

Interim Report Q3 2022

“It’s a sign of strength that Bambuser continues to grow rapidly in these uncertain times, which speaks for the growing demand for Live Shopping software and Bambuser’s leading position within this market.”

– Maryam Ghahremani, CEO of Bambuser

Q3 Highlights

- ARR of SEK 142.4 million, +98% y/y primarily driven by strong sales growth in the Americas.
- Net Sales of SEK 47.9 million (41.5) with SaaS revenue growth of +52% y/y.
- Adjusted EBITDA of SEK -34.6 million (-19.6), representing sequential margin improvement q/q.
- Free Cash Flow of SEK -43.9 million (-54.1).
- Cash balance of SEK 401.0 million (568.8), sufficient to take Bambuser to positive cash flow.
- New Augmented Reality capability launched as part of Bambuser’s One-to-One product.

In this report, all figures in brackets refer to the corresponding period of the previous year unless stated otherwise.

KPI	Q3 2022	Q3 2021	% y/y ¹	Q2 2022	% q/q	Jan-Sep 2022	Jan-Sep 2021	% ytd/ytd
ARR (SEKm)	142,4	71,8	98%	120,1	19%	142,4	71,8	98%
ARR growth (Fixed FX)	-	-	97%	-	12%	-	-	97%
NRR % (L9M) ²	94%	-	-	98%	-4%p.	94%	-	-
GRR % (L9M) ²	78%	-	-	84%	-5%p.	78%	-	-
Net Sales SaaS (SEKm)	31,1	20,5	52%	30,7	1%	62,5	53,4	17%
Net Sales Prof Services (SEKm)	16,9	21,1	-20%	19,0	-11%	59,3	32,1	85%
Gross Margin SaaS (%)	78%	-	-	86%	-8%p.	84%	-	-
Gross Margin Prof Services (%) ³	-17%	-	-	-16%	-1%p.	-12%	-	-
EBITDA (SEKm)	-41,2	-44,7	-8%	-41,2	0%	-136,6	-133,1	3%
EBITDA %	-64%	-91%	28%p.	-70%	7%p.	-64%	-89%	25%p.
Adj EBITDA (SEKm)	-34,6	-19,6	77%	-44,6	-22%	-71,5	-68,4	5%
Adj EBITDA %	-53%	-40%	-13%p.	-76%	23%p.	-66%	-54%	-12%p.
EBIT (SEKm)	-58,4	-59,9	-3%	-58,0	1%	-166,9	-158,1	6%
EBIT %	-90%	-122%	32%p.	-105%	15%p.	-91%	-150%	59%p.
Cash Balance EOP (SEKm)	401,0	568,8	-30%	442,7	-9%	401,0	568,8	-30%
FCF (SEKm)	-43,9	-54,1	-19%	-49,5	-11%	-141,6	-136,9	3%
FCF Margin (%)	-91%	-130%	39%p.	-100%	8%p.	-95%	-160%	65%p.
FCF / Share (SEK, LTM)	-1,0	-0,8	18%	-1,0	-6%	-1,0	-0,8	18%
No of shares EOP	211 134 623	206 868 481	2%	207 952 174	2%	211 134 623	206 868 481	2%
No of Fully diluted shares EOP	234 309 602	221 295 275	6%	227 968 351	3%	234 309 602	221 295 275	6%
Full-time Equivalents EOP	199	215	-7%	226	-12%	199	215	-7%
No of Customer Groups	285	206	38%	270	6%	285	206	38%
Avg ARR per Customer Group (SEKk)	499,6	348,5	43%	444,8	12%	499,6	348,5	43%

¹ Year-over-year figures where currently missing will be available Q1 2023 | ² L9M = Last 9 Months

³ Professional Services Gross Margin is equivalent to EBITDA, please see the definitions for further information

Significant events during the quarter

- At the Extraordinary General Meeting held on July 20, 2022, Niclas Lindlöf – representing Vitruvian Partners – was elected director of the board. Karin Karlström resigned as director of the board.
- As a result of the launch of Bambuser Plus, the board of directors resolved to merge Jefferson AB (Relatable) and Bambuser AB with Bambuser AB being the surviving entity. The merger has been filed to the Swedish Company Registration Office and is planned to be complete by the end of 2022.
- As a consequence of the merger, Bambuser UK Ltd and Relatable Ltd entered into an asset transfer agreement effective September 30, 2022, transferring all assets from Relatable Ltd to Bambuser Ltd. Post the asset transfer, Relatable Ltd will file for liquidation.

Significant events after the quarter

- No significant events.



CEO Comments

Q3 2022 was another strong quarter for Bambuser with an ARR growth of 98% year over year. We closed several large enterprise customers and we successfully expanded a number of global MSA customers in both EMEA and APAC.

It's a sign of strength that Bambuser continues to grow rapidly in these uncertain times, which speaks for the growing demand for Live Shopping software and Bambuser's leading position within this market.

During the quarter we initiated a strategic review to improve the efficiency of our go-to-market model and have segmented our customer facing teams into three distinct regions: Americas, EMEA and APAC. As a consequence, we have rightsized our team resulting in annual cost savings in excess of SEK 30 million. Our re-focused go-to-market model has shown early positive signs as exemplified by 19% q/q ARR growth in Q3; and we are confident that this decision has set the Company up for continued strong growth with attractive unit economics going forward. We will continuously overlook our organization to ensure that we are fit for purpose to take us to a positive cash flow with our current cash at hand.

We continue to see strong traction across all our customer verticals, especially within fashion and beauty. In Q3 we launched an exciting new partnership with AR (Augmented reality) industry leader **Perfect Corp**, allowing our One-to-One beauty merchants to offer AR-enabled try-on experiences with cosmetic products to their end customers. We see this as an important strategic step in our plan to integrate best-in-class third party applications within our Live Shopping platform to build the best possible customer experience.

Bambuser Plus is – as of September 1, 2022 – integrated into Bambuser and serves as our professional services arm, supporting our customers to create successful Live Shopping strategies and to fully leverage our market leading software. I am pleased to say that this new offering is off to a strong start, exemplified by a fast-growing Spanish retailer selecting Bambuser for both our SaaS and Bambuser Plus offerings in the quarter.

In this report we also introduce several new KPIs that we believe are important for measuring our future success. It is our ambition that these KPIs will improve as we grow, but also that these disclosures will help our existing and potential investors to better understand our business. I encourage you to see our definition section in this report to learn how we have defined them.

We continued to strengthen our relationship with Salesforce in the quarter. In September we attended Dreamforce as the only Live Shopping ISV (Independent Software Vendor). Thanks to this deeper involvement with Salesforce, we have been able to sign several new customers and we truly believe that this is just the beginning of what we can achieve together over the coming quarters and years.

We also achieved some incredible milestones with key names during the quarter. In September, Bambuser provided its One-to-Many solution and production to the first ever New York Fashion Week red carpet event with **Bloomingdale's** and **Harper's Bazaar** where viewers tuned in for an average of more than 10 minutes to see exclusive items worn by famous faces. In September **HUGO BOSS** made history by making its Milan Fashion Week runway show shoppable on 13 of the brand's international sites thanks to One-to-Many and our unique Simulcast technology.

As always, Bambuser would be nothing without its amazing team members. Thank you all for your tremendous contribution. We have some of the most wonderful customers and it's a joy to be able to break new boundaries together with you as leaders in the Live Shopping industry. Lastly, thank you shareholders for your trust and support on this exciting journey.

— **Maryam Ghahremani**,
CEO of Bambuser

Business Highlights

ARR

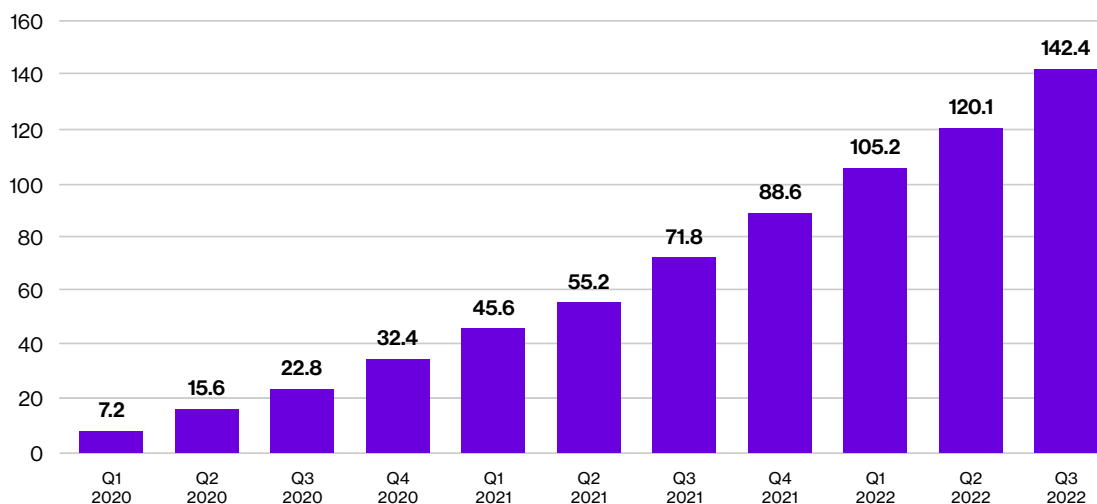
In Q3 2022 we achieved ARR growth of 98% year over year. The Americas was our fastest growing market. The APAC region also grew rapidly, and we are growing our Japan team in response to high demand.

L9M GRR was 78%, with churn primarily driven by SMEs and customers onboarded during the pandemic. Approximately 50% of our YTD churn comes from customers lacking Live Shopping resources which is why we believe that Bambuser Plus will play an important role going forward to bridge this knowledge and resource gap.

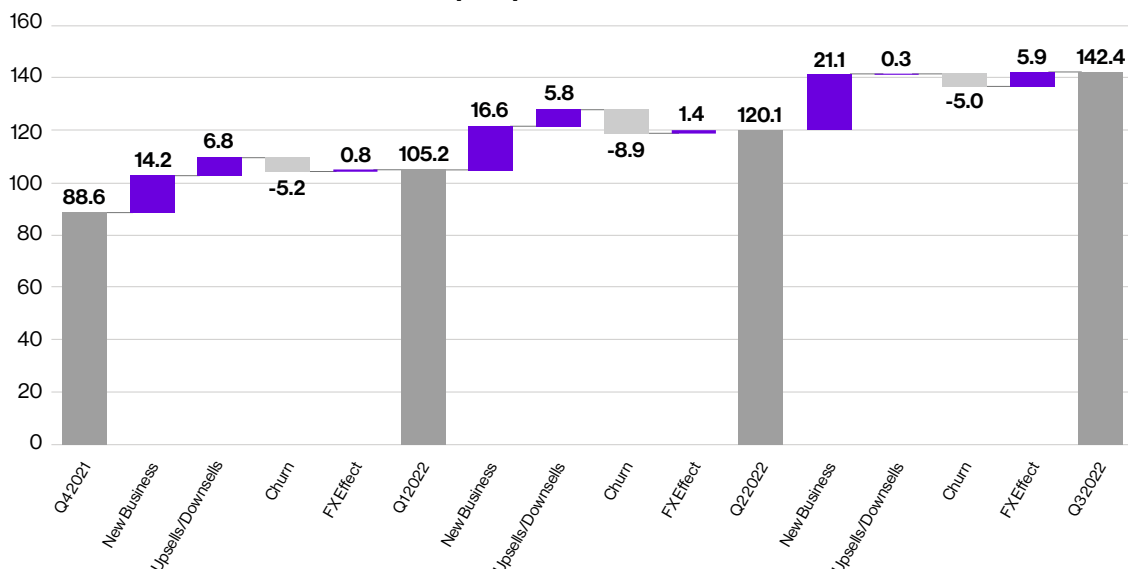
L9M NRR was 94%, influenced by pandemic-related customer churn. We do see a very positive trend within our enterprise segment which constitutes our primary focus market. Within this segment L9M NRR was >138%.

Closing ARR benefited from a weaker SEK in the quarter with Fixed FX q/q ARR growth of 13% vs. reported q/q ARR growth of 19%. One-to-Many is our largest product with 93% of ARR and we are investing behind upselling One-to-One to our enterprise customer base.

ARR SEKm



ARR per quarter (2022) SEKm



BUSINESS HIGHLIGHTS

Regions	Q3 2022	Q3 2021	% y/y	Q2 2022	% q/q
EMEA					
ARR (SEKm)	70.8	45.6	55%	64,6	10%
ARR growth (Fixed FX)	-	-	-	-	7%
No of Paying Customers	202	155	30%	194	4%
Share of total ARR	50%	64%	-14%p.	54%	-4%p.
Americas					
ARR (SEKm)	56.2	21.0	168%	44,0	28%
ARR growth (Fixed FX)	-	-	-	-	16%
No of Paying Customers	106	50	112%	99	7%
Share of total ARR	39%	29%	10%p.	37%	3%p.
APAC					
ARR (SEKm)	15.4	5.2	196%	11.5	34%
ARR growth (Fixed FX)	-	-	-	-	24%
No of Paying Customers	29	12	142%	21	38%
Share of total ARR	11%	7%	4%p.	10%	1%p.

In Q3 2022 the SaaS business benefited from new contracts with global brands across both One-to-Many and One-to-One as well as continued strong upsell momentum across our largest enterprise customers.

New Business

In EMEA, new customers included **Jula** – a European DIY retailer with annual revenue of c. SEK 10 billion and **River Island** – a leading UK fashion retailer with annual revenue of GBP 576 million.

In the Americas we secured a number of key One-to-Many customers. Within the fashion and beauty segments we signed a **leading US women's fashion brand** belonging to a conglomerate fashion group with annual revenue of USD 824 million, **Aerie** – an intimate apparel and lifestyle retailer owned by **American Eagle Outfitters** and **Ardene** – a Canadian value fashion retailer based in Montreal with annual revenue of USD 220 million and **Sunday Riley** – a US skincare company with annual revenue of USD 7 million.

We also signed a number of new customers in Americas across other industry verticals including a **leading US home decor brand** with annual revenue of USD 1.6 billion, **PXG** – a US based global sports equipment company with annual revenue of USD 116 million, **one of the world's largest pet retailers** with annual revenue of USD 5.8 billion and **Moroccanoil** – a Los Angeles based hair and skincare company with annual revenue of USD 63 million.

In APAC, we signed several One-to-Many contracts with Japanese brands including **Hobonichi** – a leading lifestyle brand with annual revenue of USD 40 million.

Renewals & Expansions

In the quarter we continued to sign expansion deals with some of our largest customers. A prime example is the expansion of **the world's leading Home Furnishing brand** with annual revenue of EUR 41.9 billion which now includes Live Shopping capabilities across 29 different markets.

We signed an MSA with **one of the world's leading home electronics brands** with annual revenue USD 7.3 billion which now allow the company to expand its Live Shopping offering throughout the Americas and APAC after having leveraged Bambuser in the UK over the past year.

A significant renewal was signed with a **global retail conglomerate based in Japan** with annual revenue of USD 14.5 billion who will continue to leverage One-to-Many across several of its leading brands in over 17 markets.

BUSINESS HIGHLIGHTS

On September 1, 2022, we launched **Bambuser Plus** – an industry-first, full-service offering giving new and existing clients' the opportunity to leverage four unique areas of Live Shopping expertise: Influencer Marketing, Integrated Strategy, Creative and Production, and Education and Training.

Since its launch, Bambuser Plus has generated new business with several clients including **a rapidly growing Spanish retail brand** wanting to gain access to expertise in Influencer Marketing, Live Shopping production and creative conceptualization. Bambuser Plus further signed a significant contract with **one of the world's largest consumer electronics and technology companies** (annual revenue of USD 241 billion) for Influencer Marketing services and Live Shopping strategy. Bambuser Plus has also taken on an existing Bambuser and Relatable customer – **a Swedish global fashion and lifestyle brand** (annual revenue of SEK 199 billion) where it will offer Influencer Marketing guidance, Live Shopping strategy and creative conceptualization.

Product highlights

The most significant product announcement of the quarter was the launch of a groundbreaking industry-first AR (Augmented Reality) feature within One-to-One. For the first time in the Live Shopping industry, our **Virtual Try-On** feature empowers brands to offer customers AR overlays as a way of demoing products.

From anywhere in the world, customers can now experience trying on products such as lipstick and make up, entirely virtually. The technology was created in collaboration with Perfect Corp – a global leader in AR technology – and French Fashion house, Parfums Christian Dior. We look forward to the future where we expect Virtual Try-On to be leveraged in other industries such as consumer electronics, home interior and fashion.

Financial Highlights

Net Sales

SaaS Net Sales amounted to SEK 31.1 million (20.5), representing growth of 52% y/y. 92% of SaaS revenue is recurring.

Professional Services Net Sales amounted to SEK 16.9 million (21.1), representing a decrease of -20% y/y. The revenue drop follows the strategic decision to focus the professional services business on supporting Bambuser's SaaS customers.

Gross Margin

SaaS gross margin was 79%. This quarter was impacted by a year-to-date reclassification of SEK 1.7 million from Operational Expenses to Cost of Revenue. We anticipate a continued increase in SaaS gross margin over time as SaaS cost of revenue includes fixed costs such as onboarding and customer success, which we expect to grow at a slower pace than SaaS Net Sales.

Professional Services gross margin was -9%. The total cost of revenue for Professional Services includes all associated costs of the Professional Services business such as direct assignment costs and employees. Bambuser has also transferred several team members from the SaaS to our Professional Services business, mainly within production and education.

EBITDA

EBITDA amounted to SEK -41.2 million (-44.7). One-time cost related to layoffs amounted to SEK 2.3 million. These one-time costs will impact the cashflow in Q4 2022 and Q1 2023.

Adjusted EBITDA excluding items affecting comparability amounted to SEK -34.6 million (-19.6). Adjusted items relate to provisions for the social security liability and option premium for two stock option programs (LTI 20/23 and LTI 22/25).

As per September 30, 2022, the share price was trading below the strike price of LTI 20/23. Bambuser is however still applying the strike price (SEK 5.0 per share) as the basis for the calculation of the provisions for the social security liability. LTI 20/23 is described in detail in the annual report 2020 under "Stock Option Program 2020". LTI 22/25 is described in the AGM minutes from April 2022.

Capitalized work for own account

Bambuser has changed accounting method for capitalized costs derived from consultants. The cost items have previously been netted as Other external expenses but are as of Q3 2022 presented at gross value in Other external expenses and the capitalized amount is presented as revenue under Capitalized work for its own account. Consequently, we have therefore adjusted the January – June 2022 figures in this report as well as made the adjustment for last year's comparability. The change has no effect on the EBT.

As of September 30, 2022, Capitalized development expenses amounted to SEK 95.7 million (87.2). The development expenditure for the period represented SEK 11.0 million, where SEK 6.2 million represented the above-mentioned adjustment. The amortization amounted to SEK 6.5 million.

Cash Flow

As of September 30, 2022, cash and cash equivalents amounted to SEK 401.0 million (568.8). Cash flow from operating activities amounted to SEK -38.7 million (-33.1). The cash position is sufficient to take Bambuser to positive cash flow.

Free cash flow amounted to SEK -43.9 million (-54.1).

Shares were issued in relation to exercise of warrants under the 19/22 warrant incentive program with a premium value of SEK 2.5 million.

Financial Reporting

Bambuser Group

Condensed Consolidated Income Statement

kSEK	Notes	2022		2021		2021
		Jul-Sept Q3	Jan-Sept YTD	Jul-Sept Q3	Jan-Sept YTD	Full Year
Revenue						
Sales	2	47 996	148 789	41 529	85 497	138 477
Other revenue		5 789	17 228	1 571	4 651	7 980
Capitalized work for own account		10 987	16 514	20 906	59 200	76 059
Total revenue		64 772	182 530	64 005	149 347	222 516
Costs						
Staff costs		-56 920	-152 400	-65 005	-162 144	-202 572
Other external expenses		-45 463	-138 509	-42 929	-119 110	-206 401
Depreciations/Amortization		-17 168	-50 640	-15 203	-24 951	-41 488
Other operational costs		-3 568	-7 918	-811	-1 229	-3 021
Total cost		-123 119	-349 466	-123 947	-307 434	-453 481
Operating income		-58 348	-166 936	-59 942	-158 087	-230 965
Financial items						
Finance income		1 094	1 335	273	240	518
Finance costs		-470	-515	-35	-38	-165
Total financial items		624	820	238	202	353
Loss before tax		-57 724	-166 116	-59 704	-157 885	-230 612
Income tax expense		-158	-355	-74	-195	-518
Net income		-57 882	-166 472	-59 778	-158 080	-231 130
Net loss attributable to owners of the parent		-57 882	-166 472	-59 778	-158 080	-231 130

Reclassification between Other external expenses and Other operational costs has been made for the 2021 figures due to wrongly allocated costs in the Q2 2021 report. The Total Costs amount and the Net Income is not affected by the reclassification. Full Year figures for 2021 have been adjusted from reported figures in the Q4 report due to a transaction of kSEK 150 which was reallocated from a subsidiary to the parent company. The total cost and the result for the group remains unchanged however the cost in the parent company has increased with kSEK 150. Due to the change there have been reallocations in the the group and the parent company, in the Balance Sheet as well as in the Cash Flow. All changes were made in the annual report and comparable figures are aligned with the annual report.

Bambuser Group

Condensed Consolidated Balance Sheet

kSEK	Notes	2022-09-30	2021-09-30	2021-12-31
Assets				
Intangible assets				
Capitalized development expenses		95 729	87 202	97 970
Goodwill		150 794	192 030	181 721
		246 524	279 231	279 691
Tangible assets				
Furnitures and equipment		5 101	1 395	2 152
		5 101	1 395	2 152
Financial assets				
Other receivables		7 466	3 284	3 879
		7 466	3 284	3 879
Total non-current assets		259 091	283 910	285 722
Current assets				
Trade receivable		37 452	36 849	30 353
Tax receivables		2 054	2 443	1 901
Other current assets		7 457	7 048	4 293
Prepaid expenses and accrued income		5 845	3 413	4 975
Cash and cash equivalents		400 964	568 798	542 378
		453 772	618 552	583 901
Total current assets		453 772	618 552	583 901
Total assets		712 863	902 462	869 622
Equity and liabilities				
Equity				
Restricted equity				
Share capital		10 557	10 343	10 351
Other paid in equity		1 063 932	1 060 960	1 060 923
Other equity including net income		-453 314	-264 490	-301 780
Total equity		621 175	806 813	769 494
Non-current liabilities				
Provisions		12 242	35 062	30 791
		12 242	35 062	30 791
Current liabilities				
Trade payables		9 152	10 500	10 974
Income tax payable		45	82	268
Liability to credit institutions		0	0	0
Other current liabilities		6 568	6 794	7 263
Accrued expenses and deferred revenue	3	63 681	43 211	50 832
		79 446	60 587	69 338
Total liabilities		91 688	95 649	100 129
Total equity and liabilities		712 863	902 462	869 622

Bambuser Group

Consolidated Equity

kSEK	Share capital	Other paid in capital	Other equity incl. net income	Total equity
Equity as per December 31, 2020	8 244	478 921	-144 309	342 857
Loss for the year	0	0	-231 130	-231 130
Foreign exchange difference from subsidiaries	0	0	377	377
Stock options	0	0	37 791	37 791
Rights issues	2 106	582 002	35 490	619 599
Equity as per December 31, 2021	10 351	1 060 923	-301 780	769 494
Equity as per December 31, 2020	8 244	478 921	-144 309	342 857
Loss for the year	0	0	-158 081	-158 081
Foreign exchange difference from subsidiaries	0	0	212	212
Stock options	0	0	37 688	37 688
Rights issues	2 099	582 038	0	584 137
Equity as per September 30, 2021	10 343	1 060 960	-264 490	806 813
Equity as per December 31, 2021	10 351	1 060 923	-301 780	769 494
Loss for the year	0	0	-166 472	-166 472
Foreign exchange difference from subsidiaries	0	0	850	850
Stock options	0	0	14 088	14 088
Rights issues	206	3 008	0	3 214
Equity as per September 30, 2022	10 557	1 063 932	-453 313	621 175

Bambuser Group

Condensed Consolidated Cash Flow

kSEK	2022		2021		2021
	Jul-Sept Q3	Jan-Sept YTD	Jul-Sept Q3	Jan-Sept YTD	Full Year
Cash flow from operations before changes in working capital	-34 132	-119 534	-19 285	-68 158	-93 535
Change in current receivables	5 377	-10 650	-784	-9 380	-1 062
Change in current payables	-9 895	8 900	-13 012	544	9 110
Cash flow from operations	-38 650	-121 284	-33 081	-76 995	-85 487
Investment activities					
Investments in intangible assets	-4 753	-16 514	-20 906	-59 200	-75 702
Investments in tangible assets	-465	-3 798	-127	-706	-1 591
Acquisition of subsidiary	0	0	0	-96 461	-96 461
Deposits	-600	-3 587	-3	-102	-697
Cash Flow from investment activities	-5 817	-23 899	-21 036	-156 469	-174 451
Financing activities					
Rights issue	2 512	3 214	9 755	510 037	510 008
Issue costs	0	0	-201	-25 899	-25 899
Amortization of loan	0	0	-167	-417	-417
Cash Flow from financing activities	2 512	3 214	9 387	483 721	483 692
Cash Flow of the period	-41 955	-141 969	-44 729	250 258	223 754
Cash at the beginning of the period	442 691	542 378	613 509	318 472	318 472
Net exchange losses/gains on cash and cash equivalents	228	555	19	69	153
Cash at the end of the period	400 964	400 964	568 798	568 798	542 378

Bambuser AB

Condensed Parent Income Statement

kSEK	Notes	2022		2021		2021
		Jul-Sept Q3	Jan-Sept YTD	Jul-Sept Q3	Jan-Sept YTD	Full Year
Revenue						
Sales	2	31 577	92 088	21 337	54 654	83 303
Other revenue		4 982	14 330	278	1 098	2 714
Capitalized work for own account		10 987	16 514	20 260	58 392	74 938
Total revenue		47 546	122 932	41 875	114 145	160 956
Costs						
Staff costs		-37 903	-97 848	-52 335	-141 169	-168 265
Other external expenses		-48 300	-133 420	-33 229	-109 086	-185 217
Depreciations/Amortization		-6 473	-18 599	-4 599	-10 788	-16 332
Other operational costs		-2 229	-5 546	-181	-460	-1 143
Total cost		-94 905	-255 413	-90 344	-261 503	-370 957
Operating income		-47 359	-132 481	-48 469	-147 357	-210 001
Financial items						
Finance income		1 147	1 517	331	421	647
Finance costs		-377	-359	-37	-72	-192
Total financial items		770	1 158	294	349	455
Loss before tax		-46 590	-131 324	-48 175	-147 008	-209 546
Income tax expense		0	0	0	0	0
Net income		-46 590	-131 324	-48 175	-147 008	-209 546

Reclassification between Other external expenses and Other operational costs has been made for the 2021 figures due to wrongly allocated costs in the Q2 2021 report. The Total Costs amount and the Net Income is not affected by the reclassification. Full Year figures for 2021 have been adjusted from reported figures in the Q4 report due to a transaction of kSEK 150 which was reallocated from a subsidiary to the parent company. The total cost and the result for the group remains unchanged however the cost in the parent company has increased with kSEK 150. Due to the change there have been reallocations in the the group and the parent company, in the Balance Sheet as well as in the Cash Flow. All changes were made in the annual report and comparable figures are aligned with the annual report.

Bambuser AB

Condensed Parent Balance Sheet

kSEK	Notes	2022-09-30	2021-09-30	2021-12-31
Assets				
Intangible and tangible assets				
Capitalized development expenses		91 827	81 870	93 025
Goodwill		429	656	599
		92 256	82 526	93 624
Tangible assets				
Furnitures and equipment		4 172	1 131	1 834
		4 172	1 131	1 834
Financial assets				
Shares in subsidiaries		215 038	214 275	214 275
Other receivables		4 963	2 022	2 022
		220 001	216 296	216 296
Total non-current assets		316 429	299 954	311 754
Current assets				
Trade receivable		29 749	25 413	20 783
Receivables from group companies		13 208	6 549	7 064
Tax receivables		2 168	2 349	1 813
Other current assets		1 235	4 117	657
Prepaid expenses and accrued income		5 253	2 716	4 158
Cash and cash equivalents		389 142	546 618	517 332
		440 756	587 761	551 806
Total current assets		440 756	587 761	551 806
Total assets		757 185	887 715	863 561
Equity and liabilities				
Equity				
Restricted equity				
Share capital		10 557	10 343	10 351
Development fund		91 827	81 870	93 025
		102 384	92 214	103 376
Share premium fond		1 063 882	1 060 960	1 060 923
Retained earnings incl. net income		-489 702	-335 566	-373 664
		574 180	725 393	687 259
Total equity		676 564	817 607	790 635
Non-current liabilities				
Provisions		12 242	35 062	30 791
		12 242	35 062	30 791
Current liabilities				
Trade payables		5 912	5 918	6 305
Payables to group companies		5 695	3 790	3 461
Income tax payable		0	0	0
Liability to credit institutions		0	0	0
Other current liabilities		4 431	4 577	4 404
Accrued expenses and deferred revenue	3	52 342	20 761	27 966
		68 379	35 046	42 135
Total liabilities		80 622	70 108	72 926
Total equity and liabilities		757 185	887 715	863 561

Bambuser AB

Parent Equity

kSEK	Share capital	Development fund	Other equity incl. net income	Retained earnings	Total equity
Equity as per December 31, 2020	8 244	33 923	478 921	-178 298	342 791
Loss for the year	0	0	0	-209 546	-209 546
Change in development fund	0	59 102	0	-59 102	0
Stock options	0	0	0	37 791	37 791
Rights issues	2 106	0	582 002	35 490	619 598
Equity as per December 31, 2021	10 351	93 025	1 060 923	-373 665	790 634
Equity as per December 31, 2020	8 244	33 923	478 921	-178 298	342 791
Loss for the year	0	0	0	-147 009	-147 009
Change in development fund	0	47 947	0	-47 947	0
Stock options	0	0	0	37 688	37 688
Rights issues	2 099	0	582 038	0	584 137
Equity as per September 30, 2021	10 343	81 870	1 060 960	-335 566	817 607
Equity as per December 31, 2021	10 351	1 060 923	93 025	-373 665	790 635
Loss for the year	0	0	0	-131 324	-131 324
Change in development fund	0	0	-1 198	1 198	0
Stock options	0	0	0	14 088	14 088
Rights issues	206	2 958	0	0	3 164
Equity as per September 30, 2022	10 557	1 063 882	91 827	-489 702	676 564

Bambuser AB

Condensed Parent Cash Flow

kSEK	2022		2021		2021
	Jul-Sept Q3	Jan-Sept YTD	Jul-Sept Q3	Jan-Sept YTD	Full Year
Cash flow from operations before changes in working capital	-33 525	-117 185	-18 402	-71 448	-97 119
Change in current receivables	751	-17 139	-8 905	-16 541	-9 873
Change in current payables	-5 068	26 244	-5 547	6 197	13 286
Cash flow from operations	-37 842	-108 080	-32 854	-81 792	-93 705
Investment activities					
Investments in intangible assets	-4 753	-16 514	-20 260	-58 392	-74 938
Investments in tangible assets	-359	-3 056	-50	-471	-1 269
Investment in shares in subsidiary	0	-764	0	-114 224	-114 224
Deposits	-364	-2 941	0	0	0
Cash Flow from investment activities	-5 476	-23 274	-20 310	-173 087	-190 432
Financing activities					
Rights issue	2 462	3 164	9 554	509 836	510 008
Issue costs	0	0	0	-25 698	-25 899
Amortization of loan	0	0	-167	-417	-417
Cash Flow from financing activities	2 462	3 164	9 387	483 721	483 692
Cash Flow of the period	-40 856	-128 189	-43 777	228 841	199 555
Cash at the beginning of the period	429 998	517 332	590 395	317 777	317 777
Cash at the end of the period	389 142	389 142	546 618	546 618	517 332

Accounting policies and Explanatory notes

Note 1

Accounting Principles

The interim report period is from July to September 2022. The interim report has been prepared in accordance with the Annual Accounts Act. The accounting and valuation policies applied are consistent with the Swedish Accounting Standards Board's Category 3 (BFN K3) regulation. The parent company applies the same accounting policies as the group. No changes have been made to accounting policies since the last annual accounts, except for that Bambuser has changed accounting method for capitalized costs derived from consultants (please see page 7 for further information).

Note 2

Sales

kSEK	2022		2021		2021
	Q3	YTD	Q3	YTD	Full Year
Consolidated					
Licenses	28 388	80 211	16 555	40 253	62 459
Professional Services	16 937	59 646	21 055	32 141	59 322
Other services	2 671	8 932	3 918	13 103	16 696
Total	47 996	148 789	41 529	85 497	138 477
Parent					
Licenses	28 388	80 211	16 555	40 253	62 459
Professional Services	518	2 946	863	1 298	4 148
Other services	2 671	8 932	3 918	13 103	16 696
Total	31 577	92 088	21 337	54 654	83 303

Note 3**Accrued expenses and deferred revenue**

kSEK	2022-09-30	2021-09-30	2021-12-31
Consolidated accrued expenses and deferred revenue			
Accrued staff expenses	18 194	8 872	12 083
Accrued other expenses	10 720	13 845	12 520
Deferred revenue	34 768	20 495	26 230
Total	63 681	43 211	50 832
Parent accrued expenses and deferred revenue			
Accrued staff expenses	16 722	7 638	10 747
Accrued other expenses	5 362	4 113	6 108
Deferred revenue	30 258	9 011	11 111
Total	52 342	20 761	27 966

Definitions

Adjusted EBITDA

Profit before interest, tax, depreciation and amortization excluding stock option related costs.

ARR (Annual Recurring Revenue)

ARR is MRR multiplied by 12. MRR (Monthly Recurring Revenue) is based on:

- 1) The opening balance of the next coming month.
- 2) Contracted recurring license revenue within the period.
- 3) Excluding one-time fees and usage.

Capitalized development expenses

Expenses (salary expenses and consulting fees) that are directly attributable to the development of the Bambuser SaaS Platform are booked as intangible assets. The corresponding amount for the period is booked as other Capitalized work for own account.

Churn

Churn is defined as either:

- 1) Customers that did not renew their contract.
- 2) Customers whose contract is terminated but still in discussions with Bambuser to renew their contract, and therefore a non-billable customer for the period.

These customers may return to the ARR bridge as New Business.

Customer Group (CG)

Customers are classified as a Customer Group when Bambuser has signed a master service agreement (MSA) with a global parent company but has also signed individual agreements with the subsidiaries (Paying Customer), which may be organized as individual entities due to brand and/or geographical market. The result is that one Customer Group can have multiple Paying Customers, but Bambuser is still collectively grouping them, and counting them, as one Customer Group. If the Paying Customer is the only entity, then the Paying Customer is defined as the Company Group. The Customer Group is used for the calculation of all SaaS metrics unless otherwise stated.

EBT

Profit before tax.

EBIT

Profit before interest and tax.

EBITDA

Profit before interest, tax, depreciation and amortization.

EOP

End of period.

FCF (Free Cash Flow)

$FCF = [Cash\ flow\ from\ operations] - [Investments\ in\ tangible\ assets] - [Investments\ in\ intangible\ assets]$.

FCF Margin

$FCF\ Margin\ \% = [FCF] / [Total\ Net\ Sales]$.

FCF / Share

$FCF / Share = [FCF\ LTM] / [Number\ of\ shares\ end\ of\ period]$.

Fixed FX

Fixed foreign exchange rate against SEK. Bambuser invoices in multiple currencies. The Fixed FX is used in various SaaS KPI calculations to remove the currency volatility which typically skews the KPIs if the FX is floating.

FTE (Full Time Equivalent)

Full-time employees and full-time consultants. An employee is considered an employee, regardless of being under notice period or garden leave, until the employment is effectively terminated.

GRR (Gross Revenue Retention)

$GRR\ \% = ([Opening\ ARR\ L12M\ Fixed\ FX] - [Churn\ for\ the\ period\ Fixed\ FX]) / [Opening\ ARR\ L12M\ Fixed\ FX]$.

The GRR shows how successful Bambuser is to retain its existing customers.

GRR is measured from January 1, 2022, hence the Q3 2022 report will only consider L9M GRR.

DEFINITIONS

Gross Margin

SaaS Gross Margin = [Net Sales SaaS] – [SaaS Cost of Revenue].

The SaaS Cost of Revenue includes all third-party software services required to operate the Bambuser platform, technical onboarding team and part of the Customer Success team that focus on retention.

Professional Services Gross Profit = [Net Sales Prof Services] – [Bambuser Plus Cost of Revenue].

Professional Services Cost of Revenue includes all employee costs and direct costs associated with the scope of work for the customers such as influencers, performance marketing, sub-contractors etc.

Merchant

A merchant is defined as the retailer that is facing the end-consumer and has its own account on the Bambuser platform. A Customer Group can have several merchants because of the Customer Group being active in several markets or the Customer Group operating with several brands. A Merchant is the lowest organization in the customer hierarchy: Customer Group > Paying Customer > Merchant.

NRR (Net Revenue Retention)

$$\text{NRR \%} = \frac{([\text{Opening ARR L12M Fixed FX}] + [\text{Upsell Fixed FX}] - [\text{Downsell Fixed FX}] - [\text{Churn Fixed FX}])}{[\text{Opening ARR L12M Fixed FX}]}$$

The NRR shows how successful Bambuser is to retain and expand its existing customers.

NRR is measured from January 1, 2022, hence the Q3 2022 report will only consider L9M NRR.

Number of Share End of Period

The number of registered shares with the Swedish Company Registration Office at the end of the period.

Number of fully diluted shares EOP

Fully diluted shares are calculated as the number of shares plus all outstanding warrants and stock options at the end of the period. The warrants and options are calculated as

$$([\text{Options/warrants issued}] - [\text{Exercised Options/Warrants}] - [\text{Repurchased Options/Warrants}] - [\text{Lapsed Options/Warrants}]) \times [\text{Number of shares per Option/Warrant}]$$

The calculation does not consider if the options/warrants are fully vested or if the share price is above the strike price at the end of the period.

Paying Customer

A paying legal entity. A Paying Customer illustrates the number of customers each region serves. The Paying Customer definition is not used for the calculation of SaaS KPIs (see Customer Group). Several Paying Customers can belong to the same Customer Group.

About Bambuser

Bambuser is the world leading SaaS company for Live Shopping technology, catering to global retailers since 2019. The two products, One-to-Many and One-to-One, enable any brand to add shoppable and interactive video streams with skyrocketing conversion rates to both unlimited viewers and within two-way video calls. Live streaming is deeply ingrained in the company's DNA since inception in 2007, when Bambuser pioneered live streaming from mobile devices across the globe.

Headquartered in Stockholm with offices in New York, London, Tokyo, and Turku the rapidly growing Bambuser team speaks more than 25 languages and 60% of senior management is female.

Risks and Uncertainties

Bambuser's business, financial position and earnings can be affected by risks and uncertainties. These have been described on page 8 in the Annual Report 2021 and are available at bambuser.com/ir.

Auditor's Review

The Company's auditor has not reviewed this interim report.

Publication

This information is information that Bambuser AB is obliged to make public pursuant to the EU Market Abuse Regulation.

Financial Calendar

- Year End Report Q4 2022, Oct–Dec, February 10, 2023
- Interim Report Q1 2023, Jan–Mar, April 27, 2023

Headquarters

Bambuser AB
Regeringsgatan 55
111 56 Stockholm, Sweden

OrgNo 556731-3126

bambuser.com

Largest Shareholders

Name	Shares	Share (%)
Vitruvian Partners	25 024 949	11.85%
Muirfield Invest Aktiebolag	21 700 000	10.28%
Heartland A/S	20 000 000	9.47%
Handelsbanken Fonder	18 050 000	8.55%
Harmony Partners LLC	12 670 000	6.00%
Avanza Pension	12 268 887	5.81%
TAH Management LP & Joel Citron	11 640 560	5.51%
Lancelot Asset Management AB	6 999 998	3.32%
Handelsbanken Liv Försäkring AB	6 632 913	3.14%
Mikael Ahlström	4 341 170	2.06%
Total Top 10 Owners	139 328 477	65.99%
Other shareholders	71 806 146	34.01%
Total number of shares	211 134 623	100.00%