal accounting policies (continued)

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.

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.

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 2022. 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 2023, 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.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Principal accounting policies (continued)

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 8.

Significant accounting estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenues and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates.

In applying the Group's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements.

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 2022, 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.

The Group has arrangements whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Group acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Group is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Group has in establishing the price for the specified good or service, whether the group has inventory risk and whether the Group is primarily responsible for fulfilling the promise to deliver the service or good.

This assessment of control requires judgement in particular in relation to certain service contracts where the group may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

Where the group is acting as a principal, revenue is recorded on a gross basis. Where the group is acting as an agent revenue is recorded at a net amount reflecting the margin earned.

3 Principal accounting policies (continued)

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 2022. 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 11.

Tax provision for liabilities

Bango has considered potential future tax liabilities with particular attention to on-going tax enquiries in Germany and Italy inherited through the Bango 22 Limited (formerly DOCOMO Digital Limited) acquisition, but has judged that there is not enough information to form an estimate of the exposure. Further, Bango has both significant tax losses and the capability to recover costs arising from the sales and purchase agreement to an agreed level. Bango would also look to recover any VAT exposure from customers. See note 26.

Development costs

Judgement is applied when deciding whether the recognition requirements for development costs have been met, based on the information available at each statement of financial position date. The economic success of any product development is uncertain at the time of recognition as it may be subject to future technical problems and therefore impairment reviews are completed for each project on the statement of financial position date. The carrying value of capitalized development costs is $15.0M (2021: $9.8M).

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

Carrying value of associate

The recoverable amount of the associate is derived from estimates of future cash flows that the associate is expected to generate. Given the start-up nature of this operation this is subjective. The development of the associate's product is progressing well and is expected to generate suitable income to support the carrying value recognized.

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.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Principal accounting policies (continued)

Business combinations

The Bango 22 Limited (formerly DOCOMO Digital Limited) business was acquired on 29th August 2022 for a cash consideration of $4.3M. Following completion, Bango worked with Grant Thornton to carry out provisional purchase price allocation work assessing the fair value measurement of tangible assets, intangible assets and goodwill using the acquisition method in accordance with IFRS 3 Business Combinations. This work covered four key areas, the main cash generating unit, customer relationships, technology IP and the workforce. Two other areas, non-competition agreements and trade name/brands, were also considered but not valued. Customer relationships were judged to be main driver for the acquisition as their retention, migration to the Bango platform were key and this was used as the primary asset for valuation using a multi period excess earnings model ('MEEM') considering only revenues from existing customers at the valuation date. The acquired technology was also considered but assessed to require significant upgrades if it were to continue to generate revenue. However, given that there will be a period of transition before all these routes are migrated to the Bango platform, this technology was valued using the relief from royalty method.

Costs related to acquisitions are expensed to the consolidated income statement in the period they are incurred and shown in exceptional costs.

4 Revenue

Revenue by product:

	2022 **$ 000**	2021 $ 000
Payments - transactional & data monetization	**18,185**	15,684
Payments non-transactional (licensing of software, platform & technology), and integration	**10,305**	5,020
	28,490	20,704

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

	2022 **$ 000**	2021 $ 000
Annual recurring revenue	**4,963**	1,053
	4,963	1,053

4 Revenue (continued)

Geographical analysis

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

	2022 **$ 000**	2021 $ 000
United Kingdom (country of domicile)	**1,242**	948
EU	**3,765**	2,213
USA and Canada	**8,078**	4,428
Rest of the World	**15,405**	13,115
	28,490	20,704

All turnover is spread over many territories, of which $8.7M comes from two partners in the Rest of the World and $3.5M comes from a partner in USA and Canada. (2021: $2.6M from the partner in the USA and Canada, $6.7M from two partners in the Rest of the World).

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

	2022 **$ 000**	2021 $ 000
United Kingdom (country of domicile)	**32,484**	24,600
Germany	**2,311**	-
	34,795	24,600

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

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Operating (loss) / profit

	2022 **$ 000**	2021 $ 000
Operating (loss) / profit is stated after charging / (crediting):		
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the financial statements	**9**	8
Fees payable to the Group's auditors for other services: audit of Group's subsidiaries	**186**	140
Exchange rate variances	**(1,205)**	272
Depreciation on property, plant and equipment – owned assets	**170**	128
Depreciation on property, plant and equipment – right of use assets	**590**	96
Amortization of intangible assets	**5,201**	3,862
Expense on short-term and low value leases	**521**	234

6 Expenses by nature

	2022 **$ 000**	2021 $ 000
Employee benefits expense	**15,308**	8,347
Depreciation expense	**760**	224
Amortisation expense	**5,201**	3,862
Other expenses	**8,317**	6,495
Exceptional items	**10,960**	-
Negative goodwill	**(10,203)**	-
	30,343	18,928

Other operating income relates to service costs included in administrative expenses that have been reimbursed by NTT Docomo.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Exceptional items

	2022 $ 000
Acquisition costs	1,270
Asset write-down	2,964
Restructuring costs	6,726
	10,960

Acquisition costs cover those professional fees associated with the acquisition of Bango 22 Limited (formerly DOCOMO Digital Limited). The asset write-down relates to non-current assets which no longer meet the criteria for recognition based on post acquisition requirements. Restructuring costs relate to redundancy and other restructuring costs arising due to the acquisition.

8 Directors

The directors' remuneration for the year was as follows:

	2022 $ 000	2021 $ 000
Emoluments	**1,742**	1,623

Further details can be found in the Remuneration Committee Report on page 44-49. The highest paid Director received total salary of $505,404 (2021: $414,730), pension contributions of $8,983 (2021: $13,258), and share based compensation of $129,000 (2021: $144,000).

The number of Directors who accrued benefits under pension schemes was three (2021: five). The total share based compensation for Directors was $423,000 (2021: $468,000).

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

9 Employee benefit expense

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Admin & marketing staff	**38**	22
Technical & support staff	**149**	66
	187	88

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Employee benefit expense (continued)

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 **$ 000**	2021 $ 000
Wages and salaries	**17,348**	8,874
Social security costs	**2,547**	875
Other pension costs	**474**	339
Share based compensation	**1,634**	1,547
	22,003	11,635

Included in the above payroll costs is $6,695,000 (31 December 2021: $3,288,000) capitalized within internal development (note 14). The outstanding pension contributions on 31 December 2022 which was payable in January 2022 was $41,000 (2021: $31,000).

The Directors have identified fourteen (31 December 2021: seventeen) 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:

	2022 **$ 000**	2021 $ 000
Wages and salaries	**3,091**	2,563
Social security costs	**354**	294
Other pension costs	**63**	79
Share based compensation	**629**	643
	4,137	3,579

10 Interest income and interest payable

	2022 **$ 000**	2021 $ 000
Finance income		
Bank interest receivable	**57**	11
Finance costs		
Interest on lease liabilities	**48**	3
Interest payable	**10**	7
Total finance costs	**58**	10

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Taxation

Tax charged/(credited) in the income statement

	2022 $ 000	2021 $ 000
UK taxation		
R&D tax credits receivable	**(1,337)**	(697)
Under recognition of prior year credit	**(4)**	(69)
Foreign taxation		
Foreign tax	**(2)**	12
Total current income tax	**(1,343)**	(754)
Deferred taxation		
Current year	**(1,312)**	-
Over provision in respect of prior year deferred tax	**-**	(1,223)
Total deferred taxation	**(1,312)**	(1,223)
Tax receipt in the income statement	**(2,655)**	(1,977)

The over provision of deferred tax in the prior year 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.

The tax on loss for the year is based on the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 $ 000	2021 $ 000
(Loss) on ordinary activities before taxation	**(4,795)**	(1,535)

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Taxation (continued)

	2022 $ 000	2021 $ 000
(Loss) on ordinary activities multiplied by standard rate of tax	**(911)**	(292)
Expenses not deductible for tax purposes	**1,453**	478
Enhanced R&D relief	**(1,177)**	(664)
Losses not recognized	**211**	(207)
Adjustments in relation to prior years	**(4)**	(1,292)
Income not taxable	**(288)**	-
Negative goodwill recognized	**(1,939)**	-
Total tax credit	**(2,655)**	(1,977)

At 31 December 2022, the unutilized tax losses carried forward amounted to $60.7M (at 31 December 2021: $47.6M). Of this amount, $46.7M relate to UK tax losses.

Deferred tax

Deferred tax liability has been recognized on potential withholding tax charges and other movements. No deferred tax has been recognized in respect of the UK or Germany losses 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% (2021: 25%).

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

	Provided 31 December 2022 $ 000	Provided 31 December 2021 $ 000	**Unrecognized 31 December 2022 $ 000**	Unrecognized 31 December 2021 $ 000
Share option deduction	**-**	-	**-**	68
Tax losses	**3,687**	2,056	**13,769**	9,899
Short term timing differences	**(4,562)**	21	**-**	-
Accelerated capital allowances and capitalized development costs	**(3,533)**	(2,077)	**-**	-
	(4,408)	-	**13,769**	9,967

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Taxation (continued)

	2022 $ 000	2021 $ 000
Opening balance at 1 January	**-**	(1,249)
Recognized in the consolidated income statement	**(1,312)**	1,223
Movement arising from acquisition	**5,694**	-
Exchange translation adjustment	**26**	26
Closing balance at 31 December	**4,408**	-

12 Property, plant and equipment

	Leasehold improvements $ 000	Office equipment $ 000	Computer equipment $ 000	Total $ 000
Cost				
At 1 January 2022	-	104	2,648	2,752
Additions	-	1,142	293	1,435
Acquisition of subsidiaries	-	230	442	672
Write down	-	(230)	(442)	(672)
Disposals	-	(281)	(10)	(291)
Foreign exchange	-	(11)	(241)	(252)
At 31 December 2022	**-**	**954**	**2,690**	**3,644**
Depreciation				
At 1 January 2022	-	77	2,433	2,510
Charge for the year	-	6	164	170
Disposals	-	-	(3)	(3)
Foreign exchange	-	(6)	(172)	(178)
At 31 December 2022	**-**	**77**	**2,422**	**2,499**
Net book value at 31 December 2022	**-**	**877**	**268**	**1,145**
Cost				
At 1 January 2021	366	87	2,489	2,942
Additions	-	18	191	209
Disposals	(364)	-	(2)	(366)
Foreign exchange	(2)	(1)	(30)	(33)

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Property, plant and equipment (continued)

	Leasehold improvements $ 000	Office equipment $ 000	Computer equipment $ 000	Total $ 000
At 31 December 2021	**-**	**104**	**2,648**	**2,752**
Depreciation				
At 1 January 2021	366	71	2,350	2,787
Charge for the year	-	8	120	128
Disposals	(364)	-	(1)	(365)
Foreign exchange	(2)	(2)	(36)	(40)
At 31 December 2021	**-**	**77**	**2,433**	**2,510**
Net book value at 31 December 2021	**-**	**27**	**215**	**242**

The write down of acquired assets relates to equipment and assets which have no further value following the Group decision on their post acquisition requirements.

13 Right of use assets

	Computer equipment $ 000	Building $ 000	Fixtures and fittings $ 000	Total $ 000
Cost				
At 1 January 2022	1,217	-	-	1,217
Additions	-	-	303	303
Acquisition of subsidiaries	50	2,864	65	2,979
Write down	(50)	-	(65)	(115)
Foreign exchange	(126)	-	-	(126)
At 31 December 2022	**1,091**	**2,864**	**303**	**4,258**
Depreciation				
At 1 January 2022	1,134	-	-	1,134
Charge for the year	37	553	-	590
Foreign exchange	(106)	-	-	(106)
At 31 December 2022	**1,065**	**553**	**-**	**1,618**

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Right of use assets (continued)

	Computer equipment $ 000	Building $ 000	Fixtures and fittings $ 000	Total $ 000
Net book value at 31 December 2022	**26**	**2,311**	**303**	**2,640**

	Computer equipment $ 000	Building $ 000	Fixtures and fittings $ 000	Total $ 000
Cost				
At 1 January 2021	1,217	-	-	1,217
At 31 December 2021	**1,217**	**-**	**-**	**1,217**
Depreciation				
At 1 January 2021	1,038	-	-	1,038
Charge for the year	96	-	-	96
At 31 December 2021	**1,134**	**-**	**-**	**1,134**
Net book value at 31 December 2021	**83**	**-**	**-**	**83**

The write down of acquired assets relates to equipment and assets which have no further value following the Group decision on their post acquisition requirements.

	31 December 2022 $ 000	31 December 2021 $ 000
Lease liabilities		
Current	**841**	56
Non-current	**1,801**	49
	2,642	105

The incremental borrowing rate for existing leases is 5% (2021: 5%).

The discount rate used by the Group to calculate lease liabilities was based on management estimates. As the Group could not readily determine the rate implicit in the lease, the Group based the estimate on the European Central Bank rate plus an implied premium.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Right of use assets (continued)

	2022 $ 000	2021 $ 000
Amounts recognized in profit or loss		
Depreciation charge on right of use assets		
All assets	**590**	96
Interest expense (included in finance cost)	**48**	3
Expense relating to leases of low-value assets and short-term leases	**521**	234

The total cash outflow for right of use asset leases in the year was $0.45M (2021: $0.1M).

The company leases equipment with varying terms ranging from 12 months to 6 years. The Group has a lease for a building in Dusseldorf Germany inherited as part of the acquisition. The lease term expires in January 2028. The increase in lease liability of $2.9M is related to the building and other leases gained from the acquisition. An additional $0.3M has arisen due to the Group obtaining the use of certain fixtures and fittings.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Intangible assets

	Domain names $ 000	Internal development costs $ 000	Acquired intangibles (Other) $ 000	Acquired intangibles (Software) $ 000	Acquired intangibles (Contracts) $ 000	Acquired intangibles (Brand) $ 000	Goodwill $ 000	Total $ 000
Cost								
At 1 January 2022	103	23,549	1,048	9,088	698	59	1,620	36,165
Additions	8	9,632	-	-	-	-	-	9,640
Acquisition of subsidiaries	-	-	83	-	5,666	-	-	5,749
Foreign exchange	(11)	(2,359)	(108)	(941)	-	-	-	(3,419)
At 31 December 2022	**100**	**30,822**	**1,023**	**8,147**	**6,364**	**59**	**1,620**	**48,135**
Amortisation								
At 1 January 2022	61	13,706	140	2,856	698	59	-	17,520
Charge for the year	29	3,614	213	985	360	-	-	5,201
Foreign exchange	(7)	(1,473)	(22)	(328)	-	-	-	(1,830)
At 31 December 2022	**83**	**15,847**	**331**	**3,513**	**1,058**	**59**	**-**	**20,891**
Net book value at 31 December 2022	**17**	**14,975**	**692**	**4,634**	**5,306**	**-**	**1,620**	**27,244**

14 Intangible assets (continued)

	Domain names $ 000	Internal development costs $ 000	Acquired intangibles (Other) $ 000	Acquired intangibles (Software) $ 000	Acquired intangibles (Contracts) $ 000	Acquired intangibles (Brand) $ 000	Goodwill $ 000	Total $ 000
Cost								
At 1 January 2021	78	18,659	-	9,177	698	59	1,620	30,291
Additions	26	5,076	1,048	-	-	-	-	6,150
Foreign exchange	(1)	(186)	-	(89)	-	-	-	(276)
At 31 December 2021	**103**	**23,549**	**1,048**	**9,088**	**698**	**59**	**1,620**	**36,165**
Amortisation								
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
Foreign exchange	(1)	(132)	-	(10)	-	-	-	(143)
At 31 December 2021	**61**	**13,706**	**140**	**2,856**	**698**	**59**	**-**	**17,520**
Net book value at 31 December 2021	**42**	**9,843**	**908**	**6,232**	**-**	**-**	**1,620**	**18,645**

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Intangible assets (continued)

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 estimated to reflect current market assessments of the time value of money, the specific risks applicable (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, for $1.62m in May 2016.

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% (2021: 2.5%) annually from 2023

(2) Current margins will remain the same in future years

(3) Pre-tax discount rate of 20% (2021: 20%) has been applied

(4) Major customers will continue the on-going business relationship. The customers have continued to increase business with in the past few years

(5) Annual capital expenditure will be $50,000 in the current year (2021: $50,000) and increase by 2.5% in the following years.

(6) Assumed a terminal growth rate of 3% (2021: 3%)

If Bango Plc 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.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Interest in associates and other investments

	2022 $ 000	2021 $ 000
Interest in other associates	**3,690**	5,630
Other investments	**76**	-
	3,766	5,630

Interest in associates

	2022 $ 000	2021 $ 000
Opening balance as at 1 January	**5,630**	7,771
Share of operating losses	**(1,393)**	(2,081)
Foreign exchange movements	**(547)**	(60)
Closing balance as at 31 December	**3,690**	5,630

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

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Interest in associates and other investments (continued)

Summarized balance sheet

	2022 $ 000	2021 $ 000
Cash	**523**	3,400
Other current assets	**423**	289
Non-current assets	**9,036**	11,064
Total assets	**9,982**	14,753
Finance liabilities (excluding trade payables)	**(191)**	(268)
Other current liabilities	**(565)**	(410)
Net assets	**9,226**	14,075
Opening book value of assets	**14,075**	19,427
Loss for the period	**(3,482)**	(5,203)
Foreign exchange translation	**(1,367)**	(149)
Closing net assets	**9,226**	14,075
Group's share	**3,690**	5,630
Carrying amount	**3,690**	5,630

Summarized statement of comprehensive income	2022 $ 000	2021 $ 000
Revenue	**143**	90
Cost of sales	**(92)**	(10)
Administrative expenses	**(2,191)**	(4,375)
Depreciation and amortization	**(1,295)**	(958)
Interest payable	**(10)**	(13)
Interest income	**-**	63
Taxation	**(37)**	-
(Loss) for the period	**(3,482)**	(5,203)
Total comprehensive loss	**(3,482)**	(5,203)

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Interest in associates and other investments (continued)

Other investments

Following the acquisition of the Bango 22 Limited (formerly Docomo Digital Limited Group), Bango obtained other investments with minority share holding interests valued at $76,000. The accounts do not contain any information related to these investments as they are considered immaterial to the understanding of these accounts.

16 Trade and other receivables

Current	31 December 2022 $ 000	31 December 2021 $ 000
Trade receivables	**13,450**	4,850
Provision for impairment of trade receivables	**(1,148)**	(30)
Net trade receivables	**12,302**	4,820
Accrued income	**4,331**	1,693
Prepayments	**2,470**	396
Other receivables	**2,913**	190
	22,016	7,099

Accrued income is expected to be invoiced within 12 months following the end of the year.

At 31 December 2022, 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 December 2022 $ 000	31 December 2021 $ 000
Not more than one month	**809**	383
One to two months	**293**	68
Three to twelve months	**481**	69
More than twelve months	**1,103**	5
	2,686	525

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.

16 Trade and other receivables (continued)

31 December 2022

	Current $ 000	One to three months $ 000	Three to twelve months $ 000	Over twelve months $ 000	Total $ 000
Expected credit loss rate (%)	0.50	0.50	0.75	7.40	
Gross carrying amount	809	293	481	1,103	**2,686**
Lifetime expected credit loss	4	1	4	82	**91**

Receivables not yet due of $10,764,000 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 $1,148,000, a specific provision of $1,057,000 (2021: $25,000) has been recognized for debt due from clients. The balance of $91,000 is the lifetime expected credit loss.

31 December 2021

	Current $ 000	One to three months $ 000	Three to twelve months $ 000	One to three months $ 000	Total $ 000
Expected credit loss rate (%)	0.50	0.50	2.50	8.50	
Gross carrying amount	383	68	69	5	**525**
Lifetime expected credit loss	2	-	2	1	**5**

Receivables not yet due of $4,324,000 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 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 for the Year Ended 31 December 2022 (continued)

16 Trade and other receivables (continued)

	31 December 2022 $ 000	31 December 2021 $ 000
Brought forward provision	**30**	37
Charge for the year	**-**	17
Acquired	**1,118**	-
Utilized	**-**	(24)
Released	**-**	-
Carry forward provision	**1,148**	30

17 Short-term investments

The Group invested $41,000 (2021: $945,000) in a short-term investment deposit with a 95-days' notice.

18 Cash and cash equivalents

Cash and cash equivalents includes restricted funds of $2.9M related to a discontinued business segment from the DOCOMO Digital acquisition (2021: nil) as at 31 December 2022.

19 Share capital

Allotted, called up and fully paid shares

	31 December 2022		**31 December 2021**	
	No.	**$ 000**	**No.**	**$ 000**
As at 1 January of £0.20 each	76,013,659	24,392	74,711,268	23,974
Exercise of share options and warrants of £0.20 each	318,187	79	1,302,391	418
	76,331,846	24,471	76,013,659	24,392

During the year 318,187 share options were exercised at exercises price between 43 pence and 208 pence and a par value of 20 pence per share. The total proceeds were $433,444 of which $79,196 was recognized as share capital and $354,248 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 nil (2021: 230,025) warrants were exercised whilst 508,374 remained outstanding as at 31 December 2022.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

20 Trade and other payables

	31 December 2022 $ 000	31 December 2021 $ 000
Current liabilities		
Trade payables	**11,426**	1,646
Social security and other taxes	**3,582**	599
Other creditors	**2,684**	643
Accruals	**9,477**	2,217
Deferred income	**1,665**	104
Restructuring accrual	**3,699**	-
	32,533	5,209
Non-current liabilities		
Accruals	**512**	-
	512	-

Trade and other payables in current liabilities are due within one year and are non-interest bearing. Non-current trade payables are due within two years. There is no material difference between book value and fair value.

Deferred income relates to revenue expected to be recognized by the group within 12 months from the year end. The deferred income from the year ended 31 December 2021 was fully recognized during the current year.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Cash generated from / (used by) operations

	2022 $ 000	2021 $ 000
(Loss) / profit for the financial year	**(2,140)**	442
Depreciation and amortization	**5,961**	4,086
Negative goodwill recognized	**(10,203)**	-
Taxation credit	**(2,655)**	(1,977)
Finance income	**(57)**	(11)
Finance costs	**58**	10
Share-based payment expense	**1,634**	1,547
Share of loss of associate	**1,393**	2,081
Loss on disposal of fixed assets	**288**	-
Net exchange differences	**(109)**	(29)
Decrease / (increase) in receivables	**5,850**	(2,802)
Increase in payables	**4,998**	2,654
Impairment of assets	**787**	-
	5,805	6,001
Corporation tax received	**62**	-
Net cash generated from operations	**5,867**	6,001

	At 1 January 2022 $ 000	**Cash flow $ 000**	**Other non-cash movements $ 000**	**Exchange $ 000**	**Acquisition $ 000**	**At 31 December 2022 $ 000**
Cash and cash equivalents at end of year						
Cash and cash equivalents	8,706	(8,616)	-	(905)	13,472	12,657
Lease liabilities	(105)	499	(48)	(124)	(2,864)	(2,642)
Net cash at end of year	**8,601**	**(8,117)**	**(48)**	**(1,029)**	**10,608**	**10,015**

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Cash generated from / (used by) operations (continued)

	At 1 January 2021 $ 000	Cash flow $ 000	Other non-cash movements $ 000	Exchange $ 000	At 31 December 2021 $ 000
Cash and cash equivalents at end of year					
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**

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

22 Credit risk analysis

Bango Plc'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 Plc 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 Plc's policy is to deal only with creditworthy counterparties.

Bango Plc's management considers the expected credit loss on financial assets that are past due. See note 16 for further information on trade receivables that are past due.

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

In respect of trade and other receivables, Bango Plc is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Bango Plc 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.

23 Market risk analysis

23.1 Interest risk sensitivity

Bango Plc 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.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

23 Market risk analysis (continued)

23.2 Foreign currency forwards

In the prior year Group had hedged an expected total receipt USD 1.65M 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. There were no such contracts at 31 December 2022.

23.3 Foreign currency sensitivity

Exposure to currency exchange rates arise from Bango Plc's overseas sales and purchases, which are primarily denominated in Pound Sterling, US Dollar, Mexican Peso, Brazilian Real and Australian Dollar.

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

Nominal amounts		**31 December 2022 Financial assets $ 000**	**31 December 2022 Financial liabilities $ 000**	**Net assets/ (liabilities) $ 000**	31 December 2021 Financial assets $ 000	31 December 2021 Financial liabilities $ 000	Net assets/ (liabilities) $ 000
GBP £	GBP	**5,090**	**(8,160)**	**(3,070)**	8,684	(4,391)	4,293
Euro	EUR	**12,475**	**(13,100)**	**(625)**	1,440	(597)	843
Australian $	AUD	**804**	**(110)**	**694**	1	-	1
Japanese yen	JPY	**1,606**	**(1,707)**	**(101)**	1,861	(375)	1,486
Brazilian real	BRL	**92**	**(846)**	**(754)**	-	(1)	(1)
Swiss frank	CHF	**529**	**(27)**	**502**	-	-	-
Mexican peso	MXN	**64**	**(1,351)**	**(1,287)**	-	-	-
Malaysian ringgit	MYR	**1,460**	**(1,994)**	**(534)**	2	-	2
Singapore $	SGD	**871**	**(261)**	**610**	-	-	-
Other	Other	**10,017**	**(7,135)**	**2,882**	449	(10)	439
		33,008	**(34,691)**	**(1,683)**	12,437	(5,374)	7,063

23 Market risk analysis (continued)

23.3 Foreign currency sensitivity (continued)

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 GBP, EUR, AUD, MXN, BRL, SGD, MYR and CHF denominated trade and cash. The Group's exposure to other currencies is not significant. If exchange rates moved so that the US Dollar strengthened by 5% then the profits of the group will be increased by $217,000 and the effect on the statement of financial position would be a profit of $80,000. However, if the exchange rates of GBP, EUR, AUD, MXN, BRL, SGD, MYR and CHF strengthened by 10% then the impact on profits of the group will be a profit of $415,000 and the effect on the statement of financial position would be a movement in assets of $153,000.

24 Acquisition of subsidiary

On 29 August 2022, the Group acquired 100% of the issued share capital of Bango 22 Limited (formerly Docomo Digital Limited), obtaining control of the global payments business of NTT Docomo. Bango 22 Limited was acquired to expand the global partnerships with major customers and add new Telco partners, thereby extending the Bango global reach. This acquisition will consolidate the Bango position as a leading payments platform for global merchants. This will also expand Bango's footprint in carrier billing for physical goods.

With the acquisition, Bango has accelerated it's 5 year strategic business plan and gained new business partners. The acquisition is further intended to consolidate the Bango position in the payments platform business and attract potential new customers to the Bango Digital Vending Machine.

	29 August 2022 Book value $ 000	29 August 2022 Adjustment $ 000	29 August 2022 Fair value $ 000
Assets and liabilities acquired			
Trade and other receivables	21,165	-	21,165
Cash	13,472	-	13,472
Property, plant and equipment	672	-	672
Right of use	2,979	-	2,979
Identifiable intangible assets	34,554	(28,805)	5,749
Trade and other payables	(23,495)	2,633	(20,862)
Tax liability	(121)	-	(121)
Lease liability	(2,864)	-	(2,864)
Deferred tax	(4,183)	(1,511)	(5,694)
Net identifiable assets acquired	**42,179**	**(27,683)**	**14,496**
Goodwill			(10,203)
Net assets acquired			**4,293**

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

24 Acquisition of subsidiary (continued)

	29 August 2022 Book value $ 000	29 August 2022 Adjustment $ 000	29 August 2022 Fair value $ 000
Consideration:			
Cash			4,293
Cash flow analysis:			
Cash consideration			4,293
Less: cash and cash equivalent balances acquired			(13,472)
Net cash inflow arising on acquisition			**(9,179)**

The initial accounting and fair value numbers presented above are provisional. The numbers may be amended if new information becomes available which requires Bango to amend the opening balances.

The fair value of acquired trade receivables was $10.6M. The gross contracted value was $11.8M with an expected loss recognized on acquisition of $0.1M and $1.1M as a specific provision.

Cash balance acquired of $13.5M included restricted cash of $2.9M.

The book value of intangibles assets of $34.5M was considered to be worth considerably less due to the limited value of the Bango 22 Limited platform. This was written down to $0.1M with contracts assets valued at $5.67M. The fair value is expected to be amortized over five years post acquisition.

Trade and other payables worth $2.63M were adjusted due to unrequired accruals.

The negative goodwill of $10.2M arising from the acquisition is determined after considering the fair value of tangible assets, intangible assets comprising of technology IP, customer relationships, brand and the potential of the existing workforce. The transaction resulted in a gain because the acquired entity would have been required to undertake major restructuring and develop a cloud based platform to support the long-term viability of the business.

Acquisition-related costs (included in exceptional administrative expenses) amount to $1.3M.

Bango 22 Limited (formerly Docomo Digital Limited) contributed $5.1M revenue and ($3.8M) to the group's loss for the period between the date of acquisition and the balance sheet date.

If the acquisition of Bango 22 Limited (formerly Docomo Digital Limited) had been completed on the first day of the financial year, group revenues for the period would have been $58.9M and group loss would have been ($13.6M). The high revenues and costs were based on arrangements in place prior to the acquisition which ceased after the acquisition.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

25 Share-based payments

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.

Employees based in the United Kingdom are also eligible to participate in a Employee Share Purchase Scheme which enables a trust company to purchase Bango shares on behalf of employees on the open market. The purchase by employees are also matched by Bango up to a limit. Payment is made from an approved salary sacrifice scheme.

Employee share options

The movements in the number of share options outstanding and their related weighted average exercise prices for the year are as follows:

	Average exercise price per share p	**31 December 2022 Number**	Average exercise price per share p	31 December 2021 Number
Outstanding at 1 January	**156**	**5,720,226**	132	5,411,056
Granted	**187**	**2,307,500**	205	1,801,750
Lapsed	**128**	**(353,843)**	160	(465,220)
Exercised	**107**	**(318,187)**	112	(1,027,360)
Outstanding at 31 December	**167**	**7,355,696**	156	5,720,226
Exercisable at 1 January	**156**	**4,421,771**	**132**	**3,399,940**

The weighted average share price at date of options exercised during the year was 167.12 pence (2021 - 156.04 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:

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

25 Share-based payments (continued)

	2022	2021
Risk free rate of return (%)	**1.23 - 4.32**	0.34 - 0.39
Expected life of options (years)	**5**	5
Forfeiture rate (%)	**13.5**	13.5
Fair value of options (pence)	**72 - 91**	101-105
Weighted average share price at grant date (pence)	**187**	205
Volatility of share price (%)	**45**	50 - 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.

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

Share incentive plan

During the year the Group introduced a new share incentive scheme for employees. The HM Revenue and Customs approved Share Incentive Plan is open to all employees. Deductions from employee payroll through a salary sacrifice is then used to purchase shares on the market which the Company matches on a 2:1 basis up to a maximum of $2,100.

The scheme offers the employee the opportunity to participate in the long term success of the Group and also afford them the opportunity to have a say in the Company.

26 Contingent liabilities

Bango inherited through the acquisition an on-going lease for a London property which had been assigned to a third party with the agreement of the landlord. Under the terms of the assigned lease Bango offered a guarantee to the landlord till June 2028 to make good any obligations due which the assignee is unable to fulfil. The annual lease charge is $288,000.

The German tax authorities are currently reviewing the VAT treatment between merchants, end customers and intermediary companies to determine which entity is the content provider and therefore responsible for VAT collection and reporting. Bango Germany GmbH is party to the on-going inquiry which will have an impact on other intermediaries in the industry. Should the company be held responsible for the VAT on the sales, Bango Germany GmbH will seek to recover the VAT from the Telcos, customers and via warranties in the sale and purchase agreement. The Group is unable to make an assessment of the potential impact as at year end.

Both the Germany and Italian subsidiaries of Bango acquired as part of the Docomo acquisition are the subjects of an on-going transfer pricing audit in relation to the transfer of specific technology IP from Germany to Italy and the subsequent relationship between both parties. The Group is unable to make a fair assessment of the potential impact as at year end. Each subsidiary has significant losses to mitigate a significant additional tax. In addition, the Group has the option to seek to recover specific additional taxation arising from this and other acquired exposures (to a specified limit) from the prior owner as agreed in the sales and purchase agreement.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

27 (Loss) / earnings per share

(a) **Basic**

Basic (loss) / 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 (loss) / earnings per share	2022 $ 000	2021 $ 000
(Loss) / profit for the financial year	**(2,140)**	442
Weighted average number of ordinary shares in issue	**76,173,439**	75,640,815

Basic (loss) / earnings per share	2022	2021
Basic (loss) / profit per share attributable to equity holders	**(2.81) c**	0.58 c

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 Plc share of the net loss of associate for the period, negative goodwill and exceptional items divided by the weighted average number of ordinary shares in issue during the year.

	2022 $ 000	2021 $ 000
Profit attributable to equity holders of Bango PLC:		
From continuing operations	**(2,140)**	442
Exceptional items	**10,960**	-
Negative goodwill	**(10,203)**	-
Share of net loss of associates accounted for using the equity method	**1,393**	2,081
Profit attributable to equity holders of Bango PLC	**10**	2,523
Weighted average number of ordinary shares in issue	**76,173,439**	75,640,815

27 (Loss) / earnings per share (continued)

	2022	2021
Adjusted basic earnings per share attributable to equity holders (c)	**0.01 c**	3.34 c

(b) **Diluted**

Diluted (loss) / 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 (loss) / earnings per share	**2022 $ 000**	2021 $ 000
(Loss) / profit for the financial year	**(2,140)**	442
Weighted average number of ordinary shares in issue	**76,173,439**	75,640,815
Options	**-**	1,579,100
Weighted average number of ordinary shares in issue (including options)	**76,173,439**	77,219,915

As required by IAS33 (Earnings per Share), the impact of potentially dilutive options was disregarded for the purposes of calculating diluted loss per share in the year as the Group was loss making.

	2022	2021
Diluted (loss) / earnings per share attributable to equity holders (c)	**(2.81) c**	0.57 c

Diluted adjusted earnings per share

Diluted adjusted earnings per share is determined as the profit attributable to equity holders of Bango Plc excluding the Bango Plc share of the net loss of associate, negative goodwill and exceptional items for the period divided by the weighted average number of ordinary shares in issue during the year.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

27 (Loss) / earnings per share (continued)

	2022 $ 000	2021 $ 000
Profit attributable to equity holders of Bango PLC	**10**	2,523

Weighted average number of ordinary shares in issue	**76,173,439**	75,640,815
Options	**1,082,601**	1,579,100
Weighted average number of ordinary shares in issue (including options)	**77,256,040**	77,219,915

Diluted adjusted earnings per share	**2022**	2021
Diluted adjusted earnings per share attributable to equity holders (c)	**0.01 c**	3.27 c

28 Financial assets and liabilities

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

	31 December 2022 $ 000	31 December 2021 $ 000
Financial assets held at amortized cost	**32,244**	14,657

Short term financial assets		
Trade and other receivables	**19,546**	5,006
Short-term investments	**41**	945
Cash and cash equivalents	**12,657**	8,706
Total financial assets	**32,244**	14,657

Financial liabilities measured at amortized cost	**30,440**	4,611

Financial liabilities		
Trade and other payables	**14,110**	2,289
Accruals	**9,989**	2,217
Lease liabilities	**2,642**	105
Restructuring accrual	**3,699**	-

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

28 Financial assets and liabilities (continued)

	31 December 2022 $ 000	31 December 2021 $ 000
Total financial liabilities	**30,440**	4,611

Financial liabilities amounts falling due within	**31 December 2022 $ 000**	31 December 2021 $ 000
One year:		
Trade and other payables	**27,286**	4,506
Lease liabilities	**841**	56
Between one and five years:		
Accruals	**512**	-
Lease liabilities	**1,801**	49
	30,440	4,611

Statement of financial position of Bango PLC
As at 31 December 2022

	Note	31 Dec 2022 £'000	31 Dec 2021 £'000
ASSETS			
Non-current assets			
Investment in subsidiary	V	**58,038**	53,359
Trade and other receivables due after one year	VI	**3,453**	7,685
		61,491	61,044
Current assets			
Trade and other receivables due within one year	VI	**215**	36
		215	36
Total assets		**61,706**	61,080
EQUITY			
Capital and reserves			
Share capital	IX	**15,266**	15,203
Share premium account		**40,592**	40,306
Share-based payment reserve		**1,673**	1,673
Retained earnings		**3,635**	3,827
Total equity		**61,166**	61,009
LIABILITIES			
Trade and other payables falling due within one year	VII	**540**	71
Total liabilities		**540**	71
Total equity and liabilities		**61,706**	61,080

The company has taken the exemption under section 408 of the Companies Act 2006 not to present a full income statement, but the loss for the year for the company was £1,519,000 (2021: £563,000).

These financial statements were approved and authorized for issue by the Directors on 30 March 2023 and are signed on their behalf by:

M Garner
Director

Company registration number 05386079

The notes on pages 109 to 114 are an integral part of these Company financial statements

Statement of changes in equity of Bango PLC
For the year ending 31 December 2022

	Share capital £ '000	Share premium account £ '000	Other reserve £ '000	Retained earnings £ '000	Total £ '000
Balance at 1 January 2022	**15,203**	**40,306**	**1,673**	**3,827**	**61,009**
Exercise of share options and warrants	63	286	-	-	349
Share based payments	-	-	-	1,327	1,327
Transactions with owners	63	286	-	1,327	1,676
Loss for the year	-	-	-	(1,519)	(1,519)
Balance at 31 December 2022	**15,266**	**40,592**	**1,673**	**3,635**	**61,166**

	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**

The notes on pages 109 to 114 are an integral part of these Company financial statements

Cashflow statement of Bango PLC
For the year ended 31 December 2021

	2022 £'000	2021 £'000
Loss for the year	**(1,519)**	(563)
Cash flows from operating activities		
Decrease / (increase) in receivables	**4,053**	(1,051)
Increase / (decrease) in payables	**469**	(12)
Net cash used by operating activities	**3,003**	(1,626)
Cash flows used by investing activities		
Purchase of Bango 22 Limited Shares	**(3,352)**	-
Net cash used in investing activities	**(3,352)**	-
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	**349**	1,626
Net cash generated from financing activities	**349**	1,626
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 109 to 114 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 2022, 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 8 and 9 of the Group accounts. A charge of £139,220 (31 December 2021: £111,642) 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:

	2022	2021
	No	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:

	2022	2021
	£ '000	£ '000
Wages and salaries	**133**	106
Social security costs	**6**	6
	139	112

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
At 31 December 2021	53,359
Share based payments	1,327
Additions – Bango 22 Limited Group	3,352
Investment in subsidiary undertakings and associates at 31 December 2022	**58,038**

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 2022 are as follows:

	Country of incorporation	Class of share capital held	Held by the company	Nature of business
Bango.net Limited [1]	England & Wales	Ordinary	100%	Development, marketing and sale of technology for mobile phone users to purchase services for their mobile phones
Bango Payments Limited [1]	England & Wales	Ordinary	100%	Non-trading
Bango Resale Holding Limited [1]	England & Wales	Ordinary	100%	Holding company
Bango Resale Limited [1]	England & Wales	Ordinary	100%	Support entity in England
Bango 22 Limited [1]	England & Wales	Ordinary	100%	Support entity in England
Bango Inc [2]	USA	Common	100%	Sales and support office for Bango.net Limited
Bango Movil [3]	Spain	Ordinary	100%	Support for Bango.net Limited
Bango do Brasil Cessão de Licenças de Programas de Computador Ltda * [4]	Brazil	Ordinary	100%	Non-trading
Bango Mobile Limited ** [5]	Nigeria	Ordinary	100%	Non-trading
Bango Kabushiki Kaisha [6]	Japan	Ordinary	100%	Sales and support office for Bango.net Limited
Bango Resale EU Limited [8]	Ireland	Ordinary	100%	Support entity in Ireland
Bango Resale Limited [9]	Canada	Ordinary	100%	Support entity in Canada
Bango Portugal Unipessoal LDA [10]	Portugal	Ordinary	100%	Support entity in Portugal
Bango Resale Australasia Pty Ltd [11]	Australia	Ordinary	100%	Support entity in Australia
NewDeep Limited [12]	England & Wales	Ordinary	40%	Holding company
Docomo Digital Fine Trade Gmbh [14]	Austria	Ordinary	100%	Support entity in Austria
Bango Australia Pty Ltd [15]	Australia	Ordinary	100%	Support entity in Australia
DD Brasil Tecnologla Ltda [16]	Brazil	Ordinary	100%	Support entity in Brazil
Domoco Digital CH Finance AG [17]	Switzerland	Ordinary	100%	Support entity in Switzerland
Buongiorno Schweiz AG [17]	Switzerland	Ordinary	100%	Support entity in Switzerland
Bango Germany GmbH [18]	Germany	Ordinary	100%	Support entity in Germany
Net-m 1891 Gmbh [18]	Germany	Ordinary	100%	Support entity in Germany
Bango Ibérica S.L [19]	Spain	Ordinary	100%	Support entity in Spain
Bango 22 Private Limited [20]	India	Ordinary	100%	Support entity in India
Bango Italy S.r.l [21]	Italy	Ordinary	100%	Support entity in Italy
Bango 22 Japan Inc [22]	Japan	Ordinary	100%	Support entity in Japan
MyAlert Mexico Servicios S.A de CV [24]	Mexico	Ordinary	100%	Support entity in Mexico
Bango Singapore Pte Ltd [25]	Republic of Singapore	Ordinary	100%	Support entity in Singapore
ITouch Limited [26]	England & Wales	Ordinary	100%	Support entity in England
Bango America Inc [27]	USA	Ordinary	100%	Support entity in USA
DD South Africa (PTY) Ltd [28]	South Africa	Ordinary	100%	Support entity in South Africa
Docomo Digital Payment Services AG i.L [23]	Liechtenstein	Ordinary	100%	Support entity in Liechtenstein

*99% owned via Bango Movil and 1% owned by Bango Plc
**49% owned via Bango PLC, 51% owned by Bango.net Ltd (100% owned subsidiary of Bango PLC)
[1] Botanic House, 100 Hills Road, Cambridge, CB2 1YG, United Kingdom
[2] 675 N. First Street, Suite 1180, San Jose, California, 95112, United States

Notes to the financial statements

[3] Paseo de la Castellana 141, Edificio Cuzo IV, Madrid, 28046, Spain
[4] 1912 Av. Brigadeiro Faria Lima, Jardim Paulistano, 01451-907, Sao Paulo, Brazil
[5] 1 Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria
[6] Spline Aoyama Tokyu Building 6F, 3-1-3 Minami-Aoyama, Minato, Tokyo, 107-0062, Japan
[7] Piazza della Repubblica, 14-16, Milano, 20124, Italy
[8] 43-49 Sir John Rogerson's Quay, Dublin 2, Ireland
[9] 400 - 725 Granville Street, Vancouver, BC V7Y 1G5, Canada
[10] Avenida Duque de Ávila, n.º 46, 3.º andar C, Avenidas Novas, 1050 083 Lisboa, Portugal
[11] C/o Azure Group Pty Ltd Level 10 171 Clarence Street, Sydney, NSW 2000, Australia
[12] 2nd Floor Platinum Building, St John's Innovation Park, Cambridge, CB4 0DS, United Kingdom
[13] C/O Montech Carter Limited Partnership, Level 1 Building 5 Eastside, 15 Accent Drive, East Tamaki, 2141, NZ
[14] Neubaugasse 24, 8020 Graz, Austria
[15] Level 10, 171 Clarence Street, SYDNEY NSW 2000, Australia
[16] Avenida das Nações Unidas, 12.495 15o andar - Brooklin Paulista São Paulo, SP, Brazil
[17] Churerstrasse 35 9470 Buchs SG, Switzerland
[18] Fritz-Vomfelde-Str. 18, D-40547 Düsseldorf, Germany
[19] Paseo de la Castellana 81, 28046 Madrid, Spain
[20] Unit No. 507, 5th Floor, Vipul Business Park, Sohna Road, Sector-48, Gurgaon- 122018, Haryana, India
[21] Piazza Vetra, 17, 20123 Milano (Italia)
[22] Regus Tokyo Shibuya Mark City, W22F Shibuya Mark City, 1-12-1 Dogenzaka, Shibuya-ku, Tokyo, 150-0043, Japan
[23] Industriering 3 9491 Ruggell, Liechtenstein
[24] AV Ejercito Nacional 769 los Miyana Col. Ampliacion Granada CP 11520
[25] 16 Raffles Quay, Hong Leong Building, Singapore (048581)
[26] 1 King William Street, London, EC4N 7AF
[27] 333 Bush St #2020, San Francisco, CA 94104, United States
[28] 80 Strand St, Cape Town City Centre, Cape Town, 8000, South Africa

VI. Receivables

	31 Dec 2022 £ '000	31 Dec 2021 £ '000
Amounts due from Group undertakings (due after one year)	**3,453**	7,685
Other receivables (due within one year)	**215**	36
	3,668	7,721

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 rate has varied between 1.30% - 4.27%.

VII. Payables

	31 Dec 2022 £ '000	31 Dec 2021 £ '000
Trade payables	**395**	30
Accruals	**145**	41
	540	71

Notes to the financial statements

VIII. Financial assets and liabilities

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

	31 Dec 2022 £ '000	31 Dec 2021 £ '000
Financial assets held at amortized cost	**3,668**	7,721
Total financial assets	**3,668**	7,721

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

	31 Dec 2022 £ '000	31 Dec 2021 £ '000
Current financial assets		
Other receivables	**215**	36
Non-current financial assets		
Amounts due from Group undertakings	**3,453**	7,685
Total financial assets	**3,668**	7,721

	31 Dec 2022 £ '000	31 Dec 2021 £ '000
Financial liabilities held at amortized cost	**540**	71
Total financial liabilities	**540**	71

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

	31 Dec 2022 £ '000	31 Dec 2021 £ '000
Current financial liabilities		
Trade payables	**395**	30
Accruals	**145**	41
Total financial liabilities	**540**	71

IX. Share capital

Allotted, called up and fully paid:

Ordinary shares of 20p each in Bango PLC	**No**	**£ '000**
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
Exercise of share options	**318,187**	**63**
As at 31 December 2022	**76,331,846**	**15,266**

During the year 318,187 share options were exercised at exercise prices between 43 pence and 208 pence and a par value of 20 pence per

Notes to the financial statements

share. The total proceeds were £349,394 of which £63,637 was recognized as share capital and £285,757 as share premium.

During the year 2,307,500 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 7,355,696 options were outstanding. Further details relating to employee share options are provided in note 26 in the Group financial statements.

X. Related party

	Purchases 2022 £'000	2021 £ '000
Subsidiary	**139**	136
	139	136

	Receivables outstanding 31 Dec 2022 £ '000	31 Dec 2021 £'000	**Creditors outstanding 31 Dec 2022 £'000**	31 Dec 2021 £ '000
Subsidiary	**3,453**	7,685	**-**	-
	3,453	7,685	**-**	-

bango®

Model: Digital Vending Machine

Made in Cambridge, England

Rated Power	$100s B
EUS run rate	$8.6B
Reach	4.5B Users
Countries	75
Digital Spend	$1.4T
Net Capacity	200 Merchants 300 Telcos
Climate Commitment	Net Zero
Employee Engagement Score	83%