

Interim Report Q1 2023

Q1 Highlights

- Weaker macro impacting ARR growth but improved profitability and Free Cash Flow y/y.
- Restated ARR of SEK 139.0 million, +26% y/y at constant exchange rates ("CER") driven by Americas and APAC.
- Net Sales of SEK 51.6 million (51.1) with SaaS revenue growth of +25% y/y.
- Adjusted EBITDA of SEK -29.0 million (-41.6), representing a -53% margin and a 14%p. margin improvement vs. Q1 2022.
- Free Cash Flow of SEK -30.7 million (-48.2), representing a -59% FCF margin and a 35%p. margin improvement vs. Q1 2022.
- End of quarter Cash Balance of SEK 347.8 million (491.9), which is sufficient to take Bambuser to positive cash flow.

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

KPI	Q1 2023	Q1 2022	% y/y	Q4 2022	% q/q	Jan-Mar 2023	Jan-Mar 2022	% ytd/ytd
ARR (SEKm)	139,0	105,2	32%	142,4	-2%	139,0	105,2	32%
ARR growth (CER)			26%		-1%			26%
NRR % (LTM ¹)	87%	-		85%	2%p.	87%	-	
GRR % (LTM ¹)	78%	-		73%	5%p.	78%	-	
Net Sales SaaS (SEKm)	34,2	27,4	25%	36,5	-6%	34,2	27,4	25%
Net Sales Prof Services (SEKm)	17,4	23,7	-26%	22,8	-23%	17,4	23,7	-26%
Gross Margin SaaS ³ (%)	81%	72%	10%p.	81%	1%p.	81%	72%	10%p.
Gross Margin Prof Services ² (%)	-1%	-5%	3%p.	4%	-5%p.	-1%	-5%	3%p.
EBITDA (SEKm)	-31,2	-33,9	-8%	-16,8	86%	-31,2	-33,9	-8%
EBITDA %	-57%	-55%	-2%p.	-26%	-32%p.	-57%	-55%	-2%p.
Adj EBITDA (SEKm)	-29,0	-41,6	-30%	-26,7	9%	-29,0	-41,6	-30%
Adj EBITDA %	-53%	-67%	14%p.	-41%	-12%p.	-53%	-67%	14%p.
EBIT (SEKm)	-48,9	-50,5	-3%	-34,1	43%	-48,9	-50,5	-3%
EBIT %	-90%	-82%	-8%p.	-52%	-38%p.	-90%	-82%	-8%p.
Cash Balance EOP (SEKm)	347,8	491,9	-29%	378,5	-8%	347,8	491,9	-29%
FCF (SEKm)	-30,7	-48,2	-36%	-21,6	42%	-30,7	-48,2	-36%
FCF Margin (%)	-59%	-94%	35%p.	-36%	-23%p.	-59%	-94%	35%p.
FCF / Share (SEK, LTM)	-0,69	-0,78	-12%	-0,77	-11%	-0,69	-0,78	-12%
No of shares EOP	211 235 385	207 841 168	2%	211 235 385	0%	211 235 385	207 841 168	2%
No of Fully diluted shares EOP	228 621 562	224 768 749	2%	228 621 562	0%	228 621 562	224 768 749	2%
Full-time Equivalents EOP	168	215	-22%	196	-14%	168	215	-22%
No of Customer Groups (CG)	257	252	2%	282	-9%	257	252	2%
Avg ARR per CG (SEKk)	540,9	417,5	30%	505,0	7%	540,9	417,5	30%

¹ LTM = Last twelve months | ² Gross margin Professional Services is adjusted for Depreciations, Amortizations, and stock option related costs.

³ With the introduction of a function based P&L, the Gross Margin SaaS has been reiterated to better reflect the SaaS cost of revenue

CEO comments

Dear Shareholders,

I am pleased to share Bambuser's financial results for the first quarter of 2023.

Financial performance overview

In Q1, restated ARR increased 26% year-over-year at constant exchange rates (CER) but was flat quarter-over-quarter (-1% q/q at CER) as the current macroeconomic environment has elongated our typical sales cycle and impacted our current and prospective customers' willingness to currently invest behind next generation e-commerce technology such as our video commerce platform. Nevertheless, we were still able to sign some big new customers in the quarter including Sneakersstuff and Gary Weber in EMEA, Sonos and Citizen Watch in the Americas and Cozy Corporation in APAC. In addition, we renewed and expanded several strategic accounts including Dior Couture, Guerlain and Clarins. Our recent partnership and integration with Salesforce contributed to two new customers signed in the quarter. These early results make us excited about what this partnership can deliver for our business over the coming quarters and years.

The free cash flow (FCF) margin was -59% in the quarter which represents an improvement of 35%p. y/y. Q1 FCF reduced slightly q/q to SEK -30.7 million as Q1 is a seasonally slow quarter for the professional services business but also due to targeted marketing investments aimed at increasing our top of funnel activity which will benefit ARR in future periods. We see a positive underlying FCF trend and are committed to deliver continued operating leverage as the business expands over the coming years. As such, we are confident that our cash balance of SEK 348 million is sufficient to take the business to positive cash flow.

LTM Gross Revenue Retention (GRR) was 78% in the quarter. We are still not happy with this retention rate which we believe has the potential to be much higher over time. As discussed in previous reports we have invested in our customer success organization and are increasingly targeting Enterprise customers that deliver more attractive economics for our business. We are currently also steering away from the industry verticals most negatively impacted by the macroeconomic environment to focus on those that are more resilient. LTM Net Revenue Retention (NRR) was 87% in the quarter and 127% within our top 20 accounts. As of Q2 we will introduce a new pricing model to supercharge our land and expand motion which we believe will further



improve our NRR over time. The new pricing model, which will be implemented to new customers starting in May, will be more closely linked to the success of our customers and volume of produced videos and calls using our platform, allowing us to exponentially benefit as customers increase their usage of our solution over time.

Q1 was adversely affected by a few larger deals slipping into Q2. While we expect these deals to benefit our ARR in Q2 and beyond, our focus on large enterprise accounts means that our typical sales cycle has been somewhat extended which can result in increased volatility in net new ARR between quarters than previously. We believe this is the right strategy for the business and we are currently in the process of building out our Enterprise pipeline which we believe will benefit ARR growth in the second half of 2023.

Operational highlights and strategic initiatives

In Q1 we launched several upgrades to our One-to-Many and One-to-One solutions and focused on upgrading our organization so that we have the skillsets needed for taking our business to the next level. Among these key hires were Qabil Shah, our new CMO, who is an experienced B2B SaaS marketer who joined us from Nutanix in April, and Rasmus Mencke, our new CPO, joining us in May from Salesforce where he led the Commerce Cloud product and GTM for Europe. We will continue to further improve our talent density over the course of 2023 and realize efficiency gains

where possible. This will include shifting spend from areas that don't have a direct positive impact on growth or profitability to sales and marketing initiatives to increase our brand awareness, top of funnel activity and depth of our Enterprise ARR pipeline.

The partner channel is a key strategic priority for 2023 where we are focused on building out integrations and partnerships with the most relevant e-commerce platforms and system integrators globally. The partnership channel contributed with 6% of new deals in Q1 and we see the potential for this channel to become a significant share of our ARR over the next several years which will also be accretive to our bottom line.

Finally, I am pleased to announce that we have now transitioned to a functional based P&L where we breakout our S&M, R&D and G&A expenses. This improvement will allow for better benchmarking with other listed SaaS companies and underscores our commitment of transparency and continuous improvement which we believe will help us build Bambuser into a best-in-class SaaS company over time.

While the macroeconomic backdrop is currently a bit challenging, we continue to build our business for long term success and profitability and are currently executing multiple operational improvements at a high pace which will become increasingly evident in reported financials during the course of 2023 and beyond. We are focused on creating value for our shareholders and are grateful for your continued support.

Maryam Ghahremani
CEO of Bambuser

Business Highlights

ARR

As of this quarter, the ARR definition has been updated to reflect customer discounts which were previously not accounted for in ARR. The updated definition of ARR is a more accurate reflection of the recurring revenue profile of the business and historical ARR metrics have been adjusted to reflect this change.

Going forward, all references to ARR will use this updated definition. Consistent with the previous definition, ARR is recognized when the customers' license period starts, and is reduced when the license period ends. ARR churn will be recognized even if Bambuser is in renewal discussions with the customer when a contract ends. If such a renewal is signed after the contract has expired, this ARR will be recognized as New Business. We believe the updated definition of ARR to be the best and most conservative approach in measuring the recurring revenue profile of the business to our investors and other stakeholders.

In addition, Net Revenue Retention (NRR) and Gross Revenue Retention (GRR) are now shown on a Last Twelve Months (LTM) basis using a constant exchange

rate over this period. NRR and GRR were previously shown on a year-to-date (YTD) basis. The updated approach allows for better comparison and benchmarking with other SaaS companies. Historical NRR and GRR metrics have been adjusted to reflect this change.

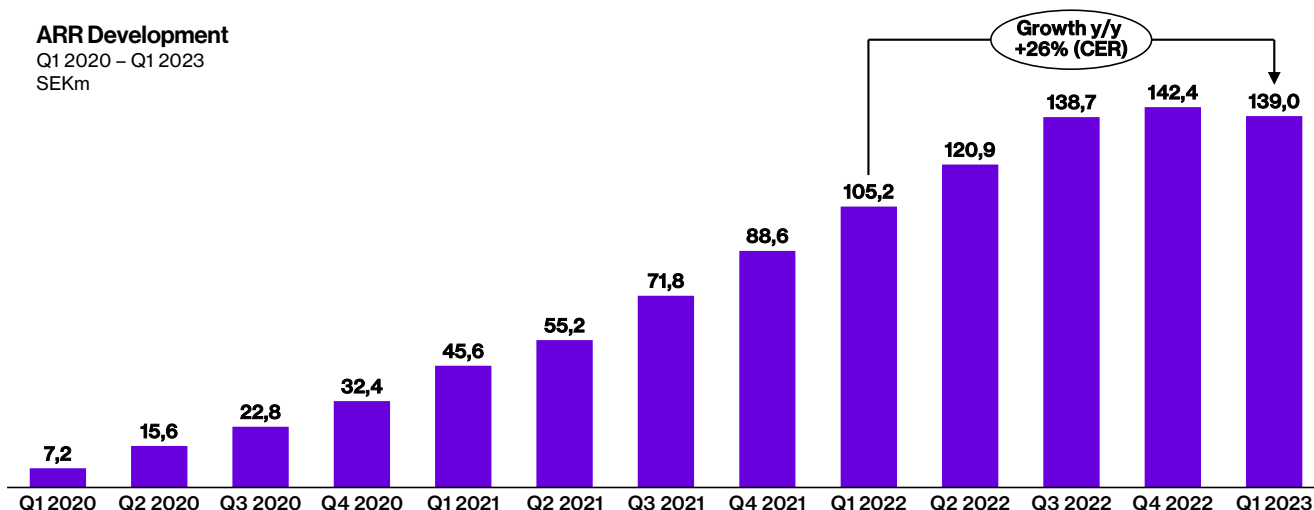
Q1 2023 ARR was SEK 139 million, representing 26% y/y growth at CER. Growth was driven by all regions: 70% y/y growth in APAC, 27% y/y growth in the Americas and 15% y/y growth in EMEA. EMEA continues to be the company's largest region with 51% of total ARR, followed by the Americas and APAC at 36% and 13% respectively.

One-to-Many increased by 24% y/y and now accounts for 92% of ARR. One-To-One increased by 100% y/y and now accounts for 7% of ARR. ARR per customer group was SEK 540k, representing growth of 30% y/y.

LTM NRR was 87% for the Group and 102% for Enterprise accounts which account for 45% of ARR, up from 43% in Q1 2022. A new pricing structure linked to the usage of our platform will be introduced in Q2 2023 which we believe will increase our NRR over time.

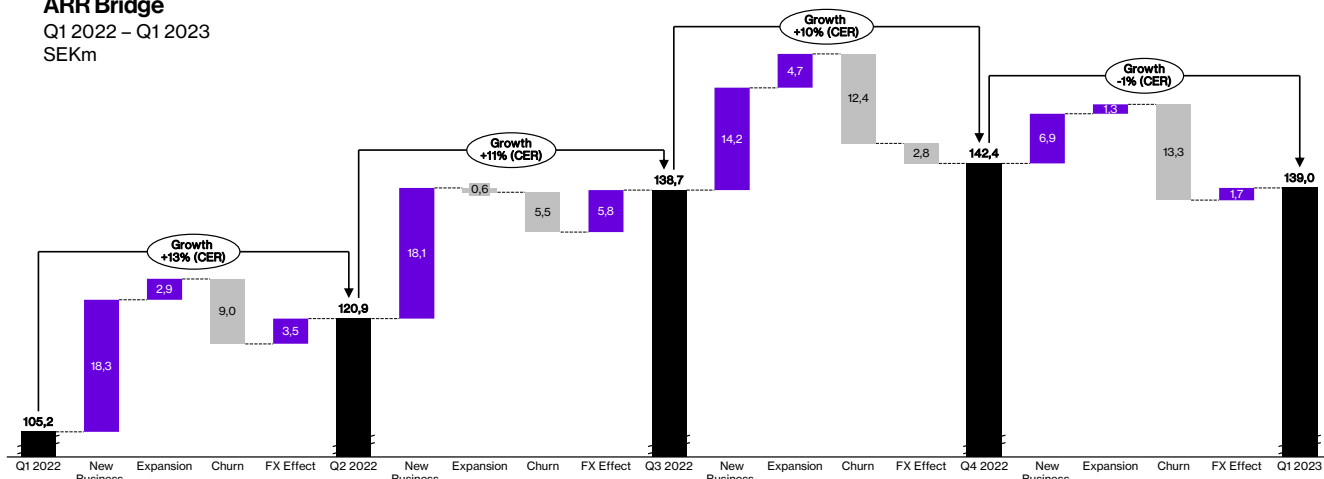
ARR Development

Q1 2020 – Q1 2023
SEKm



ARR Bridge

Q1 2022 – Q1 2023
SEKm



In the ARR bridge graph above, please note that the "New Business", "Expansion", and "Churn" in each quarter are calculated using each quarter's respective foreign exchange rate(s). The "FX Effect" captures exchange rate changes in ingoing versus outgoing ARR in the quarter.

Regions	Q1 2023	Q1 2022	% y/y	Q4 2022	% q/q
EMEA					
ARR (SEKm)	70,3	59,1	19%	71,4	-2%
ARR Growth (CER)			15%		-5%
No of Paying Customers	198	179	11%	211	-6%
Share of ARR	51%	56%	-5,6%p.	50%	0,4%p.
Americas					
ARR (SEKm)	50,6	36,3	39%	55,2	-8%
ARR Growth (CER)			27%		-17%
No of Paying Customers	96	91	5%	109	-12%
Share of ARR	36%	34%	1,9%p.	39%	-2,4%p.
APAC					
ARR (SEKm)	18,1	9,8	84%	15,7	15%
ARR Growth (CER)			70%		6%
No of Paying Customers	32	26	23%	33	-3%
Share of ARR	13%	9%	3,7%p.	11%	2,0%p.

New Business

In Q1 2023 Bambuser secured a number of new One-to-Many and One-to-One customers across the globe and in numerous verticals.

In EMEA notable new business included:

- CHRIST Juweliere und Uhrmacher
- Indiska 1901
- Luxe Collection Fahsion
- Marc Aurel Textil
- Möbel Pfister
- Norma
- Sneakersnstuff
- Gerry Weber

In Americas notable new business included:

- Citizen Watch Group
- Cozy Earth
- Kyte Baby
- Sonos

In APAC notable new business included:

- Cozy Corporation Co

Renewals and Expansion

In Q1 2023, Bambuser renewed and expanded a number of large contracts with dedicated customers.

In EMEA notable expansions and renewals included:

- French luxury brand that creates, produces, and distributes high-performance, plant-based skincare, makeup, fragrance, and hair care products.
- Singaporean-based multinational technology company designing and manufacturing household appliances.
- A world leading home furnishing retailer
- Oriflame – a social selling beauty company.
- LVMH – the French multinational conglomerate, specializing in luxury goods has been a partner with Bambuser since 2020 and today are utilizing the two Bambuser solutions in 8 of their Maisons, spanning over 14 countries throughout Americas, EMEA and APAC.

In Americas notable expansions and renewals included:

- Dick's Sporting Goods – An American sporting goods retailer.
- Saks Fifth Avenue – An American high-end department store.
- Global marketing and communications service provider.

In APAC notable expansions and renewals included:

- Swedish multinational home appliance manufacturer ranked the world's second largest appliance maker by units sold.
- Japanese multinational retailing group.
- Clarins – French multinational cosmetics company.
- Shiseido – Japanese multinational cosmetics company.
- Adastria – Japanese multi-brand fashion company.
- Baycrew's - Japanese representative fashion/lifestyle retailer.
- MECCA - Australian cosmetics retailer.

Notable Product updates

One-To-Many

In Q1 2023, One-to-Many was once again improved, keeping the solution at the very top of the Video Commerce industry.

The most significant new feature launched in Q1 was the new Mobile SDK. The SDK allows Bambuser's customers to own their Video Commerce experience within their own app and in doing so offer a customized end-consumer journey. The Mobile SDK also increases the stickiness of our product by integrating more deeply into our customers' tech stack.

One-To-One

In Q1 2023, One-to-One was expanded with practical features to enable Bambuser's customers to get closer to their end consumers at a time when personal relationships are more vital than ever.

Bookings is a new feature that eliminates the need for third party booking systems and instead allows consumers to book calls with the customer's sales agents more easily. The feature was created on the back of data showing AOV increasing with 65% in scheduled calls vs. unassisted commerce sales, and the duration of scheduled calls was 50 minutes on average, eight times longer than drop-in calls.

Groups was created so that Bambuser's customers can organize multiple users by criteria such as expertise, language, or location. The feature enables customers to quickly reassign multiple users to specific queues to provide consumers with the expertise most likely to encourage sales. That is to say, it enables customers to connect users to agents within their regions, who speak their language, and more specifically to those who have the expertise pertaining to the product they are interested in.

Financial Performance

Net Sales

SaaS Net Sales amounted to SEK 34.2 million (27.4), a growth of +25% y/y. The recurring SaaS revenue grew 33% y/y and comprises 94% of the total SaaS revenue.

Professional Services Net Sales amounted to SEK 17.4 million (23.7), a decrease of -26% y/y and of -23% q/q. Much like Q4 2022, the revenue drop mirrors the strategic decision to have the professional services business primarily supporting Bambuser's SaaS customers.

Gross Margin

SaaS gross margin was 81%, +10%p. y/y, an increase driven by a more efficient sales and customer support organization. We anticipate a continued increase in SaaS gross margin over time.

Professional Services gross margin (adjusted for depreciations, amortizations and stock option related costs) was -1%, +3%p. y/y. The total cost of revenue for Professional Services includes all associated costs of the Professional Services business such as direct assignment costs and employees. The improved year-on-year profitability is primarily attributed to a more efficient professional services division.

EBITDA

EBITDA amounted to SEK -31.2 million (-33.9). Staff cost (adjusted for stock option related costs) was down -18% y/y, an effect of the initiatives taken in H2 2022 to become a leaner and more efficient organization. Similarly, the costs for consultants were down -35% y/y.

Adjusted EBITDA (excluding items affecting comparability) amounted to SEK -29.0 million (-41.6). 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).

LTI 20/23 is described in detail in the annual report 2020 under "Stock Option Program 2020". LTI 22/25 is described in the annual report 2022.

Capitalized work for own account

As previously communicated, Bambuser has changed the accounting method for capitalized costs derived from consultants. This adjustment rendered a retroactive change in Total Revenue and R&D expenses of SEK +3.2m and SEK -3.2m respectively for Q1 2022.

Cash Flow

As of March 31, 2023, cash and cash equivalents amounted to SEK 347.8 million (491.9). Cash flow from operating activities amounted to SEK -30.7 million (-40.0). As per earlier communication, the cash position is sufficient to take Bambuser to positive cash flow.

Free cash flow (FCF) for the quarter amounted to SEK -30.7 million (-48.2), implying a FCF Margin of -59% (-94%). Professional services sales falling short y/y in combination with high marketing and one-off IT spend had a negative impact on EBITDA, and although the quarter displayed a continuous strong momentum in AR with a positive cash effect of SEK 6.6m (SEK +4.8m q/q), this was offset by AP of SEK -9.1m. There were no material investment activities in Q1 2023. For the last twelve months (LTM), FCF amounted to -145.7 million (-162.4), a FCF margin of -70% (-94%). The FCF per share (LTM basis) amounted to -0.69 SEK (-0.78 SEK).

Financial Reporting

Bambuser AB

Condensed Consolidated Income Statement

(in thousands SEK)

	Notes	2023	2022	2022
		Jan-Mar Q1	Jan-Mar Q1	Jan-Dec Full year
Net Sales		51 627	51 098	208 061
Other Revenue		2 908	10 603	39 970
Total Revenue	2	54 535	61 700	248 030
Cost of Revenue	3	-34 687	-43 221	-160 277
Gross Profit		19 848	18 479	87 754
Sales & Marketing		-23 428	-24 264	-100 917
Research & Development		-27 237	-30 424	-111 474
General & Administration		-18 073	-14 288	-76 428
Total Operating Expenses	4	-68 737	-68 976	-288 819
Operating Income (EBIT)		-48 889	-50 497	-201 066
Financial Income		908	252	1 857
Financial Expenses		-124	-82	-969
Financial Net		784	170	888
Earnings before tax (EBT)		-48 105	-50 327	-200 178
Tax		-12	-8	12
Net Income		-48 117	-50 335	-200 166

Bambuser AB

Condensed Consolidated Balance Sheet

(in thousands SEK)

	Notes	2023-03-31	2022-03-31	2022-12-31
Assets				
Intangible assets				
Capitalized development expenses		86 415	97 936	93 451
Goodwill		130 177	171 412	140 486
		216 591	269 348	233 936
Tangible assets				
Furniture and equipment		4 297	4 108	4 664
		4 297	4 108	4 664
Financial assets				
Other receivables		8 206	6 840	8 176
		8 206	6 840	8 176
Total non-current assets		229 095	280 296	246 776
Current assets				
Trade receivables		33 682	39 731	40 328
Tax receivables		322	1 386	2 494
Other current assets		4 314	5 864	3 041
Prepaid expenses and accrued income		7 237	5 668	5 759
Cash and cash equivalents		347 783	491 944	378 450
Total current assets		393 338	544 594	430 072
Total assets		622 433	824 890	676 848
Equity and liabilities				
Equity				
Share capital		10 562	10 392	10 562
Other paid in equity		1 063 876	1 096 991	1 063 877
Other equity including net income		-530 568	-382 584	-484 723
Total Equity		543 870	724 799	589 715
Non-current liabilities				
Provisions		0	18 172	0
		0	18 172	0
Current liabilities				
Trade payables		9 065	14 208	11 621
Income tax payable		27	273	259
Other current liabilities		7 700	6 494	7 330
Accrued expenses and deferred income	5	61 771	60 944	67 923
Total current liabilities		78 562	81 919	87 133
Total liabilities		78 562	100 091	87 133
Total equity and liabilities		622 433	824 890	676 848

Bambuser AB

Consolidated Equity

(in thousands SEK)

	Share Capital	Other paid in capital	Other equity including net income	Total Equity
Equity as per December 31, 2021	10 351	1 060 923	-301 780	769 494
Loss for the year	0	0	-200 166	-200 166
Foreign exchange difference from subsidiaries	0	0	745	745
Stock options	0	0	16 479	16 479
Rights issues	211	2 953	0	3 164
Equity as per December 31, 2022	10 562	1 063 876	-484 723	589 715
Equity as per December 31, 2021	10 351	1 060 923	-301 780	769 494
Loss for the year	0	0	-50 335	-50 335
Foreign exchange difference from subsidiaries	0	0	135	135
Stock options	0	0	4 886	4 886
Rights issues	41	577	0	618
Equity as per March 31, 2022	10 392	1 061 500	-347 093	724 799
Equity as per December 31, 2022	10 562	1 063 876	-484 723	589 715
Loss for the year	0	0	-48 117	-48 117
Foreign exchange difference from subsidiaries	0	0	38	38
Stock options	0	0	2 233	2 233
Rights issues	0	0	0	0
Equity as per March 31, 2023	10 562	1 063 876	-530 568	543 870

Bambuser AB

Condensed Consolidated Cash Flow

(in thousands SEK)

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
	Q1	Q1	Full year
Cash flow from operations before working capital	-28 181	-41 354	-145 672
Change in current receivables	6 604	-11 084	-9 644
Change in current payables	-9 090	12 440	16 937
Cash flow from operations	-30 667	-39 999	-138 379
Investment activities			
Investments in intangible assets	0	-6 008	-20 896
Investments in tangible assets	0	-2 179	-3 886
Divestments of tangible assets	12	0	0
Deposits	-24	-2 961	-4 297
Cash flow from investment activities	-12	-11 149	-29 080
Financing activities			
Rights issue	0	619	3 164
Cash flow from financing activities	0	619	3 164
Cash flow for the period	-30 679	-50 529	-164 295
Cash at the beginning of the period	378 450	542 378	542 378
Net exchange losses/gains on cash and cash equivalents	12	95	367
Cash at the end of the period	347 783	491 944	378 450

Bambuser AB

Condensed Parent Income Statement

(in thousands SEK)

	Notes	2023	2022	2022
		Jan-Mar Q1	Jan-Mar Q1	Jan-Dec Full year
Net Sales		34 607	27 609	130 841
Other Revenue		7 056	9 412	41 258
Total Revenue	2	41 663	37 021	172 099
Cost of Revenue	3	-11 950	-6 875	-35 762
Gross Profit		29 713	30 147	136 336
Sales & Marketing		-25 380	-26 051	-113 206
Research & Development		-27 237	-29 832	-107 336
General & Administration		-17 755	-14 502	-75 528
Total Operating Expenses	4	-70 372	-70 385	-296 069
Operating Income (EBIT)		-40 659	-40 239	-159 733
Financial Income		908	270	2 044
Financial Expenses		-26	-33	-795
Financial Net		882	237	1 249
Earnings before tax (EBT)		-39 777	-40 001	-158 484
Tax		0	0	-56
Net Income		-39 777	-40 001	-158 540

Bambuser AB

Condensed Parent Balance Sheet

(in thousands SEK)

	Notes	2023-03-31	2022-03-31	2022-12-31
Assets				
Intangible assets				
Capitalized development expenses		83 207	93 338	89 896
Goodwill		316	543	373
		83 524	93 881	90 269
Tangible assets				
Furniture and equipment		3 603	3 287	3 887
		3 603	3 287	3 887
Financial assets				
Shares in subsidiaries		215 038	214 535	215 038
Other receivables		4 899	4 649	4 912
		219 937	219 184	219 950
Total non-current assets		307 064	316 351	314 107
Current assets				
Trade receivables		25 165	31 773	32 429
Receivables from group companies		18 559	7 531	13 293
Tax receivables		79	1 080	2 076
Other current assets		3 256	593	2 468
Prepaid expenses and accrued income		6 349	5 234	4 856
Cash and cash equivalents		326 005	478 640	358 175
Total current assets		379 413	524 851	413 297
Total assets		686 476	841 202	727 404
Equity and liabilities				
Equity				
Restricted Equity				
Share capital		10 562	10 392	10 562
Development fund		83 208	93 338	89 896
		93 770	103 730	100 458
Unrestricted Equity				
Share premium fund		1 063 877	1 096 991	1 063 877
Retained earnings incl. net income		-543 452	-444 583	-512 596
		520 425	652 408	551 281
Total Equity		614 195	756 138	651 738
Non-current liabilities				
Provisions		0	18 172	0
		0	18 172	0
Current liabilities				
Trade payables		5 167	10 661	7 682
Payables to group companies		4 343	5 288	5 269
Other current liabilities		5 744	4 242	5 106
Accrued expenses and deferred income	5	57 028	46 701	57 608
		72 281	66 892	75 665
Total liabilities		72 281	85 064	75 665
Total equity and liabilities		686 476	841 202	727 404

Bambuser AB

Parent Equity

(in thousands SEK)

	Share Capital	Development fund	Share premium fund	Retained earnings	Total Equity
Equity as per December 31, 2021	10 351	93 025	1 060 923	-373 665	790 635
Loss for the year	0	0	0	-158 540	-158 540
Change in development fund	0	-3 129	0	3 129	0
Stock options	0	0	0	16 479	16 479
Rights issues	211	0	2 953	0	3 164
Equity as per December 31, 2022	10 562	89 896	1 063 877	-512 596	651 738
Equity as per December 31, 2021	10 351	93 025	1 060 923	-373 665	790 635
Loss for the year	0	0	0	-40 001	-40 001
Change in development fund	0	313	0	-313	0
Stock options	0	0	0	4 886	4 886
Rights issues	41	0	577	0	619
Equity as per March 31, 2022	10 392	93 338	1 061 501	-409 093	756 138
Equity as per December 31, 2022	10 562	89 896	1 063 877	-512 596	651 738
Loss for the year	0	0	0	-39 777	-39 777
Change in development fund	0	-6 689	0	6 689	0
Stock options	0	0	0	2 233	2 233
Rights issues	0	0	0	0	0
Equity as per March 31, 2023	10 562	83 208	1 063 877	-543 452	614 195

Bambuser AB

Condensed Parent Cash Flow

(in thousands SEK)

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
	Q1	Q1	Full year
Cash flow from operations before working capital	-30 514	-41 812	-147 598
Change in current receivables	1 715	-11 736	-20 647
Change in current payables	-3 384	24 757	33 530
Cash flow from operations	-32 183	-28 791	-134 715
Investment activities			
Investments in intangible assets	0	-6 008	-20 896
Investments in tangible assets	0	-1 624	-3 056
Acquisition of subsidiary	0	-260	-764
Deposits	14	-2 627	-2 891
Cash flow from investment activities	14	-10 519	-27 606
Financing activities			
Rights issue	0	619	3 164
Cash flow from financing activities	0	619	3 164
Cash flow for the period	-32 169	-38 692	-159 157
Cash at the beginning of the period	358 175	517 332	517 332
Cash at the end of the period	326 005	478 640	358 175

Accounting policies and Explanatory notes

Note 1 – Accounting Principles

The interim report period is from January to March 2023. 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.

Note 2 – Total Revenue

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
	Q1	Q1	Full year
Consolidated			
<i>Net Sales</i>			
Net Sales SaaS (Licenses)	32 074	24 145	113 939
Net Sales SaaS (Other Services)	2 106	3 226	11 702
Net Sales Professional Services	17 446	23 727	82 420
Total Net Sales	51 627	51 098	208 061
<i>Other Revenue</i>			
Other Revenue	2 908	4 595	19 073
Capitalized work for own account*	0	6 008	20 896
Total Other revenue	2 908	10 603	39 970
Total Revenue	54 535	61 700	248 030
Parent			
<i>Net Sales</i>			
Net Sales SaaS (Licenses)	32 074	24 145	113 939
Net Sales SaaS (Other Services)	2 106	3 226	11 702
Net Sales Professional Services	426	239	5 200
Total Net Sales	34 607	27 609	130 841
<i>Other Revenue</i>			
Other Revenue**	7 056	3 404	20 361
Capitalized work for own account	0	6 008	20 896
Total Other revenue	7 056	9 412	41 258
Total Revenue	41 663	37 021	172 099

*This includes a retroactive adjustment for periods in 2022 for consistency with accounting policies of 2023.

**Other revenue includes invoices to subsidiaries of SEK 4.6m.

Note 3 – Cost of Revenue

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Consolidated	Q1	Q1	Full year
<i>Cost of SaaS Revenue</i>			
Staff costs	-3 729	-5 860	-19 613
Other external costs	-2 612	-1 865	-9 557
Total Cost of SaaS Revenue	-6 341	-7 726	-29 169
<i>Cost of Professional Services Revenue</i>			
Staff costs excl. stock option related costs	-7 693	-8 650	-37 205
Stock option related costs	-5	5	5
Other external costs	-9 540	-14 912	-47 933
Depreciations and Amortizations	-10 696	-10 680	-3 326
Other operational costs	-411	-1 259	-42 649
Total Cost of Professional Services Revenue	-28 345	-35 495	-131 108
Total Cost of Revenue	-34 687	-43 221	-160 277
Parent			
<i>Cost of SaaS Revenue</i>			
Staff costs	-2 750	-4 934	-15 493
Other external costs	-2 612	-1 865	-9 557
Total Cost of SaaS Revenue	-5 362	-6 799	-25 050
<i>Cost of Professional Services Revenue</i>			
Staff costs excl. stock option related costs	-6 305	0	-7 681
Stock option related costs	-5	5	5
Other external costs	-182	0	-2 786
Depreciations and Amortizations	-96	-80	-250
Total Cost of Professional Services Revenue	-6 588	-75	-10 712
Total Cost of Revenue	-11 950	-6 875	-35 762

Note 4 – Costs per function

	2023	2022	2022
	Jan-Mar	Jan-Mar	Jan-Dec
	Q1	Q1	Full year
Consolidated			
<i>Sales & Marketing</i>			
Staff costs excl. stock option related costs	-13 340	-17 102	-62 846
Stock option related costs	-246	822	981
Other external costs	-9 708	-7 890	-36 698
Depreciations and Amortizations	-134	-94	-384
Other operational costs	0	0	30
Total Sales & Marketing	-23 428	-24 264	-100 917
<i>Research & Development</i>			
Staff costs excl. stock option related costs	-15 061	-14 325	-55 613
Stock option related costs	-339	1 171	1 171
Other external costs	-4 982	-11 479	-32 897
Depreciations and Amortizations	-6 846	-5 790	-24 134
Other operational costs	-8	0	-2
Total Research & Development	-27 237	-30 424	-111 474
<i>General & Administration</i>			
Staff costs excl. stock option related costs	-5 593	-5 881	-29 107
Stock option related costs	-1 643	5 707	12 286
Other external costs	-8 999	-12 028	-50 736
Depreciations and Amortizations	-26	-15	-830
Other operational costs	-1 812	-2 072	-8 041
Total General & Administration	-18 073	-14 288	-76 428
Total Operating Expenses	-68 737	-68 976	-288 819
Parent			
<i>Sales & Marketing</i>			
Staff costs excl. stock option related costs	-6 322	-11 457	-33 499
Stock option related costs	-246	822	981
Other external costs	-18 751	-15 379	-80 650
Depreciations and Amortizations	-61	-37	-37
Other operational costs	0	0	0
Total Sales & Marketing	-25 380	-26 051	-113 206
<i>Research & Development</i>			
Staff costs excl. stock option related costs	-13 602	-13 757	-51 572
Stock option related costs	-339	1 171	1 171
Other external costs	-6 441	-11 456	-32 799
Depreciations and Amortizations	-6 846	-5 790	-24 134
Other operational costs	-8	0	-2
Total Research & Development	-27 237	-29 832	-107 336
<i>General & Administration</i>			
Staff costs excl. stock option related costs	-5 565	-5 870	-29 124
Stock option related costs	-1 643	5 707	12 286
Other external costs	-8 709	-12 351	-49 754
Depreciations and Amortizations	-26	-15	-833
Other operational costs	-1 812	-1 974	-8 104
Total General & Administration	-17 755	-14 502	-75 528
Total Operating Expenses	-70 372	-70 385	-296 069

Note 5 – Accrued expenses and deferred income

	2023-03-31	2022-03-31	2022-12-31
Consolidated accrued expenses and deferred income			
Accrued staff expenses	17 631	14 022	20 281
Accrued other expenses	8 348	24 566	10 870
Deferred Income	35 792	22 354	36 772
Total Accrued expenses and deferred income	61 771	60 942	67 923
Parent accrued expenses and deferred income			
Accrued staff expenses	17 371	12 326	19 761
Accrued other expenses	7 578	12 021	6 345
Deferred Income	32 079	22 354	31 503
Total Accrued expenses and deferred income	57 028	46 701	57 609

Definitions

Adjusted EBITDA

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

ARR (Annual Recurring Revenue)

ARR is net Monthly Recurring Revenue (MRR) multiplied by 12. Net 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.

CER (Constant Exchange Rate)

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

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 Customer 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.

EBITDA Margin

$\text{EBITDA Margin \%} = [\text{EBITDA}] / [\text{Total Revenue}]$.

EOP

End of period.

FCF (Free Cash Flow)

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

FCF Margin

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

FCF / Share

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

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)

$\text{GRR \%} = ([\text{Opening ARR L12M CER}] - [\text{Churn for the period CER}]) / [\text{Opening ARR L12M CER}]$.

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

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 Margin = [Net Sales Prof Services] – [Bambuser Plus Cost of Revenue adjusted for Depreciations, Amortizations and Stock option related costs].

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.

Net Sales SaaS

Revenue coming from the SaaS business. Recurring SaaS revenue is revenue coming from licenses, whereas other SaaS revenue relates to non-recurring items, such as onboarding fees.

NRR (Net Revenue Retention)

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

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

Number of Share EOP

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 Video Commerce 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, Paris, and Turku the rapidly growing Bambuser team speaks more than 30 languages and 62% 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 9 in the Annual Report 2022 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

Interim Report Q2 2023 – July 27th, 2023

Interim Report Q3 2023 – October 27th, 2023

Headquarters

Bambuser AB
Regeringsgatan 55
111 56 Stockholm, Sweden

Org.no 556731-3126
bambuser.com