

Interim Report Q3 2023

Q3 Highlights

- ARR of SEK 123.0 million, -13% y/y at constant exchange rates ("CER").
- Net Sales of SEK 43.7 million (48.0) with SaaS revenue growth of +1% y/y.
- Adjusted EBITDA of SEK -25.2 million (-34.6), representing a -53% margin and a 6%p. margin improvement vs. Q3 2022.
- Free Cash Flow of SEK -33.6 million (-43.9), representing a -77% FCF margin and a 15%p. margin improvement vs. Q3 2022.
- End of quarter Cash Balance of SEK 291.6 million (401.0), which is sufficient to take Bambuser to positive cash flow.
- Significant improvement in churn, with a 60% reduction in absolute numbers q/q.
- Bambuser initiates strategic review of its influencer marketing unit Relatable, which may include a full sale of the business.

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

KPI	Q3	Q3	% y/y	Q2	% q/q	Jan-Sep	Jan-Sep	% ytd/ytd
	2023	2022		2023		2023	2022	
ARR (SEKm)	123,0	138,7	-11%	126,0	-2%	123,0	138,7	-11%
ARR growth (CER)			-13%		-5%			-13%
NRR % (LTM) ¹	65%	94%	-29%p.	64%	1%p.	65%	94%	-29%p.
Net Sales SaaS (SEKm)	31,3	31,1	1%	32,3	-3%	97,8	89,1	10%
Net Sales Prof Services (SEKm)	12,4	16,9	-27%	16,7	-26%	46,6	59,6	-22%
Gross Margin SaaS (%) ²	80%	76%	3%p.	76%	4%p.	79%	75%	4%p.
Gross Margin Prof Services (%) ³	-11%	-20%	9%p.	-8%	-4%p.	-6%	-12%	6%p.
EBITDA (SEKm)	-27,1	-41,2	-34%	-34,7	-22%	-93,0	-116,3	-20%
EBITDA %	-57%	-70%	13%p.	-63%	6%p.	-59%	-64%	5%p.
Adj EBITDA (SEKm)	-25,2	-34,6	-27%	-32,8	-23%	-87,0	-120,8	-28%
Adj EBITDA %	-53%	-59%	6%p.	-59%	7%p.	-55%	-66%	11%p.
EBIT (SEKm)	-44,8	-58,3	-23%	-52,4	-14%	-146,2	-166,9	-12%
EBIT %	-94%	-99%	4%p.	-95%	1%p.	-93%	-91%	-1%p.
Cash Balance EOP (SEKm)	291,6	401,0	-27%	324,0	-10%	291,6	401,0	-27%
FCF (SEKm)	-33,6	-43,9	-23%	-26,0	29%	-90,3	-141,6	-36%
FCF Margin (%)	-77%	-91%	15%p.	-53%	-24%p.	-63%	-95%	33%p.
FCF / Share (SEK, LTM)	-0,53	-0,76	-30%	-0,58	-8%	-0,53	-0,76	-30%
No of shares EOP	211 235 385	211 134 623	0%	211 235 385	0%	211 235 385	211 134 623	0%
No of Fully diluted shares EOP	232 893 675	234 309 602	-1%	228 621 562	2%	232 893 675	234 309 602	-1%
Full-time Equivalent EOP	131	199	-34%	139	-6%	131	199	-34%
No of Customer Groups (CG)	252	277	-9%	245	3%	252	277	-9%
Avg ARR per CG (SEKk)	487,9	500,8	-3%	514,5	-5%	487,9	500,8	-3%

1. LTM = Last twelve months | 2. With the introduction of a function-based P&L, the Gross Margin SaaS has been reiterated to better reflect the SaaS cost of revenue.
3. Gross margin Professional Services is adjusted for Depreciations, Amortizations, and stock option related costs.

CEO Comments

Q3 2023 has drawn to a close with Bambuser reporting SEK 123 million in ARR, marking a 13% y/y decline at constant exchange rates (CER). In the backdrop of a persistently challenging market environment with a pronounced emphasis on cost management among potential clients, we find ourselves in a situation shared by many in the SaaS industry. However, and beyond the numbers, there are significant highlights in this quarter that deserve attention, underscoring our commitment to revitalizing our ARR.

While we navigate this journey, I take immense pride in announcing our recent wins, which include highly regarded names such as Mini Cooper (BMW Group), Beam Suntory (a premium spirits company), and an expanded partnership with the LVMH group, encompassing brands like RIMOWA and Guerlain, among others. Furthermore, I am pleased to report that our churn has seen a significant improvement, with a 60% reduction in absolute numbers q/q. While churn levels are still not satisfactory, this quarter marks a positive turnaround, breaking the negative trend observed over the past three quarters.

The quality and quantity of new customer leads have notably increased compared to a year ago. Additionally, there is a noticeable shift in the maturity of the video commerce category. Existing customers are eager to collaborate with us to elevate their video commerce strategies, incorporating deep tech integrations and resource allocation, positioning video commerce as a central element of their omni-channel strategies. Moreover, we are attracting customers currently using our competitors' services, as they recognize the need for an enterprise-grade solution, and this is where Bambuser has a distinct advantage. Our video commerce platform stands out with its proprietary video streaming technology, robust security measures (ISO 27001 certified), and a firm commitment to continuous improvement, including a growing partnership ecosystem and new features to enhance customer value.

As previously stated in our reports, we are steadfast in our commitment to enhance our Adjusted EBITDA and Free Cash Flow (FCF). During Q3 2023, we made significant progress, reducing OPEX excluding currency effects by 18% q/q and 25% y/y. Further annual cost savings of approximately SEK 5 million are expected to come into effect in Q4 2023, with additional cost optimization efforts on the horizon. We are also optimizing the third-party services supporting our platform to further enhance our gross margin. These savings provide us the flexibility to allocate resources to initiatives that enhance our growth, retention, and free cash flow.



Our Adjusted EBITDA for the quarter was SEK -25.2 million, an impressive 27% y/y improvement, while the FCF demonstrated a continuous positive trend, improved by 23% y/y. The FCF is impacted by garden leave accruals and negative working capital, but we maintain a healthy closing cash balance of SEK 292 million, which positions us well on the path to positive cash flow.

Our new pricing model continues to play a vital role in supporting both new business acquisition and customer retention. Notably, several customers who had expressed intentions to churn have decided to stay due to the advantages of the new pricing structure. We have successfully transitioned one of our top ten customers to this new model. We remain confident that the new pricing model will drive expansion over time.

As of August 2023, our influencer marketing unit is operating independently as a subsidiary under its original name, Relatable. Given Bambuser's development towards a video commerce platform with a comprehensive ecosystem, including partners offering services similar to those provided by Relatable, we have initiated a strategic review of the business, which may include a full sale of Relatable.

As we head into the next quarter, our agenda is busy with various initiatives aimed at strengthening our partner channels, introducing substantial platform and product enhancements, implementing strategic marketing tactics, and further enhancing cost efficiency. The market opportunity continues to expand daily, and we are continually uncovering new use cases for our video commerce platform. Bambuser is strategically poised to seize both short-term and long-term opportunities. While the path may not always be linear, we are committed in our journey, and I extend my heartfelt gratitude to our shareholders and dedicated employees for their support along the way.

Maryam Ghahremani,
CEO of Bambuser

Business Highlights

ARR

The ARR was SEK 123.0 million, representing -13% y/y decline at CER. By the end of September, we had 252 Customer Groups, representing a decline of -9% y/y. ARR per customer group was SEK 487.9k, a decline of -4% at CER compared to Q3 2022. The drop in ARR per customer group in the quarter derives mainly from churn and downsell of customers from the old to the new price plan. As previously communicated, in Q2 2023 the Company introduced a new pricing model which is linked to the usage of the platform. Moving forward, the impact of new customers joining or existing customers renewing on the updated price plan is expected to potentially lower the ARR per customer group in the short-term but lead to

an increase in the medium to long-term as we grow concurrently with the success of our customers.

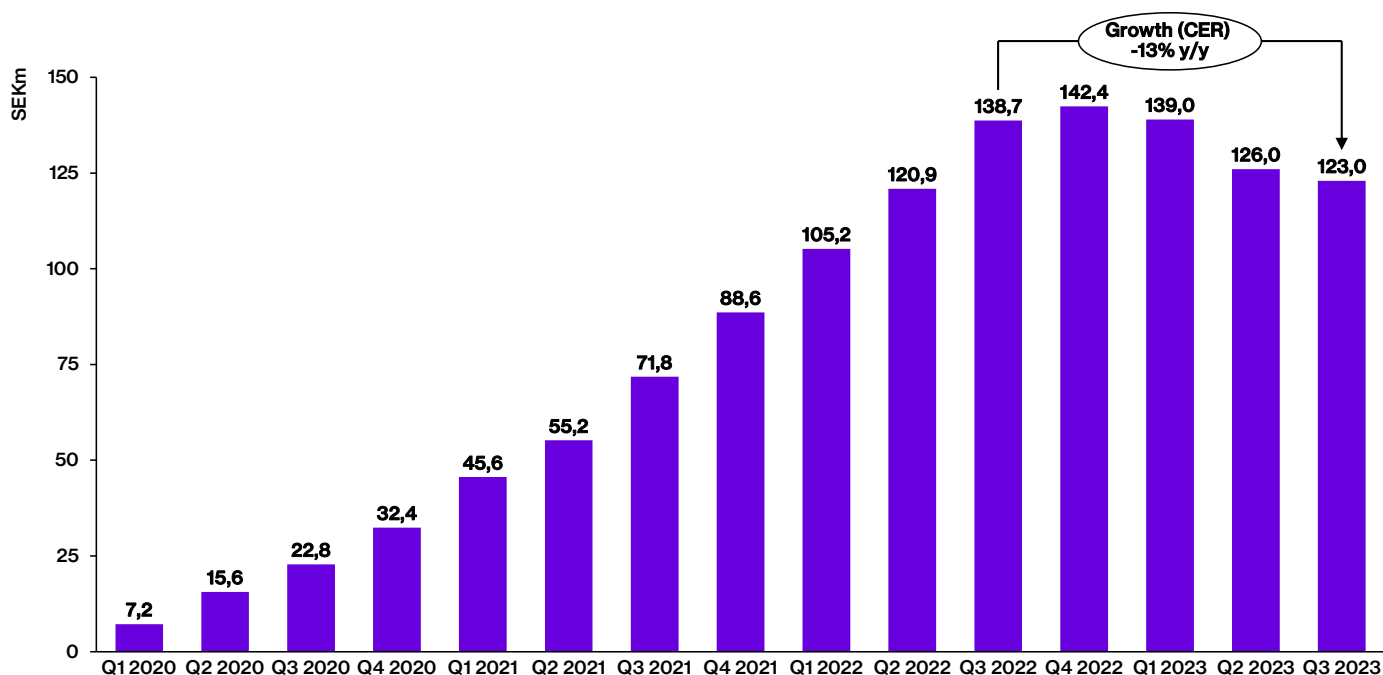
Group LTM NRR was 65%. Enterprise LTM NRR was 81%. Top 20 Accounts LTM NRR was 116%, accounting for 37% of total ARR (+12%p. y/y at CER). These customers exhibited a 25% ARR growth y/y at CER, adding nearly SEK 9 million in net new ARR.

EMEA accounts for 57% of total ARR and was -5% y/y. Americas accounts for 36% of total ARR and was -24% y/y. APAC accounts for 7% of ARR, ending at -5% y/y.

ARR Development

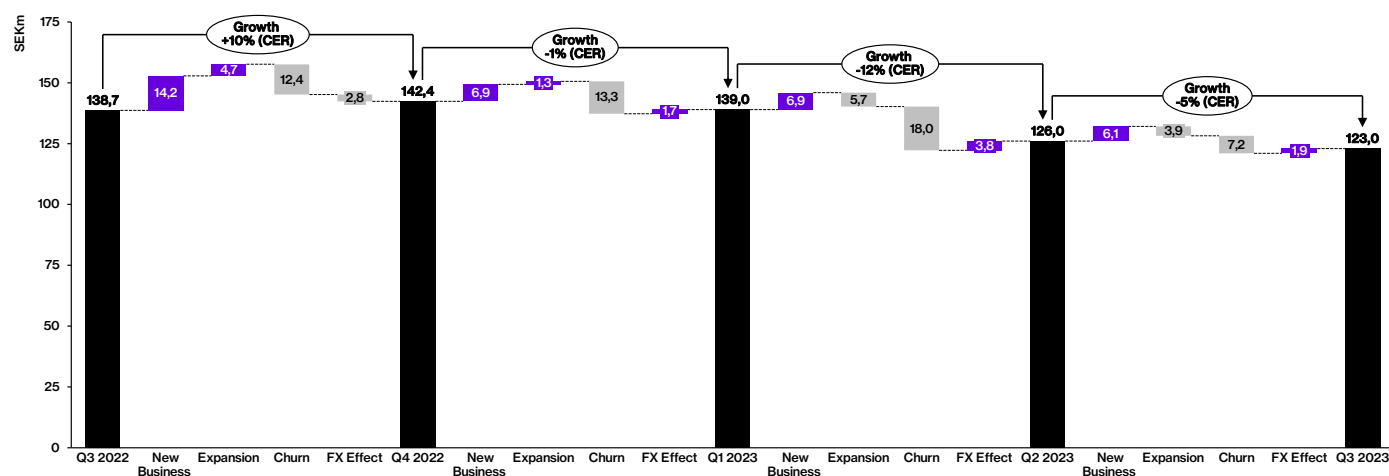
Q1 2020 – Q3 2023

SEKm



ARR Bridge

Q3 2022 – Q3 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	Q3 2023	Q3 2022	% y/y	Q2 2023	% q/q
EMEA					
ARR (SEKm)	70,0	70,6	-1%	69,3	1%
ARR Growth (CER)			-5%		0%
No of Paying Customers	185	185	0%	194	-5%
Share of ARR	57%	51%	6,1%p.	51%	6,4%p.
Americas					
ARR (SEKm)	44,0	58,7	-25%	46,8	-6%
ARR Growth (CER)			-24%		-9%
No of Paying Customers	98	93	5%	103	-5%
Share of ARR	36%	42%	-6,5%p.	36%	-0,6%p.
APAC					
ARR (SEKm)	8,9	9,4	-5%	10,0	-11%
ARR Growth (CER)			-5%		-13%
No of Paying Customers	29	32	-9%	28	4%
Share of ARR	7%	7%	0,5%p.	13%	-5,8%p.

During Q3 2023 we have adjusted the ARR attribution between the regions to better reflect the way we work with customer groups internally. This amendment has impacted the comparable numbers on regional level; total level comparable numbers are naturally unaltered.

New Business and Expansions

EMEA

- BMW Mini Cooper: A British brand within the renowned German automotive manufacturer, famous for compact and stylish cars.
- A global spirits company: An American-founded company producing premium spirits.
- Lavinia Wine Cellar: A wine producer and distributor specializing in fine wines.
- Gartenhausfabrik: A company involved in the production of garden houses and structures.
- A European media company: A company engaged in print and digital media, including magazines and newspapers.
- Online lifestyle magazine: An online lifestyle and fashion platform based in the United Kingdom.
- A luxury womenswear brand: A UK-based fashion brand offering unique and artistic designs.
- A fashion brand rooted in movement: A British activewear company specializing in stylish fitness apparel.
- Voice Norge: A Norwegian clothing retailer active since 1987.
- Christian Dior Couture: The high-fashion division of the iconic Christian Dior brand.
- RIMOWA: A German manufacturer of high-quality luggage and travel accessories.
- Maison Francis Kurkdjian: A luxury fragrance house founded by renowned perfumer Francis Kurkdjian.
- Guerlain: A historic French beauty and cosmetics company known for its fragrances and makeup.
- Make Up For Ever: A cosmetics brand specializing in professional makeup products.

Americas

- Co-Motion Cycles: Specializes in designing and manufacturing tandem bicycles and touring bicycles.
- Women activewear company – A brand focused on comfortable, versatile, and stylish activewear for women.
- The Vault Luxury Resale: A company specializing in high-end, pre-owned luxury fashion items.
- Bumpsuit: A brand known for innovative maternity and postpartum clothing.
- Dazzle Dry: A nail polish company providing quick-drying and long-lasting nail products.
- American accessories company: A brand specializing in luxury fashion accessories, particularly handbags, wallets.
- Lockerverse: A company that delivers unique digital experiences and empowers brands.
- Outdoor Power Company: A company producing environmentally friendly outdoor power equipment.
- Cocktail Courier: A service delivering cocktail ingredients and recipes to your door.

APAC

- Shiseido Japan: A prominent Japanese cosmetics company known for its beauty and skincare brands.
- Louis Vuitton Japan: The Japanese division of the globally renowned French luxury fashion brand, Louis Vuitton.

Renewals

- Estée Lauder: A major American multinational cosmetics and skincare company.
- MAC: A popular cosmetics brand, known for its wide range of makeup products.
- Jo Malone: A British fragrance and cosmetics brand famous for its elegant scents.
- Bobbi Brown: A cosmetics brand founded by makeup artist Bobbi Brown, offering beauty products.
- By Kilian: A luxury fragrance brand founded by Kilian Hennessy, offering niche perfumes.
- Make Up For Ever: A cosmetics company known for professional makeup products.
- Perfumes Christian Dior: A division of the Dior fashion house, renowned for its luxury fragrances.
- Hugo Boss: A German fashion brand celebrated for its stylish clothing and accessories.
- The Very Group UK: A UK-based online retailer offering a wide range of products from fashion to electronics.
- The White Company: A British retailer specializing in elegant home and clothing products.
- Leroy Merlin South Africa: A home improvement and construction retail company in South Africa.
- Never Fully Dressed: A fashion brand offering trendy and distinctive clothing designs.
- A global fashion house: American designer's fashion house renowned for leather handbags and accessories
- A world-leading home furnishing retailer: A global furniture and home goods retailer known for its affordable and stylish products.

Products Highlights

SDK Advancements

Our Software Development Kit (SDK) continues to evolve, offering enhanced capabilities for our customers. Notably, our SDK is now available for Android, enabling seamless integration of the Bambuser solution into Android applications. Building on this, the SDK for iOS has been accessible for the past few months, and we're delighted to observe a growing number of customers utilizing it to craft their preferred in-app customer experiences.

Introducing Password-Protected Shows

In a significant development, we've introduced password-protected One-to-Many shows, expanding the horizons of use cases for our platform. This innovation unlocks new possibilities, such as exclusive product launches and masterclasses, aligning perfectly with our vision of becoming the premier video commerce platform for a diverse array of needs. This feature adds substantial value to our wide range of customers.

Empowering Self-Service

To empower our customers and enhance their experience, we've rolled out several functions that facilitate self-service for tasks that previously required technical customer service intervention. This not only provides greater independence and agility for our customers but also contributes to scaling our product more efficiently, reducing the reliance on technical customer support. This initiative aligns with our broader goal of optimizing our gross margin and delivering an improved user experience.

Financial Performance

Net Sales

SaaS Net Sales amounted to SEK 31.3 million (31.1), a growth of +1% y/y. 94% of the total SaaS revenue is recurring.

Professional Services Net Sales amounted to SEK 12.4 million (16.9), a decrease of -27% y/y and of -26% q/q. The revenue drop is largely driven by fewer new bookings in July, which impacted negatively on the subsequent months.

Gross Margin

SaaS gross margin was 80%, +3%p. y/y. This increase is driven by lower costs of the SaaS revenue, particularly stemming from efficiency gains in the customer support and integration function, whose lower costs reflect a smaller and more efficient 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 -11%, +9%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-over-year profitability is attributed to the professional services division becoming narrower in its scope and more efficient in its setup.

EBITDA

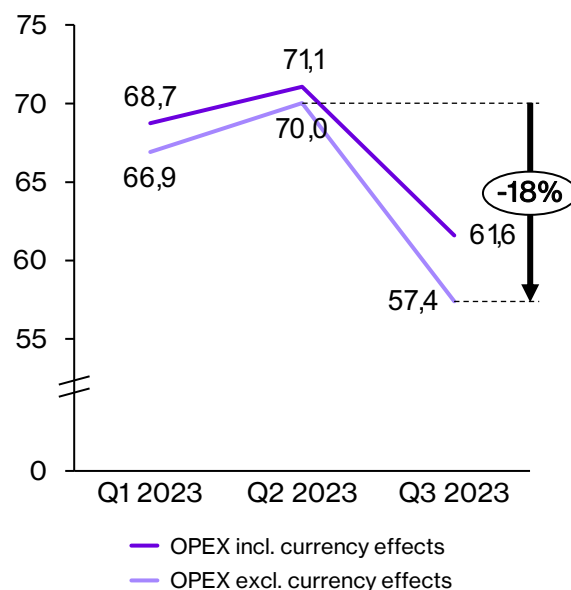
EBITDA amounted to SEK -27.1 million (-41.2). Operating expenses (OPEX) were improved 22% y/y. The vast majority of that decrease (73%) came from staff costs where the layoffs and organizational restructurings undertaken in H1 are now largely having their full impact. Furthermore, and related, expenses for consultants drove a large share (32%) of the y/y decrease in OPEX.

It should be noted that EBITDA in Q3 2022 was positively impacted by capitalized work for own account boosting the total revenue for the period, rendering an EBITDA impact of SEK +5 million. There has been no corresponding impact in Q3 2023 and hence the year-over-year EBITDA development is understated accordingly.

In addition, EBITDA this quarter was impacted by negative currency effects, effects that were positive in Q1 and Q2 of this year. This makes quarterly comparisons difficult as well as distorting, since the underlying EBITDA q/q development is understated by roughly SEK 5.3 million. Adjusting for currency effects, OPEX was improved 18% q/q and 25% y/y.

Operating Expenses (OPEX)

Q1 2023 – Q3 2023
SEKm



Adjusted EBITDA (excluding items affecting comparability) amounted to SEK -25.2 million (-34.6). 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 the annual report 2020 under “Stock Option Program 2020”. LTI 22/25 is described in the annual report 2022.

Cash Flow

As of September 30, 2023, cash and cash equivalents amounted to SEK 291.6 million (401.0). Cash flow from operating activities amounted to SEK -23.7 million (-34.1). 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 -33.6 million (-43.9), implying a FCF Margin of -77% (-91%). FCF was negatively impacted by paying out Q2 garden leave accruals of approximately SEK 7 million.

In Q3 2023 there were no investment activities. The financing cash flow amounted to SEK +1.5 million due to warrant premium payments associated with the LTI 23/26 program. For the last twelve months (LTM), FCF amounted to -111.9 million (-159.9), resulting in a FCF margin of -55% (-79%) and a FCF per share (LTM basis) of -0.53 SEK (-0.76 SEK).

Financial Reporting

Bambuser Group

Condensed Consolidated Income Statement

(in thousands SEK)

	Notes	2023		2022		2022
		Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Net Sales		43 694	144 340	47 996	148 789	208 061
Other Revenue		3 949	12 976	11 178	33 741	39 970
Total Revenue	2	47 643	157 316	59 174	182 530	248 030
Cost of Revenue	3	-30 876	-102 076	-38 321	-120 777	-160 277
Gross Profit		16 767	55 240	20 854	61 753	87 753
Sales & Marketing		-19 915	-66 326	-25 611	-82 188	-100 917
Research & Development		-20 162	-76 085	-25 245	-83 947	-111 474
General & Administration		-21 530	-58 998	-28 345	-62 555	-76 428
Total Operating Expenses	4	-61 607	-201 409	-79 201	-228 689	-288 819
Operating Income (EBIT)		-44 840	-146 169	-58 348	-166 936	-201 066
Financial Income		1 665	4 319	1 058	1 448	1 857
Financial Expenses		-140	-347	-434	-629	-969
Financial Net*		1 525	3 973	624	820	888
Earnings before tax (EBT)		-43 315	-142 196	-57 724	-166 116	-200 178
Tax		-2	164	-158	-355	12
Net Income		-43 318	-142 032	-57 882	-166 472	-200 166

* There has been a reclassification between financial income and financial expense for Q3 2022 figures. The financial net remains unchanged.

Bambuser Group

Condensed Consolidated Balance Sheet

(in thousands SEK)

	Notes	2023-09-30	2022-09-30	2022-12-31
Assets				
Intangible assets				
Capitalized development expenses		72 343	95 729	93 451
Goodwill		109 559	150 794	140 486
		181 902	246 524	233 936
Tangible assets				
Furniture and equipment		3 598	5 101	4 664
		3 598	5 101	4 664
Financial assets				
Other receivables		8 228	7 466	8 176
		8 228	7 466	8 176
Total non-current assets		193 727	259 091	246 776
Current assets				
Trade receivables		29 128	37 452	40 328
Tax receivables		440	2 054	2 494
Other current assets		6 576	7 457	3 041
Prepaid expenses and accrued income		9 481	5 845	5 759
Cash and cash equivalents		291 560	400 964	378 450
Total current assets		337 184	453 772	430 072
Total assets		530 911	712 863	676 848
Equity and liabilities				
Equity				
Share capital		10 562	10 557	10 562
Other paid in equity		1 065 333	1 063 932	1 063 877
Other equity including net income		-620 413	-453 313	-484 723
Total Equity		455 482	621 175	589 715
Non-current liabilities				
Provisions		0	12 242	0
		0	12 242	0
Current liabilities				
Trade payables		9 138	9 152	11 621
Income tax payable		28	45	259
Other current liabilities		7 566	6 568	7 330
Accrued expenses and deferred income	5	58 697	63 681	67 923
Total current liabilities		75 429	79 446	87 133
Total liabilities		75 429	91 688	87 133
Total equity and liabilities		530 911	712 863	676 848

Bambuser Group**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	-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
Equity as per December 31, 2022	10 562	1 063 876	-484 723	589 715
Loss for the year	0	0	-142 032	-142 032
Foreign exchange difference from subsidiaries	0	0	257	257
Stock options	0	0	6 085	6 085
Rights issues	0	1 457	0	1 457
Equity as per September 30, 2023	10 562	1 065 333	-620 413	455 482

Bambuser Group

Condensed Consolidated Cash Flow

(in thousands SEK)

	2023		2022		2022
	Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Cash flow from operations before working capital	-23 685	-82 811	-34 132	-119 534	-145 672
Change in current receivables	-2 350	6 547	5 377	-10 650	-9 644
Change in current payables	-7 568	-12 332	-9 895	8 900	16 937
Cash flow from operations	-33 603	-88 596	-38 650	-121 284	-138 379
Investment activities					
Investments in intangible assets	0	0	-4 753	-16 514	-20 896
Investments in tangible assets	0	0	-465	-3 798	-3 886
Divestments of tangible assets	0	13	0	0	0
Deposits	-155	-4	-600	-3 587	-4 297
Cash flow from investment activities	-155	9	-5 817	-23 899	-29 080
Financing activities					
Rights issue	1 457	1 457	2 512	3 214	3 164
Cash flow from financing activities	1 457	1 457	2 512	3 214	3 164
Cash flow for the period	-32 300	-87 129	-41 955	-141 969	-164 295
Cash at the beginning of the period	324 005	378 450	442 691	542 378	542 378
Net exchange losses/gains on cash and cash equivalents	-145	239	228	555	367
Cash at the end of the period	291 560	291 560	400 964	400 964	378 450

Bambuser Group

Condensed Parent Income Statement

(in thousands SEK)

	Notes	2023		2022		2022
		Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Net Sales		31 284	98 292	31 577	92 088	130 841
Other Revenue		8 944	27 401	10 371	30 844	41 258
Total Revenue	2	40 228	125 693	41 948	122 932	172 099
Cost of Revenue	3	-10 310	-37 476	-8 165	-21 776	-35 762
Gross Profit		29 918	88 217	33 783	101 156	136 336
Sales & Marketing		-22 126	-73 513	-29 203	-90 974	-113 206
Research & Development		-20 162	-76 085	-24 011	-80 948	-107 336
General & Administration		-21 189	-57 715	-27 929	-61 715	-75 528
Total Operating Expenses	4	-63 478	-207 314	-81 142	-233 637	-296 069
Operating Income (EBIT)		-33 560	-119 096	-47 359	-132 481	-159 733
Financial Income		1 719	4 385	1 147	1 606	2 044
Financial Expenses		-46	-93	-377	-449	-795
Financial Net		1 673	4 292	770	1 158	1 249
Earnings before tax (EBT)		-31 887	-114 804	-46 590	-131 324	-158 484
Tax		0	-4	0	0	-56
Net Income		-31 887	-114 807	-46 590	-131 324	-158 540

Bambuser Group

Condensed Parent Balance Sheet

(in thousands SEK)

	Notes	2023-09-30	2022-09-30	2022-12-31
Assets				
Intangible assets				
Capitalized development expenses		69 830	91 827	89 896
Goodwill		203	429	373
		70 033	92 256	90 269
Tangible assets				
Furniture and equipment		3 034	4 172	3 887
		3 034	4 172	3 887
Financial assets				
Shares in subsidiaries		215 038	215 038	215 038
Other receivables		5 222	4 963	4 912
		220 261	220 001	219 950
Total non-current assets		293 328	316 429	314 107
Current assets				
Trade receivables		21 937	29 749	32 429
Receivables from group companies		14 041	13 208	13 293
Tax receivables		197	2 168	2 076
Other current assets		4 384	1 235	2 468
Prepaid expenses and accrued income		8 639	5 253	4 856
Cash and cash equivalents		270 319	389 142	358 175
Total current assets		319 517	440 756	413 297
Total assets		612 845	757 185	727 404
Equity and liabilities				
Equity				
Restricted Equity				
Share capital		10 562	10 557	10 562
Development fund		69 830	91 827	89 896
		80 392	102 384	100 458
Unrestricted Equity				
Share premium fund		1 065 334	1 063 882	1 063 877
Retained earnings incl. net income		-601 253	-489 702	-512 596
		464 081	574 180	551 281
Total Equity		544 473	676 564	651 738
Non-current liabilities				
Provisions		0	12 242	0
		0	12 242	0
Current liabilities				
Trade payables		5 653	5 912	7 682
Payables to group companies		4 363	5 695	5 269
Other current liabilities		6 223	4 431	5 106
Accrued expenses and deferred income	5	52 133	52 342	57 608
		68 372	68 379	75 665
Total liabilities		68 372	80 622	75 665
Total equity and liabilities		612 845	757 185	727 404

Bambuser Group

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	-131 324	-131 324
Change in development fund	0	-1 198	0	1 198	0
Stock options	0	0	0	14 088	14 088
Rights issues	206	0	2 958	0	3 164
Equity as per September 30, 2022	10 557	91 827	1 063 882	-489 702	676 564
Equity as per December 31, 2022	10 562	89 896	1 063 877	-512 596	651 738
Loss for the year	0	0	0	-114 807	-114 807
Change in development fund	0	-20 066	0	20 067	0
Stock options	0	0	0	6 085	6 085
Rights issues	0	0	1 457	0	1 457
Equity as per September 30, 2023	10 562	69 830	1 065 334	-601 253	544 473

Bambuser Group**Condensed Parent Cash Flow**

(in thousands SEK)

	2023		2022		2022
	Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Cash flow from operations before working capital	-22 944	-87 633	-33 525	-117 185	-147 598
Change in current receivables	-1 550	5 924	751	-17 139	-20 647
Change in current payables	-8 124	-7 294	-5 068	26 244	33 530
Cash flow from operations	-32 618	-89 003	-37 842	-108 080	-134 715
Investment activities					
Investments in intangible assets	0	0	-4 753	-16 514	-20 896
Investments in tangible assets	0	0	-359	-3 055	-3 056
Acquisition of subsidiary	0	0	0	-764	-764
Deposits	-159	-310	-364	-2 941	-2 891
Cash flow from investment activities	-159	-310	-5 476	-23 274	-27 606
Financing activities					
Rights issue	1 457	1 457	2 462	3 164	3 164
Cash flow from financing activities	1 457	1 457	2 462	3 164	3 164
Cash flow for the period	-31 320	-87 856	-40 856	-128 189	-159 157
Cash at the beginning of the period	301 639	358 175	429 998	517 332	517 332
Cash at the end of the period	270 319	270 319	389 142	389 142	358 175

Accounting policies and Explanatory notes

Note 1 – Accounting Principles

The interim report period is from July to September 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

(in thousands SEK)

	2023		2022		2022
	Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Consolidated					
<i>Net Sales</i>					
Net Sales SaaS (Licenses)	29 470	91 997	28 388	80 211	113 939
Net Sales SaaS (Other Services)	1 798	5 763	2 671	8 932	11 702
Net Sales Professional Services	12 426	46 581	16 937	59 646	82 420
Total Net Sales	43 694	144 340	47 996	148 789	208 061
<i>Other Revenue</i>					
Other Revenue	3 949	12 976	6 425	17 228	19 073
Capitalized work for own account*	0	0	4 753	16 514	20 896
Total Other revenue	3 949	12 976	11 178	33 741	39 970
Total Revenue	47 643	157 316	59 174	182 530	248 030
Parent					
<i>Net Sales</i>					
Net Sales SaaS (Licenses)	29 470	91 997	28 388	80 211	113 939
Net Sales SaaS (Other Services)	1 798	5 763	2 671	8 932	11 702
Net Sales Professional Services	15	533	518	2 946	5 200
Total Net Sales	31 284	98 292	31 577	92 088	130 841
<i>Other Revenue</i>					
Other Revenue**	8 944	27 401	5 618	14 330	20 361
Capitalized work for own account	0	0	4 753	16 514	20 896
Total Other revenue	8 944	27 401	10 371	30 844	41 258
Total Revenue	40 228	125 693	41 948	122 932	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 5.0m.

Note 3 – Cost of Revenue

(in thousands SEK)

	2023		2022		2022
	Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Consolidated					
<i>Cost of SaaS Revenue</i>					
Staff costs	-3 402	-11 872	-5 010	-15 455	-19 613
Other external costs	-2 896	-8 574	-2 295	-6 707	-9 557
Total Cost of SaaS Revenue	-6 298	-20 447	-7 306	-22 162	-29 169
<i>Cost of Professional Services Revenue</i>					
Staff costs excl. stock option related costs	-5 817	-22 158	-10 045	-28 791	-37 205
Stock option related costs	-11	-33	0	5	5
Other external costs	-7 353	-25 986	-9 674	-35 407	-47 933
Depreciations and Amortizations	-10 725	-32 143	-10 656	-31 993	-3 326
Other operational costs	-672	-1 311	-640	-2 429	-42 649
Total Cost of Professional Services Revenue	-24 578	-81 630	-31 015	-98 615	-131 108
Total Cost of Revenue	-30 876	-102 076	-38 321	-120 777	-160 277
Parent					
<i>Cost of SaaS Revenue</i>					
Staff costs	-2 216	-8 610	-4 010	-12 339	-15 493
Other external costs	-2 896	-8 574	-2 295	-6 707	-9 557
Total Cost of SaaS Revenue	-5 113	-17 184	-6 305	-19 046	-25 050
<i>Cost of Professional Services Revenue</i>					
Staff costs excl. stock option related costs	-4 967	-19 173	-1 363	-1 363	-7 681
Stock option related costs	-11	-33	0	5	5
Other external costs	-93	-743	-440	-1 178	-2 786
Depreciations and Amortizations	-126	-344	-57	-194	-250
Total Cost of Professional Services Revenue	-5 197	-20 292	-1 860	-2 730	-10 712
Total Cost of Revenue	-10 310	-37 476	-8 165	-21 776	-35 762

Note 4 – Cost per Function

(in thousands SEK)

	2023		2022		2022
	Jul-Sep Q3	Jan-Sep YTD	Jul-Sep Q3	Jan-Sep YTD	Jan-Dec Full year
Consolidated					
<i>Sales & Marketing</i>					
Staff costs excl. stock option related costs	-12 247	-40 175	-16 350	-50 811	-62 846
Stock option related costs	-311	-908	32	922	981
Other external costs	-7 223	-24 843	-9 197	-32 049	-38 698
Depreciations and Amortizations	-134	-401	-97	-280	-384
Other operational costs	0	0	0	30	30
Total Sales & Marketing	-19 915	-66 326	-25 611	-82 188	-100 917
<i>Research & Development</i>					
Staff costs excl. stock option related costs	-10 104	-42 434	-11 918	-41 426	-55 613
Stock option related costs	-107	-579	0	1 171	1 171
Other external costs	-3 135	-12 575	-7 189	-25 872	-32 897
Depreciations and Amortizations	-6 814	-20 481	-6 136	-17 817	-24 134
Other operational costs	-2	-16	-1	-2	-2
Total Research & Development	-20 162	-76 085	-25 245	-83 947	-111 474
<i>General & Administration</i>					
Staff costs excl. stock option related costs	-6 569	-19 191	-7 126	-20 510	-29 107
Stock option related costs	-1 484	-4 566	-6 591	2 435	12 286
Other external costs	-9 236	-28 088	-11 355	-39 230	-50 736
Depreciations and Amortizations	-37	-94	-279	-550	-830
Other operational costs	-4 205	-7 060	-2 993	-4 700	-8 041
Total General & Administration	-21 530	-58 998	-28 345	-62 555	-76 428
Total Operating Expenses	-61 607	-201 409	-79 201	-228 689	-288 819
Parent					
<i>Sales & Marketing</i>					
Staff costs excl. stock option related costs	-5 411	-19 166	-8 134	-29 766	-33 499
Stock option related costs	-311	-908	32	922	981
Other external costs	-16 351	-53 270	-21 101	-62 093	-80 650
Depreciations and Amortizations	-54	-170	0	-37	-37
Other operational costs	0	0	0	0	0
Total Sales & Marketing	-22 126	-73 513	-29 203	-90 974	-113 206
<i>Research & Development</i>					
Staff costs excl. stock option related costs	-9 716	-39 635	-10 713	-38 480	-51 572
Stock option related costs	-107	-579	0	1 171	1 171
Other external costs	-3 523	-15 373	-7 161	-25 820	-32 799
Depreciations and Amortizations	-6 814	-20 481	-6 136	-17 817	-24 134
Other operational costs	-2	-16	-1	-2	-2
Total Research & Development	-20 162	-76 085	-24 011	-80 948	-107 336
<i>General & Administration</i>					
Staff costs excl. stock option related costs	-6 523	-19 068	-7 236	-20 544	-29 124
Stock option related costs	-1 484	-4 566	-6 591	2 435	12 286
Other external costs	-8 941	-26 928	-11 593	-38 248	-49 754
Depreciations and Amortizations	-37	-94	-281	-551	-833
Other operational costs	-4 205	-7 060	-2 228	-4 806	-8 104
Total General & Administration	-21 189	-57 715	-27 929	-61 715	-75 528
Total Operating Expenses	-63 478	-207 314	-81 142	-233 637	-296 069

Note 5 – Accrued expenses and deferred income

(in thousands SEK)

	2023-09-30	2022-09-30	2022-12-31
Consolidated accrued expenses and deferred income			
Accrued staff expenses	15 649	18 194	20 281
Accrued other expenses	8 310	10 720	11 196
Deferred Income	34 738	34 768	36 446
Total Accrued expenses and deferred income	58 697	63 681	67 923
Parent accrued expenses and deferred income			
Accrued staff expenses	15 340	16 722	19 761
Accrued other expenses	4 824	5 362	6 345
Deferred Income	31 970	30 258	31 503
Total Accrued expenses and deferred income	52 133	52 342	57 608

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

EBITDA Margin % = [EBITDA] / [Total Revenue].

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].

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 CER] – [Churn for the period CER]) / [Opening ARR L12M CER].

The GRR shows how successful Bambuser is at retaining 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, subcontractors etc.

DEFINITIONS

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 at retaining and expanding 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's leading video commerce company with the largest customer base in its industry. More than 350 brands from 40+ countries leverage Bambuser's best-in-class solutions.

Bambuser is truly global with headquarters in Stockholm and offices in New York, London, Paris, Tokyo, Turku, and Dubai. The company's rapidly growing team speaks more than 40 languages and 62% of its senior management is female. Founded in 2007 as a livestreaming pioneer, trusted by the world's leading news agencies, Bambuser pivoted to Live Shopping in 2019, leveraging its legacy as the industry leader in video-first technology.

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

Year End Report Q4 2023 – February 14, 2024

Interim Report Q1 2024 – May 8, 2024

Interim Report Q2 2024 – August 22, 2024

Interim Report Q3 2024 – October 25, 2024

Headquarters

Postal address:

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111 56 Stockholm
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bambuser.com

Largest Shareholders

Name	Shares	Share (%)
Vitruvian Partners	25 024 949	11,85%
Muirfield Invest Aktiebolag	22 500 000	10,65%
Heartland A/S	20 550 524	9,73%
Handelsbanken Fonder	16 900 000	8,00%
Harmony Partners LLC	12 670 000	6,00%
TAH Management LP & Joel Citron	12 640 560	5,98%
Avanza Pension	10 358 745	4,90%
Handelsbanken Liv Försäkring AB	7 589 754	3,59%
Lancelot Asset Management AB	6 999 998	3,31%
Mikael Ahlström	4 258 459	2,02%
Total Top 10 shareholders	139 492 989	66,04%
Other shareholders	71 742 396	33,96%
Total number of shares	211 235 385	100,00%