

Interim Report



**January – June
2020**

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The Company

Business Concept

Bambuser is a B2B-focused SaaS company (Software-as-a-Service) offering white-label live video solutions. Since 2007, Bambuser has been developing a pioneering technology that enables live streaming from mobile phones and webcams over the Internet. Bambuser's live streaming technology has historically been used primarily by news agencies and journalists. In late 2019, Bambuser departed from this norm by developing its new flagship product, Live Video Shopping One-to-Many, for brands and e-retailers.

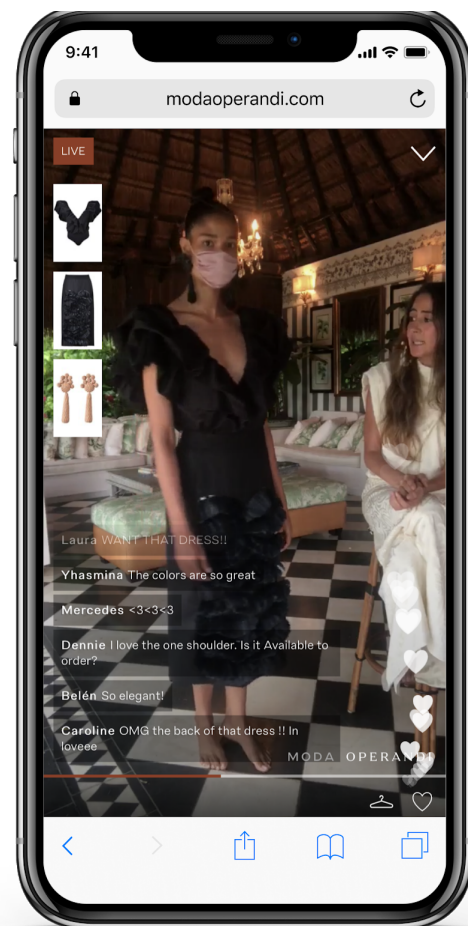
Unique Positioning

Having already transformed e-commerce in China, the world's largest e-commerce market, live shopping is a growing global trend that is driving impact as social media and influencer platforms, particularly Facebook and Instagram, increasingly adopt features enabling consumers to shop online. Bambuser's unique position is as a provider of live video shopping "as-a-service," which enables merchants to, in an entirely unmediated way, build brand, grow revenue and interact with their customers in a native experience on their website.

Business Model

For SaaS businesses like Bambuser, the metrics that matter are those related to revenue generation and customer retention. Monthly Recurring Revenue, a metric usually used among subscription and SaaS companies, is the lifeblood of the business and what makes the model so appealing. Commonly abbreviated as "MRR," it represents the total recurring revenue normalized into a monthly amount.

Bambuser's business model consists of three parts: one initial fee billed at the start of each contract plus two streams of MRR - a monthly subscription fee (SaaS) for the right to use the product and a usage fee. Once our customers scale the use of our technology, we believe that the MMR from the usage fee will likely represent the majority of our revenue.



Market

Two significant trends create favorable conditions for live shopping in e-commerce: the substantial growth in e-commerce, which is taking an ever-larger share of total retail, and the rapid growth of live video streaming. In 2019, global e-commerce amounted to USD 3.53 trillion and was expected to grow to USD 6.54 trillion in 2023.¹ Swedish e-commerce alone amounted to SEK 87 billion in 2019, corresponding to one-tenth of total retail trade.²

According to Cisco, video traffic over the Internet will quadruple in the years 2017 to 2022. It is expected to account for 82% of all global IP traffic, and live video is expected to account for 17% of all video traffic. As live shopping took off in Asia, the Company recognized how the trend has transformed the Chinese e-commerce industry.

Products



Live Video Shopping One-to-Many

One-to-many has been Bambuser's flagship product since it was launched in September 2019. Live Video Shopping One-to-many enables brands and retailers to sell products and communicate with their customers directly on their own website via live broadcast. The product contains interactive applications such as live chat and other features, delivering additional customer value. One-to-many allows the customer to interact with their customers digitally, which the new generation of consumers prefers to old-school methods of communication. The business model is based on a monthly subscription fee and a variable fee linked to usage.



Live Video Shopping One-to-One

Bambuser's new product, Live Video Shopping One-to-one, enables a company's representatives to communicate with their customers in a more intimate and personalized manner through an easy-to-use video chat, with no installations or plugins needed. The business model is MRR consisting of a monthly subscription fee and a variable fee related to agent volumes.



SDK & News

Bambuser's Live Streaming SDK (Software Developers Kit) is the foundation of Bambuser's product offering and the most crucial building block of the legacy News offering and the new Live Video Shopping. SDK and associated applications enable the customer to create their own high-quality live video experiences. SDK is offered for subscription-based pricing divided into three packages linked to usage.

¹ eMarketer (2019), [Global Ecommerce 2019](#)

² PostNord; Svensk Digital Handel (2020), [E-barometern Årsrapport 2019](#)

Report Summary

Strong net sales growth +669% in Q2, global demand for Live Video Shopping and strengthened management team

First half of 2020

- Net sales rose during the first half of the year by +436% YoY and amounted to 7,162 KSEK (1,643)
- Total revenues amounted to 9,534 KSEK (1,762)
- EBIT was -12,923 KSEK (-9,683)
- Net income was -12,954 KSEK (-9,794)
- Earnings per share of -0.11 SEK (-0.26)
- Cash flow from operating activities was -13,231 KSEK (-10,033)
- Cash at the end of the period was 144,884 KSEK (8,028)

Second quarter of 2020

- Net sales have had accelerated growth during Q2 of +669% YoY and amounted to 5,393 KSEK (806)
- Total revenues during the second quarter amounted to 6,814 KSEK (841)
- Live Video Shopping revenue represents the largest share of the revenue mix, 80% during Q2. These revenues are growing on a steady monthly basis; the average MRR during Q2 was 1.442 MSEK, resulting in an ARR of 17.307 MSEK.
- EBIT was -5,754 KSEK (-5,332)
- Net income was -5,769 KSEK (-5,400)
- Earnings per share of -0.05 SEK (-0.16)

Summary of the period

| KSEK | 2020 | | 2019 | |
|-------------------------------|---------|---------|--------|--------|
| | Q2 | H1 | Q2 | H1 |
| Net sales | 5,393 | 7,162 | 806 | 1,643 |
| Earnings before Tax (EBT) | -5,769 | -12,954 | -5,400 | -9,794 |
| Earnings per share | -0.05 | -0.11 | -0.16 | -0.26 |
| Equity ratio | 96% | 96% | 76% | 76% |
| Cash at the end of the period | 144,884 | 144,884 | 8,028 | 8,028 |
| Headcount average | 27 | 23 | 10 | 10 |

Business Summary

Significant events in the first half of the year

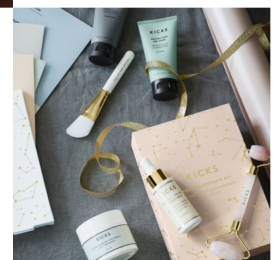
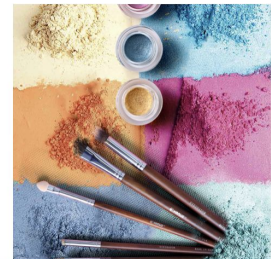
Commercial agreements

During the first half of the year, Bambuser experienced increased customer demand for Live Video Shopping. In January, Bambuser signed its first international customer, Italian online luxury retailer **LUISAVIAROMA**, which catalyzed the interest of several international players in our live shopping technology. In February, New York-based **SHOWFIELDS** became the first US-headquartered customer, while Scandinavia's leading beauty chain, **KICKS**, announced that live shopping, powered by Bambuser, would constitute a significant component of their digital strategy going forward.

Since the launch of Live Video Shopping One-to-Many in late 2019, Bambuser has had a clear focus on customers within the fashion, beauty, and lifestyle segments. Those companies are traditionally quicker to adopt new digital marketing channels and have an established understanding of social media and influencers. The pace of adoption accelerated with the pandemic outbreak, as many businesses turned to Live Video Shopping among other precautionary measures intended to reduce the spread of infection. This shortened the sales process significantly and took the trend to Europe and North America much faster than what Bambuser had first anticipated.

In March, Bambuser entered into agreements with companies in additional verticals, including **Hemnet**, Sweden's largest property portal, and its Swiss equivalent **HomeGate**. In addition to real estate, companies in other verticals such as Apotea, Sweden's leading online pharmacy; **Matas**, Denmark's largest health and beauty chain; **Kjell & Company**, a leading Swedish retail chain in home electronics; **Babysam**, Denmark's leading chain for baby equipment and baby clothing; and **Intersport**, one of Sweden's most significant sports chains, have all adopted Bambuser's technology.

During the second quarter of 2020, Bambuser started offering world-leading brands and e-retailers short proof-of-concept pilots, enabling them to test the technology and validate its initial outcome before upgrading to an Enterprise agreement. In early April, Bambuser achieved a significant breakthrough by entering an agreement with one of the world's largest and most established beauty groups, for a pilot test covering six brands. Two months later, the



US-based group upgraded to a 12-month Enterprise agreement, which allows the Group's entire portfolio of 30 brands to join Bambuser's Live Video Shopping.

In May and June, more international brands joined, including **H&M**, one of the world's largest retail companies; **FRAME**, an American fashion brand; **Motivi**, the Miroglio Group-owned Italian fashion brand; a world-leading social selling beauty company (MLM); and one of South Africa's leading retailers.

Bambuser also entered into agreements with **Lindex**, one of Europe's leading fashion brands; Brandsdal Group-owned **Blivakker/Cocopanda**, Norway's largest beauty company; **Gina Tricot**, a Swedish fashion chain; **Kerrits**, an American equestrian brand; and **MOOD District** for the launch of Summer MOOD TV.

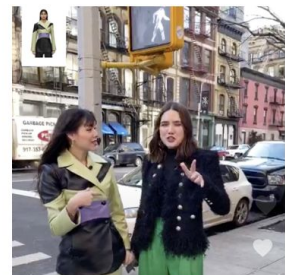


Timeline of H1 2020 including a selection of new customers

During the first half of the year, Bambuser received enormous media attention from publications covering business, technology, retail, fashion, and more, as a result of fruitful cooperation with customers and partners. While Bambuser's Swedish customers collaborated with mega influencers and fashion profiles such as **Margaux Dietz**, **Therese Lindgren**, **Emilia de Poret**, and **Ebba Kleberg von Sydow**, global e-retailers like LUISAVIAROMA worked with **David Beckham**, **Suarez Sisters**, and **Lil Jupiter**. One prominent example of a successful media launch is the Italian brand Motivi, which generated over 50 media mentions in some of the market's largest magazines like **Vanity Fair**, **Vogue**, and **Wired**.

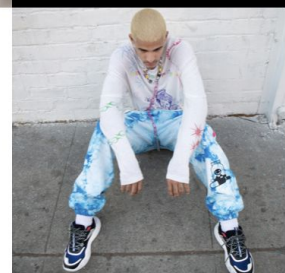
This year, the Bambuser solution has already hosted live shows with legendary designer fashion brands such as **Johanna Ortiz** in Colombia and **Carolina Herrera** in New York along with international stars such as Hollywood cosmetician **Ole Henriksen**, world-recognized aesthetics doctor **Barbara Sturm**, and Game of Thrones star **Emilia Clarke**.

NYFW
The Suarez Sisters
LUISAVIAROMA



David Beckham
DB Eyewear
SAFILO

Lil Jupiter
x K-Swiss



Much of its international success results from Bambuser taking a unique position in the market that differs significantly from third-party platforms and startups focusing on social media and SMEs. Bambuser's unique Live Video Shopping offering includes:

- **Native brand experience:** for retailers that value controlling their brand narrative, UX design, brand assets like font, logo, color scheme, iconography, and copy. Everything consumer-facing reflects their brand identity.
- **Control over customer and transactional data:** for retailers that want to own the customer relationship and purchase behavior. Bambuser does not share any personal or transactional data outside of the retailer's own systems for complete control and compliance.
- **High-quality video, with editing and recorded features:** for retailers that invest in quality content creation that will remain beyond just the live broadcast. Bambuser has more than 13 years of iterating and perfecting its proprietary technology with adaptive input and output for the highest perceived video quality. The video content is still available, including features when recorded, and retailers can easily edit the video directly on the platform.
- **Admin tools for complex organizations:** for retailers that see the value of a data-driven approach incorporating cross-market, cross-brand accesses and enabling various permissions. With Bambuser, multiple markets and brands can co-exist within one account, regardless of the number of players, languages, and broadcasting markets. They can create different permission levels to create shows, view stats, and add users for onboarding, production, and creative support. Importantly, they retain ownership of their data, which can be used to inform more effective strategies. Other tools include market-leading training, best practices, workshops on maximizing and optimizing potential retailers, hands-on assistance to secure the best quality of stream, most relevant content for the target audience, and high engagement and sales.
- **Market and platform-agnostic:** retailers can use the e-commerce platforms and broadcast channels of their choosing in any market.
- **One-stop shop:** Bambuser offers Live Video Shopping One-to-Many, One-to-One, SDK, and other related products and features under the same roof.
- **24/7 creative, production and tech support:** Bambuser's dedicated customer success and production teams provide high-quality execution while also establishing new ways of working to support the retailer organizations

Bambuser One-to-many

- Native brand experience
- Full control over customer and transactional data
- High quality video, with editing and recording features
- Admin tools for complex organizations
- Market and platform agnostic
- One stop shop
- 24/7 creative, production and tech support



- Standardized experience
- Limited control of data
- Acceptable video quality
- You're on your own!
- Boxed in
- Limited solutions
- Limited support

Customer Success

To become market leaders in an area where customer behavior is still nascent and evolving, Bambuser must educate customers and consumers and accelerate adoption, turning first-mover retailers into ambassadors and opening up the broader market.

We've seen steady audience sizes each week, with exceptional engagement rates, where consumers who watch the live streams spend between 2-3 times more time on the site than average

– Carolyn Dawkins, senior vice president of CLINIQUE.³

Bambuser's dedicated customer success and production teams provide high-quality execution while also establishing new ways of working to support the retailer organizations. This superior level of service has resulted in a domino effect, whereby market-leading retailers successfully activate Live Video Shopping, pushing and inspiring direct competitors and lowering the threshold of activation.

In addition to selling twice as much as the day before, we saw a doubled conversion from our viewers, increased average order value, and increased engagement.

– Sanna Franklin, PR and communications manager at Gina Tricot.⁴

Bambuser works closely with each customer to ensure their live shopping experience is built for success based on an optimized native experience and relevant, engaging, and effective live shows. Our service includes:

- A Tailored onboarding process: platform training, best practices, industry benchmarks, gear and studio setup.
- Data-driven production support: content strategy based upon the target audience, sale and engagement KPIs, discovery vs. inspirational content, expert vs influencer hosting etc.
- Traffic optimization: site, newsletter, owned channels, paid traffic, influencer marketing and social media ads.

³ Glossy (2020), [Beauty brands adopt shoppable livestreaming in the U.S.](#)

⁴ Market (2020), [Handlarna rusar till nya trender](#)

Our customers were super engaged and in addition to the awesome viewing figures, our first live broadcast generated a turnover that exceeded our expectations by 300%.

– Annica Rantala, COO at Stronger.⁵

During the first half of 2020, an average viewer of a Bambuser-supported Live Video Shopping show watched for 11.18 minutes, and 12% of viewers added at least one item to their shopping cart. 35% of viewers engaged through likes, while 26% were active in the chat. The average add-to-cart rate in the beauty segment, where Bambuser has the most experience, number of customers, and data-driven insights for customer success support, is 36% across all active retailers.

Product development

In the first half of the year, Bambuser focused on increasing our technology's scalability, removing friction in onboarding, and integrating new customers as well as reducing time spent on maintenance. These improvements will allow Bambuser to dedicate more time and resources to increasing value to our customers.

To better support merchants with large organizations operating in multiple markets, we also added tools and flexibility allowing customers to more efficiently manage live shows across operations and teams. Additionally, we expanded our product to support more use cases. One example is editing tools, which enable customers to create and distribute shoppable clips from their shows.


In late May, Bambuser launched the next generation of Live Video Shopping, which enabled new customers to get started much faster and without the need for integration to the e-commerce platform. In late June, Bambuser announced plans to pilot a new format called "Live by Bambuser" in collaboration with selected influencers and brands.

Organization

During the first half of the year, Bambuser strengthened its management team with the recruitment of **Anna Kult** as Chief Operating Officer (COO) and Deputy Chief Executive Officer (Deputy CEO), **Oscar Samuelsson** as Chief Brand Officer (CBO), **Pontus Hymér** as Chief Technology Officer (CTO), and **Emma Lythell** as Chief Revenue Officer (CRO).

Average viewing
11 min

12%
added to
shopping
cart

Engagement
35% 
Liked

Interaction
26%
active
in chat

⁵ Ehandel (2020), Stronger gjorde debut: "Det gick vi alla igång på"

In January, Bambuser announced a new advisory board with members including **Tom Xiong** and **Jacob Lovén**, two well-known experts in trends, digitization and technology in China, and the founders of Den Digitala Draken. A few months later, Bambuser strengthened the advisory board with **Margaux Dietz**, one of Sweden's most prominent influencers and **Daniel Redgert**, one of Sweden's most influential PR profiles. The purpose of this board is to benefit from their expertise in growth strategies and impartial feedback on the company's future plans.

In April, Bambuser's AGM elected **Joel Citron** as the new Chairman of the Board after his predecessor Fredrik Ramberg resigned at his own request. At the same time, the AGM elected **Karin Karlström** as a new board member.

Liquidity and financing

During April 2020, the Company completed a Rights Issue. Bambuser had secured subscription undertakings of approximately SEK 52 million from certain larger existing shareholders. The Rights Issue included a maximum of 40,438,245 new shares. The subscription price was SEK 2.50 per new share and was fully subscribed, amounting to proceeds of approximately SEK 101.1 million before issue costs.

The proceeds from the Rights Issue will be used to expand the Company's current operations, increase the number of employees primarily within live video shopping technology, product development, marketing, and sales, as well as for other operating expenses.

In late April, Bambuser changed its Certified Adviser to Erik Penser Bank and conducted an offset issue through a directed new issue of 166,666 new shares to the Company's strategic adviser Digitala Draken. The subscription price amounted to SEK 6.00 and was paid by offsetting receivable. In early May, Bambuser terminated its liquidity guarantee from Mangold Fondkommission AB regarding trading in the share.

On June 25, 2020, Bambuser announced the completion of a Directed Share Issue of new shares raising proceeds of SEK 290 million. The investors in the Directed Share Issue were a number of Swedish and international investors, including reputable new investors such as Harmony Partners, a US-based venture investor, Consensus Asset Management, Handelsbanken Fonder, Lancelot Asset Management AB, and TIN Fonder. Also investing were current shareholders including Muirfield Invest AB (a company associated with board member Carl Kinell), who beforehand had expressed its interest in participating, and Joel Citron as well as Tenth Avenue Holdings, the US-based holding company affiliated with Joel Citron, who previously had expressed his interest in participating.

Bambuser has, during the Covid-19 pandemic, experienced a sharp increase in demand for its Live Video Shopping-solution and an accelerated adoption of the technology from customers in various industries. The ongoing changes in society are contributing to much higher global demand than the Company initially expected.

The net proceeds from the Directed Share Issue are therefore intended to be used to increase the growth of the Company's operations by deploying new resources at an accelerated pace. One of the main objectives is to deal with the increased interest from new customers and to facilitate the rapid expansion to new markets. Furthermore, the Company intends to continue to expand its technological advantage and ensure a leading market position. Bambuser received parts of the issue proceeds amounting to SEK 54 million at the end of June. The remaining proceeds were received during July 2020.

Significant events after the end of the period

Commercial agreements

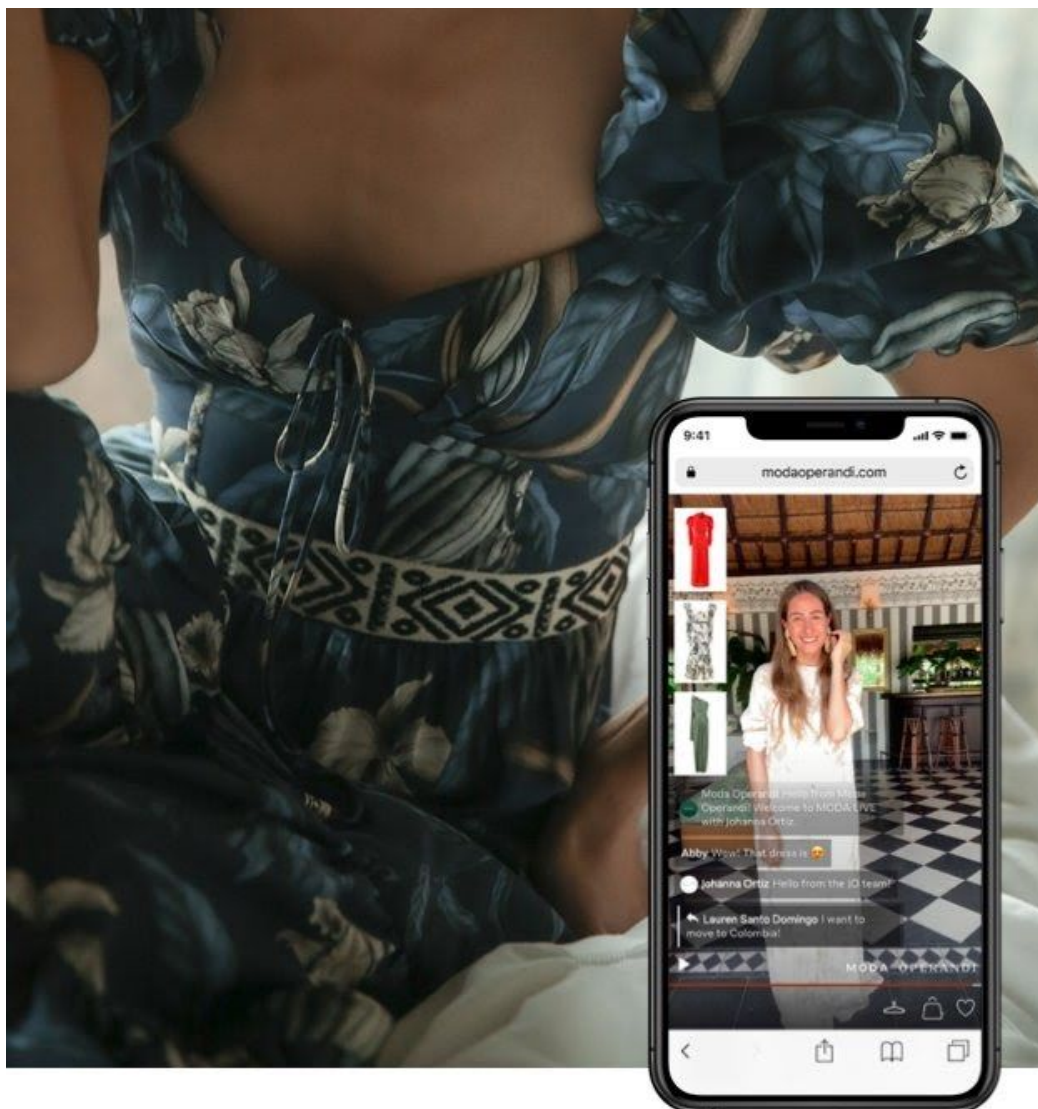
Since the close of Q2, Bambuser entered into new pilot agreements. Among those are **Moda Operandi**, a US-based fashion discovery platform; Australia's leading beauty company; and Asia's largest cosmetics group.

In July, Bambuser entered into a strategic partnership with **Aftonbladet**, Sweden's largest news provider, through which Bambuser's customers can gain greater reach on their live broadcasts – directly from Aftonbladet's digital channels. In August, Bambuser moved its Stockholm-based headquarters to Regeringsgatan 29.

Organization

Bambuser held an EGM on July 13, 2020, where Mikael Wintzell informed the Board of Directors and the Nomination Committee that he wished to resign from the board, effective as of the election of **Mark Lotke** at the EGM.

The Board decided to establish an Audit Committee and a Compensation Committee. Board member Karin Karlström will chair the Audit Committee, which also includes the other two members Mark Lotke and Carl Kinell. The Compensation Committee will be chaired by Mark Lotke, which also includes the other two board members Alexander MacIntyre and Mikael Ahlström.



CEO's Comments



Dear all,

I hope that you and your loved ones are well and staying safe during the pandemic. Although only the first half has ended, I would already call 2020 a historic year. We have successfully transformed Bambuser into a data-driven B2B SaaS company and taken Live Video Shopping from an MVP to one of the retail industry's most sought-after products.

We have managed to put live shopping high on the international agenda and drawn keen interest from some of the world's leading e-retailers and brands in various verticals. Today, Bambuser is the preferred vendor for enterprise campaigns, proof of concept, and

global rollouts with customers on six continents, making us the global market leader in live shopping solutions.

We have experienced enormous growth during the first half of 2020 and managed to gain a strong foothold in the United States in a very short time. In fact, today, the US is our largest market by far in terms of revenue and the number of customers. We have strengthened the team to ensure scalability and added plenty of hand-picked talents to the management team and other vital positions. We have secured new financing to continue turbocharging the company with unique talents in technology, sales, product, and data science, and gain additional market share worldwide.

In the first six months of this year, we built a solid foundation for scaling up the company for future growth. We have solidified the product-market-fit, optimized for various pricing strategies, customer sizes, and segments and are now ready for the next phase of revolutionizing the e-commerce experience. Consumers are eager for change, and despite the enormous technological development, there's been little change within e-commerce over the last two decades. This is extremely evident when comparing today's online consumer experience to that of the '90s. E-commerce pioneer eBay will be celebrating 25 years in a few weeks, and in all of that time, online shopping is mostly the same.

We've witnessed first-hand how live shopping has transformed e-commerce in Asia, and Bambuser is well-positioned to bring this phenomenon to the rest of the world. A world that is ready for it. While some may think that the popularity of live shopping is a short-term trend that arose with the pandemic, I firmly believe that is not the case. It is, instead, a seismic shift toward the experiences and interactions that consumers are looking for. Live shopping may be in its nascence, but I am confident that is not only here to stay, it will play a vital role in upcoming key retail events such as Black Friday, Thanksgiving, and Holiday season.

Bambuser has built today's equivalent to TV Shop and QVC with interactive elements and managed to establish a new behavior and create a unique interactive sales channel that paves the way for a new dialogue with new generation customers, something that retail companies are looking for when transforming their digital business model. Live Video Shopping is the next leap for retail and has already become a trend that retailers can't ignore. Our vision is that live shopping will evolve into a ubiquitous solution, as all retailers will have to integrate it as a part of their core strategy one way or another.

In the coming six months, we will continue our growth journey, expand into new markets and verticals, and continue the work on positioning Bambuser as top-of-mind in the retail industry and become the undisputed thought leader in the western world. I would once again like to thank our shareholders for their commitment and support. We feel a great responsibility towards your trust and are happy to welcome our new shareholders who have chosen to be part of our future journey.

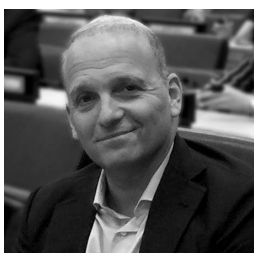
At Bambuser, we are on a mission to elevate the retail game by making online shopping interactive, engaging, and fun. I believe that we are in a perfect position to help the world's leading e-retailers and brands to skyrocket their engagement and conversion figures with our market-leading live video shopping solutions.

I expect that we will see our strongest growth this year during the fourth quarter, when we enter the big holiday shopping season. We are well-positioned to seize the opportunities of Black Friday, Cyber Monday and Singles Day, meeting consumer demand while delivering results for our customers. I look forward to continuing to build a solid and global live video company in Bambuser together with all of you.

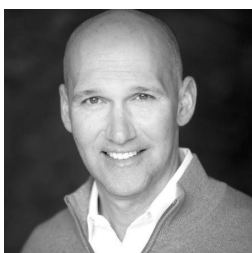
Maryam Ghahremani, CEO



The Board of Directors and the CEO certify that the interim financial report gives a fair view of the performance of the business, position, and profit or loss of the Company.



Joel Citron
Chairman of the Board



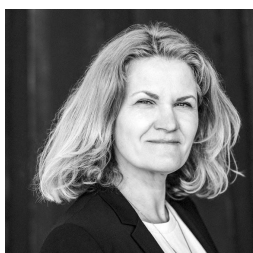
Mark Lotke
Board member



Alexander MacIntyre
Board member



Carl Kinell
Board member



Karin Karlström
Board member



Mikael Ahlström
Board member



Maryam Ghahremani
CEO

Financial Information

The reporting period is from January to June 2020. The interim report has been prepared in accordance with the Annual Accounts Act. No changes have been made to accounting policies since the last annual accounts. The company is the parent company, but with reference to exemptions in the Swedish Annual Account Act (årsredovisningslagen), Chapter 7, Section 3, no consolidated accounts are prepared.

Revenue

Bambuser has, during the Covid-19 pandemic, experienced a sharp increase in demand for the Company's Live Video Shopping-solution, with accelerating adoption of technology from customers in various industries. The ongoing changes in society have contributed to increased global demand.

During the first half of 2020, revenues showed robust growth compared to the previous year. Net sales during the period January-June 2020 amounted to 7,162 KSEK (1,643) +436%.

Revenue growth is increasing month by month, and during the second quarter, net sales were 5,393 (806) +669%.

Other operating income for the first half of the year amounted to 73 KSEK (119). Other operating income for the second quarter amounted to 25 KSEK (35).

Profit and loss

EBIT for the period January-June 2020 amounted to -12,923 KSEK (-9,683). EBIT for Q2 2020 amounted to -5,754 KSEK (-5,332).

Net income for the period January-June 2020 was -12,954 KSEK (-9,794). Net income for Q2 2020 was -5,769 KSEK (-5,400). The increase in loss is due to a higher cost base with the growing operations due to the expansive growth phase the Company is experiencing.

However, these losses are partly offset by the strong growth in net sales revenue driven by the high global demand for the Company's Live Video Shopping solution.

The total cost base for the first half of 2020, excluding depreciation, has increased by 202% YoY. The entire cost base for the second quarter of 2020, excluding depreciation, has risen by 208% YoY.

Cash flow and investments

Cash and cash equivalents as of June 30, 2020 amounted to 144,884 KSEK, which is an increase of 136,856 KSEK as compared to 8,028 KSEK as of June 30, 2019. Total assets as of June 30, 2020 amounted to 164,339 KSEK (13,938). This does not include 221 121 KSEK received from the Directed Issue in July 2020.

Accounting principles

The interim report has been prepared in accordance with the Annual Accounts Act. No changes have been made to accounting policies since the last annual accounts.

Shares

The number of shares has increased in number as a result of the rights issues during the spring. Prior to the issues and at the beginning of the period, the number of shares in the company was 67,397,077, which after the issue and at the end of the period amounts to 118,802,186. This does not include 43,750,117 shares issued in July.

Employees

The company is in a very expansive growth phase; thus, the Company is growing operations and deploying new resources within all areas of the company, such as Tech, Product, Commercial, and G&A. Staff costs during the period January-June 2020 amounted to -10,943 KSEK (-4,826).

The average number of employees during the first half of the year 2020 amounted to 23 (10), where the average number of women was 11 (2). During the period, the average number of consultants corresponding to 10 full-time positions have been active in the company.

The average number of employees during the second quarter of 2020 amounted to 27 (10), where the average number of women was 13 (2). During the period, the average number of consultants corresponding to 14 full-time positions have been active in the company.

Risks and uncertainties

Bambuser's business, financial position, and earnings can be affected by risks and uncertainties. These have been described in detail on pages 26-28 of the company's invitation to subscribe for shares at the rights issue in April 2020 and is available at bambuser.com/ir.

Audit

The company's auditor has not audited the interim report.

Publication

This information is information that Bambuser AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was sent for publication, through the agency of the contact persons set out below, on August 20, 2020.

Financial Calendar 2020

August 20: Interim Report

November 6: Quarterly Report Q3 2020

The interim report and annual report are available at bambuser.com/ir.

Revenue analysis

During the first half of 2020, revenues showed robust growth compared to the previous year, with an increase of +436%. Net sales during the period January-June 2019 amounted to 7,162 KSEK (1,643). Revenues are growing on a steady basis month by month and showed an even more substantial growth during Q2 2020 of +669% 5,393 KSEK (806).

The revenue mix during 2019 consisted of revenues from the SDK product and the News product.

The revenue mix during 2020 consists of additional revenue streams from the new Live Video Shopping One-to-Many solution.

Live Video Shopping revenue represents the largest share of the revenue mix, 71% during H1 2020, and 80% during Q2. These revenues are the main driver of the growth in Net Sales during 2020. These revenues from the One-to-Many solution are growing on a steady monthly basis; the average MRR during Q2 was 1.442 MSEK, resulting in an ARR of 17.307 MSEK.

SDK revenues have increased by +262 % YoY during the first half of the year and +327% during Q2 2020. The aforementioned is an effect of an increasing customer base since the launch of the new pricing in August 2018. The average ARPU during H1 for SDK was 1112 SEK (1261 SEK). These revenues are growing on a steady monthly basis; the average MRR during Q2 is 159 KSEK, resulting in an ARR of 1,904 MSEK.

News revenues represented the majority part 83% of the revenue in mix during H1 2019; however, the News revenues during H1 2020, represent a much smaller share of the revenue mix at 19%. The average MRR for News during Q2 was 197.1 KSEK, resulting in an ARR of 2,365 MSEK.

Revenue split per quarter and growth versus prior year

Q1 2020 REVENUE GROWTH +211% VS PREVIOUS YEAR



Q2 2020 REVENUE GROWTH +669% VS PREVIOUS YEAR



Income statement in summary

| KSEK | Total Q2 2020 | Total H1 2020 | Total Q2 2019 | Total H1 2019 |
|----------------------------------|---------------------|------------------|---------------------|---------------------|
| Income | | | | |
| Net Sales | 5,393 | 7,162 | 806 | 1,643 |
| Capitalized work for own account | 1,396 | 2,299 | 0 | 0 |
| Other revenue | 25 | 73 | 35 | 119 |
| Total Income | 6,814 | 9,534 | 841 | 1,762 |
| Costs | | | | |
| Direct cost | -225 | -483 | -225 | -470 |
| Other external costs | -5,195 | -9,300 | -3,050 | -4,989 |
| Staff costs | -6,254 | -10,943 | -2,318 | -4,826 |
| Depreciation / Amortization | -823 | -1,646 | -580 | -1,160 |
| Operating expenditure | -71 | -85 | | |
| Total Costs | -12,568 | -22,457 | -6,173 | -11,445 |
| EBIT | -5,754 | -12,923 | -5,332 | -9,683 |
| Financial items | | | | |
| Financial income | 0 | 0 | 0 | 0 |
| Financial expenses | -15 | -31 | -68 | -111 |
| EBT | -5,769 | -12,954 | -5,400 | -9,794 |
| Group contribution | 0 | 0 | 0 | 0 |
| Tax | 0 | 0 | 0 | 0 |
| NET INCOME | -5,769 | -12,954 | -5,400 | -9,794 |

Balance sheet in summary

| KSEK | 2020-06-30 | 2019-06-30 |
|-------------------------------------|----------------|---------------|
| ASSETS | | |
| <u>Fixed Assets</u> | | |
| Intangible fixed assets | | |
| Capitalized development expenses | 12,375 | 4,977 |
| Goodwill | 1,058 | 0 |
| Financial fixed assets | | |
| Shares in group companies | 50 | 50 |
| Other long term receivables | 552 | 50 |
| Total Fixed Assets | 14,035 | 5,077 |
| Current assets | | |
| Other Current Receivables | 5,420 | 833 |
| Cash and Bank | 144,884 | 8,028 |
| Total Current assets | 150,304 | 8,861 |
| TOTAL ASSETS | 164,339 | 13,938 |
| EQUITY & LIABILITIES | | |
| Equity | 158,177 | 10,554 |
| Liabilities | | |
| Long-term liabilities | 0 | 0 |
| Current liabilities | 6,162 | 3,384 |
| Total Liabilities | 6,162 | 3,384 |
| TOTAL EQUITY AND LIABILITIES | 164,339 | 13,938 |

Cash Flow

| KSEK | 2020 | 2019 |
|--|----------------|----------------|
| | Jan-Jun | Jan-Jun |
| Cash Flow from Operations before the change in working capital | -11,308 | -8,634 |
| Working Capital | -1,922 | -1,399 |
| Cash Flow from Operations | -13,231 | -10,033 |
| Cash Flow from investment activities | -6,788 | -2,810 |
| Cash Flow from financing activities | 149,305 | 12,973 |
| Cash Flow of the period | 129,287 | 130 |
| Cash at the beginning of the period | 15,597 | 7,898 |
| CASH AT THE END OF THE PERIOD | 144,884 | 8,028 |

Equity

| KSEK | 2020 | 2019 |
|---------------------------------------|----------------|---------------|
| | Jan-Jun | Jan-Jun |
| Equity at the beginning of the period | 21,575 | 7,374 |
| Rights Issue | 149,556 | 12,974 |
| Profit / Loss | -12,954 | -9,794 |
| EQUITY AT THE END OF PERIOD | 158,177 | 10,554 |

KPI

| | 2020 | 2019 |
|-------------------------------------|-------------|------------|
| Earnings per share | -0,11 | -0,26 |
| Equity per share | 1,33 | 0.25 |
| Number of shares | 118 802 186 | 37,937,077 |
| Average shares of the period | 90 644 918 | 22,762,246 |
| Number of shares with full dilution | 118 802 186 | 37,937,077 |
| Equity ratio | 96,3% | 85.7% |
| Average employees | 23 | 10 |

Wordlist

| | |
|--------------------|--|
| Earnings per share | Profit of the period divided by the number of shares at the end of the period. |
| Equity per share | Adjusted equity divided by the number of shares at the end of the period. |
| Equity ratio | Adjusted equity at the end of the period divided by the balance sheet. |
| ARPU | Average Revenue Per User. |
| MRR | Monthly Recurring Revenue represents recurring revenue on a micro-scale and is calculated monthly. |
| ARR | Annual Recurring Revenue represents recurring revenue on a macro scale and is calculated by multiplying MRR by 12. |

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