

Interim Report Q2 April – June 2021

Establishing Bambuser as the Global Leader in a Growing Market

As we close the books for Q2, all our key metrics point in the right direction. The total contract value is up by +664% while our MRR is up by +263% compared to the same period last year.

Last quarter, I wrote that we had successfully converted several proof-of-concept agreements (POC) into long-term agreements. I'm happy to confirm that this trend is continuing. Today, most of our agreements run for 12 months. However, during the second quarter, we've also begun signing agreements with durations of 24 and 36 months.

Maryam Ghahremani, CEO

Second quarter of the year (April – June 2021)

- Total Revenue amounted to 34.8 MSEK (6.8) whereof net sales amounted to 27.3 MSEK (5.4), an increase of +411%
- Adjusted EBITDA amounted to -26.9 MSEK (-4.9)
- EBIT amounted to -42.7 MSEK (5.8)
- Net income amounted to -42.9 MSEK (-5.8)
- Earnings per share amounted to -0.21 SEK (-0.83)
- Cash flow from operations amounted to -13.8 MSEK (-7.6)
- Cash and cash equivalents amounted to 613.5 MSEK (145.4) at end of period
- Monthly Recurring Revenue (MRR) amounted to 4.61 MSEK (1.27), an increase of +263%
- Total contract value (TCV) of new customer agreements grew by +664% to 70.3 MSEK (9.2), of which 54.1 MSEK is guaranteed revenue. The TCV for Q2 includes multiple agreements with an activation date starting in Q3, hence that recurring license revenue for those agreements will be reflected in the MRR starting Q3.

- 33.2 MSEK, i.e., 47% of the total TCV, is recurring license revenue that will be included in the MRR moving forward (and recognized pro-rated as per the duration of the agreements)
- Total headcount (employees and consultants) amounted to 216 (49)

First half of the year (January – June 2021)

- Total Revenue amounted to 56.1 MSEK (9.5) whereof net sales amounted to 44.0 MSEK (7.2), an increase of +514%
- Adjusted EBITDA amounted to -48.8 MSEK (-11.3)
- EBIT amounted to -98.1 MSEK (-12.9)
- Net income amounted to -98.3 MSEK (-11.3)
- Earnings per share amounted to -0.49 SEK (-0.11)
- Cash flow from operations amounted to -43.9 MSEK (-13.2)
- Total contract value (TCV) of new customer agreements grew by +748% to 100.1 MSEK (11.8)

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

Significant events in the quarter

- Bambuser launched Live Video Shopping One-to-Many Starter and Lite packages, enabling more businesses to engage shoppers and drive sales using the company's interactive e-commerce technology.
- Bambuser appointed Sara Lundell as Chief Financial Officer. Sara comes from Zettle by PayPal, where she served as Head of Financial Planning and Analysis. Prior to that, she spent four years at Apple. Sara took up her new position on 2 August 2021. Until then, Johan Helgius acted as interim CFO.
- Bambuser acquired Relatable, a global marketing technology company, whose finances are included in Bambuser's consolidated financial statements as of 1 June 2021. The acquisition brings together significant core competencies and proprietary technologies for Live Video Shopping and creative influencer marketing campaigns. The acquisition also adds substantial value to Bambuser by accelerating SaaS revenues and improving customer lifetime value. Further, key talent from Relatable have joined Bambuser's global sales teams. The purchase price corresponded to an enterprise value of 200 MSEK adjusted for net cash and working capital, half of which was paid in cash, the rest in the form of newly issued shares in Bambuser.
- Bambuser was named the winner of the prestigious LVMH Moët Hennessy Louis Vuitton (LVMH) Innovation Award during a dedicated award ceremony in Paris.
- Bambuser released new features for the One-to-Many and One-to-One solutions, augmenting social integrations, enhancing the shopper's experience, adding metrics and reporting capabilities while improving accessibility. These developments provide competitive advantage and solidify Bambuser's leadership position in the competitive field.

Significant events after the quarter

- 1 July 2021: Bambuser was included in the Nasdaq First North 25 index, selected based on market capitalization and trading volume. First North 25 consists of the largest and most traded shares listed on the Nasdaq First North Growth Market.
- 1 July 2021: Bambuser and Oddity Group, the German-based creative and digital marketing agency, announced a partnership to bring Live Video Shopping to more brands and retailers in the DACH region.
- 8 July 2021: Bambuser announced its participation in La Maison des Startups LVMH, an accelerator program that drives innovation for LVMH, the world's largest luxury goods conglomerate.
- 12 July 2021: Bambuser announced that its subsidiary Relatable has entered into multiple new agreements for the provision of creative influencer marketing services. The agreements have a total contract value exceeding 2.2 MUSD (approximately 19 MSEK).
- 26 July 2021: Bambuser announced that it is among the companies that will participate in the 2021 Disney Accelerator, a program designed to accelerate the growth of innovative companies around the world.
- 3 August 2021: Bambuser announced it has entered into a long-term master agreement with LVMH, following successful pilot activations with two of the Group's Maisons.

CEO Comments

Becoming a SaaS Company, Chapter Two

Last quarter, I wrote that we had successfully converted several proof-of-concept agreements (POC) into long-term agreements. I'm happy to confirm that this trend is continuing. Today, most of our agreements run for 12 months. However, during the second quarter, we've also begun signing agreements with durations of 24 and 36 months. This clearly confirms that, as our market matures, more and more companies view our product as an essential part of their e-commerce tech stack.

Another sign that the addressable market is increasingly viewing live video shopping as a critical part of their forward-looking strategies is Bambuser's inclusion in accelerator programs with LVMH and Disney, two very different global organizations that both recognize the power of our platform. I am not only beyond proud that we are part of these programs but also excited to see how Bambuser can engage in business with these companies. As already announced in August, we signed a master license agreement with LVMH, giving us access to all 75 brands. We still need to win the business of each company in the portfolio, but the master agreement is the golden ticket that opens the door to individual contracts.

LVMH and Disney are what we call enterprise accounts, and deals of their size typically come with specific feature requests as well as rigorous quality, security, and data protection requirements. These requirements can be prohibitive for many businesses, but not for Bambuser. In fact, this quarter, it has become apparent how incredibly far we have come with our products. We are one of few or possibly the only vendor in the West that can accommodate the intense conditions for these accounts. The procurement process alone is lengthy and complex, which is why it takes 6 to 9 months to close an enterprise deal. When we are at times too keen to see quick results, it is important to keep these factors in mind and remember we are striving for long-term growth.



As our customers behave more like “normal” SaaS customers, Bambuser is also selling as a “typical” SaaS vendor. Last quarter, we introduced new price plans to support - and catalyze - scale. This quarter, we focused our time and energies on organizational initiatives that will enable us to continue seizing market share worldwide. More specifically, our new CRO, Martin Garbarczyk, is recruiting talent and reorganizing our sales team globally, which will result in the launch of a new sales organization in August. This revamped team will allow Bambuser to more efficiently and effectively allocate the resources needed to drive new business, ensure renewals, upsell current customers and forge additional enterprise and strategic partnerships.

Martin Garbarczyk is a co-founder of Relatable, the digital marketing company that Bambuser acquired in May 2021. While Martin is now Bambuser's CRO, the company Relatable will continue to operate independently. Still, it is part of the Bambuser family and an important addition to our product and service portfolio.

In addition to providing our customers with live video shopping technology, we can, as of now, also offer them creative services that will help our customers to drive more traffic to the shows, increase engagement and elevate conversion.

As we close the books for Q2, all our key metrics point in the right direction. The total contract value is up by +664% while our MRR is up by +263% compared to the same period last year. The difference is largely a result of customers that signed contracts in June with service start dates later in Q3. It's understandable that these organizations would prefer to start a new service

after the summer holiday period. For Bambuser, it means that the value of these contracts is included in the TCV for June but not in the MRR. The MRR value will be reflected in our reporting once the service has started.

I am very excited about what's ahead in the second half of the year. We have such great momentum and I'm confident the important, structural work we've done behind the scenes will be rocket fuel for our onward journey.

We would not be here without the amazing, growing Bambuser team. I want to thank all of our employees for everything. Your fighting spirit, creative problem solving, impressive intelligence and ever-present positive energy are inspiring. And to our investors and customers, on behalf of the entire Bambuser team, we thank you for your enduring trust and belief in our mission.

All of my best,

Maryam



Business Summary

Commercial agreements

Q2 2021 marked yet another record quarter for Bambuser, with growth driven both by new enterprise agreements as well as from extensions of existing agreements with renowned brands, retailers and multinational conglomerates. Additionally, Bambuser saw marked growth among luxury brands and retailers. Both of these accomplishments serve as indicators that Bambuser's platform is ready to meet the stringent demands of even large, high-profile enterprises, and as a result, the company is solidly positioned as the platform of choice for elite global organizations.

Two major achievements that followed the close of the quarter illustrate Bambuser's elevated position in the fashion industry and beyond. Firstly, in mid-June, Bambuser won the prestigious LVMH Innovation Award. Selected from a field of 850 companies, Bambuser was honored by LVMH Chairman and CEO Bernard Arnault, himself. This award opens significant new opportunities for the company to collaborate with LVMH's portfolio of 75 brands, known as "Maisons." Additionally, the company was given dedicated office space in Paris' STATION F, the world's largest startup facility. Discussions with counterparts from the Maisons regarding development of solutions to address the needs of their brands and the luxury market overall are already in progress.

Secondly, in mid-July, Bambuser was selected for the 2021 Disney Accelerator, a program designed to accelerate the growth of innovative companies from around the world. Bambuser is among only eight companies chosen for the three-month mentorship program, which is connecting the company with leadership teams across Disney's entire organization, which includes the namesake entities as well as owned companies such as ABC, ESPN, Marvel and Lucasfilm.

In addition to Bambuser's elevated market profile, the company entered Q3 with a strengthened sales team, expanded and re-organized under the leadership of Chief Revenue Officer Martin Garbarczyk. With his expertise and the addition of significant, new business development talent strategically placed in key global markets, Bambuser is well-positioned to accelerate delivery on aggressive revenue goals for the remainder of 2021 and beyond.

The following sections highlight notable examples of Bambuser's global business development activity since the last report. It should not be construed as a complete list of customers or accounts.



Customer Acquisition Highlights

In Q2, Bambuser built on the momentum established in Q1 among luxury brands. Following a successful rollout by MAKE UP FOR EVER, a division of LVMH, the world's largest luxury goods company, Bambuser has signed a number of new agreements with high-end brands in fashion (Lanvin) and fine jewelry (Charles & Colvard, Spinelli Kilcollin). Bambuser also entered into an agreement with Groupe Printemps, which brought livestreaming to one of the legendary Parisian "Grands Magasins."

In addition to Printemps, Bambuser successfully established relationships with major department stores in the US, securing new agreements with Macy's and Bloomingdales.

In the beauty category, consistently among Bambuser's strongest, new One-to-Many customers include luxury skincare brand Sisley Paris and German brands Asambeauty and Schrammek Kosmetik. In the Nordics, Bambuser added Lumene and Nordicfeel. Bambuser also added POC deals with Veepee x Vichy and Dior Perfume & Cosmetics.

New customers in fashion include international foot- and streetwear retailer Sneakersstuff, American yoga and athletic apparel brand Alo Yoga, PVH brand Calvin Klein, American Swedish clothing brand GANT, California-based lifestyle apparel retailer PacSun and Uniqlo USA, a part of the Fast Retailing family of brands.

In the fast-growing areas around food and beverage, Bambuser signed tequila brand Cincoro in the U.S. and Laithwaites wines in the U.K. and U.S. Bambuser also had a number of notable wins across emerging categories, reaching agreements with equestrian product retailer Horze, Singapore-based jewelry distributor Norbreezgroup and Finnish pharmacy chain Wiklundin Apteekki.

Bambuser also saw new interest from media companies, reaching agreements with Vogue Scandinavia and Aller Media, Swedish publisher of titles such as ELLE, Swedish Women's Weekly, Elle Decoration, Femina and Residence.

In Q2, Bambuser also reached deals incorporating both the One-to-Many and One-to-One solutions with beauty brands Sisley Paris and Sarah Chapman as well as jewelry brand Spinelli Kilcollin and Nordic camera equipment retailer Profoto.

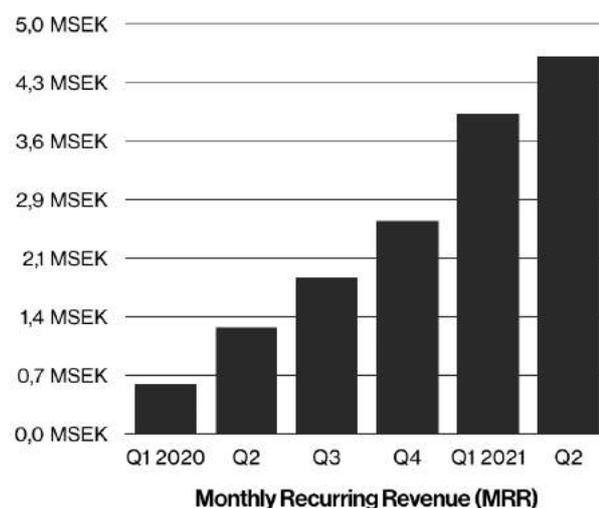
Lastly, Bambuser has strengthened its commitment to serving non-profit organizations, now providing organizations such as Cancerfonden, Barncancerfonden and RFSU with the power to engage with their communities using the One-to-Many solution.

Extensions of Existing Agreements

The quarter also saw a number of Bambuser's largest clients expanding their Live Video Shopping implementations, with some expanding use of the technology to additional brands and geographies. These include H&M group (added &Other Stories and COS), Samsung (began livestreaming in markets such as South Africa, India, Saudi Arabia and the Netherlands) and the world's largest furniture retailer (added Malaysia,

Greece and Kuwait after the successful start in the U.S. and U.K.).

In the beauty category, two of Bambuser's largest enterprise customers, Clarins and an American multinational manufacturer and marketer of prestige skincare, makeup, fragrance and hair care products, added Live Video Shopping One-to-One to their programs at the same time they grew implementations geographically and added brands. Bambuser expects additional companies in beauty and other segments to add this solution to their implementation throughout the second half of the year, as its value as a customer service touchpoint becomes increasingly clear. This is particularly true among businesses where hands-on consultations are critical to the sales process.



Customer success metrics and highlights

Bambuser broadcasted approximately 4400 Live Video Shopping One-to-Many events in Q2, streaming a total of 12.6 million viewing minutes to audiences worldwide, a +58% increase over Q1. The fastest-growing categories for quantity of shows were lifestyle and fashion, followed by beauty.

Averages across key metrics include:

- Viewing time: 0:12:03
Average visit duration for e-commerce sites: 0:05:39¹
- Add to cart click rate: 12%
Averages reach as high as 26% in categories such as beauty and pharmacy
- Chat Ratio: 18%
- Likes Ratio: 22%

Bambuser Average	Comparable Metric
Viewing Time: 0:12:03	Average visit duration for E-commerce Sites: 0:05:39
Engagement Rates: Chat Ratio: 18% Likes Ratio: 22%	Social Media Engagement Rates for Brands Instagram: 1.16% Facebook: 0.27% Twitter: 0.07%

Geographic Expansion

Following the increased focus on business development in Germany, Austria and Switzerland (DACH), the world's sixth largest e-commerce market, Bambuser is actively forging partnerships in the region to accelerate customer adoption.

In Q2, Bambuser partnered with two prominent digital marketing agencies in the region, oddity and Noga. As a result of these relationships, Bambuser expects to rapidly increase awareness of the platform and its growing list of capabilities as these agencies introduce customers and prospects to Live Video Shopping.

In Latin America, another area where adoption is growing, Bambuser added two significant retailers, Liverpool and Coppel. These organizations are currently the third and fourth largest e-commerce players in Mexico, behind only Amazon and Walmart. Bambuser also saw an increase in implementations in the Middle East and Asia, with new customers including Dubai-based Luxury-Promise, also the first Bambuser customer in the burgeoning secondhand market.

In the U.S. and U.K., Bambuser is strengthening its local teams to ensure the Company is leveraging momentum and seizing a dominant share of the addressable market in these critical regions.

Product development

As the strength of Bambuser's technology continues to provide significant competitive advantage, the company remains dedicated to further development to ensure the platform remains solidly in its leadership position. The following are important updates released in Q2.

Live Video Shopping One-to-Many

As Bambuser continues to invest heavily in platform development, both in collaboration with customers and in response to customers' needs, the company released a number of feature updates and new capabilities in Q2. The following notable developments from the quarter demonstrate Bambuser's ongoing commitment to offering the most feature-rich, secure, compliant and user-friendly platform on the market.

Social Multistreaming

As live shopping and social commerce are increasingly imperative to retailers' strategies, one of the most important product updates delivered in Q2 2021 is the launch of Social Multistreaming. In the first two weeks after full release, the feature was used by over 20 merchants on more than 50 shows.

Social Multistreaming is a solution to one of the biggest problems with social commerce - its inability to drive conversions. While social platforms are popular destinations for discovery of new brands and products, the shopping experience is one of high-friction and low trust.

With Social Multistreaming, Bambuser is enabling brands and retailers to benefit from the reach of their social network presence at the same time they retain ownership of the customer experience, interactions and transactions. The result is a frictionless experience in which the consumer can be confident their personal and financial data are secure with the merchant.

Live Video Shopping multistreaming is currently available through Facebook via app integration as well as across channels such as TikTok, LinkedIn and YouTube that allow custom RTMP connections. Full integrations for these and other platforms will be added in subsequent versions to be released throughout 2021.

Among the brands that have been leveraging the feature is Samsung U.K., which received over 13,000 views via Facebook alone during its first multistreamed show.

¹ Similarweb: [Retail and eCommerce benchmarks 2021](#)

Following this success, Bambuser will continue developing the feature in the second half of 2021, providing more interactive options such as in-video chat.

Self-service / Starter package

In early Q2, Bambuser released the Live Video Shopping One-to-Many Starter package, a self-service platform developed in response to surging demand from retailers of all sizes. Requiring no long-term commitments or extensive onboarding processes, the solution is well-suited for small-to-medium sized businesses (SMBs), who can quickly sign up and begin incorporating shoppable livestreaming into their e-commerce strategy.

Pre-recorded Content

In response to growing demand from customers, Bambuser added the ability for One-to-Many customers across the Lite, Standard and Enterprise packages to upload pre-recorded video for use with Bambuser. Previously, this was only possible with hands-on support. Now, users can upload the video content, then moderate the show with live chat and product highlights in the same way they would with a live event.

Landscape mode

Bambuser launched landscape mode, which enables livestream shopping events to be viewed across users' full screens. Supporting a 16:9 aspect ratio, the horizontal viewing mode provides a more immersive and cinematic experience on mobile or desktop devices. The feature is available for use with both previously-recorded and new Live Video Shopping events.

Real-time Virtual Productions

Part of Bambuser's quest to provide the most innovative and immersive online shopping experiences, the company launched capabilities for real-time virtual live shopping productions, powered by advanced high-quality 3D graphics. Retailer Lindex was the first to leverage the technology, debuting the new swimwear collection while taking viewers on a virtual trip to scenic summer locations. The shoppable event was streamed from Virtual Star Studios, one of Europe's most advanced green screen studios.

Real-time Statistics

In May, Bambuser added the ability for event moderators to easily view real-time sales and engagement metrics during live events. The fea-

ture is part of Bambuser's ongoing commitment to providing brands and retailers with robust options for data collection, analysis and reporting so they can best leverage these insights to inform their livestream strategies.

New & Improved Android App

Bambuser released an entirely rebuilt version of the Broadcaster app for Android, a first step toward bringing the same capabilities to users regardless of their mobile platform of choice.

Channels & Landing Pages

Bambuser augmented its Landing Pages, adding improvements and updating the design to form what is now called Channels. Channels allow brands and retailers to host their videos on their webpage of choice in a smooth, organized and efficient way. The merchant can create multiple channels, customizing which shows to display directly from the dashboard. Channels can be displayed in different locations on a homepage and can also be shared between different organizations using embeddable code.

The Dashboard provides three default sections, Highlighted shows (formerly called Featured), Upcoming shows and Ended shows, however, the merchant is free to customize titles and which sections they would like to display.

Closed-caption Editing

Among the initiatives Bambuser is taking to improve accessibility, the company added the ability to edit auto-generated closed captions following the conclusion of live events. Reached via the Editor in the Dashboard, the capability will improve the accuracy and overall experience.

Enhanced Moderator View

To enhance the experience for moderators, Bambuser has redesigned the moderator view in order to provide more information at a glance. With a new three-column format, the updated view enables the moderator to more easily see activity throughout the live show. In the future, this view will also connect users to additional features and engagement tools.

Increased accessibility

Bambuser's accessibility improvements, such as adding the ability to use the solution with screen readers, closed captions and audio descriptions, have elevated the company's scores for the user interface of the shopper widget in compliance with

ADA (the Americans with Disability Act) in recent testing.

Most notably, the accessibility score often referred to as A11Y, went from 84.4% to 90%. Based on code quality, a score above 85% is considered good by large enterprises. Additionally, Bambuser's conformance score, which is based on the proportion of testing criteria the solution passes, further improved from 74% to 78%.

Live Video Shopping One-to-One

Throughout Q2, Bambuser saw a number of existing customers expand their implementations with the addition of Live Video Shopping One-to-One. As more brands and retailers adopt this technology for direct customer engagement, the company will continue to incorporate additional features and capabilities. Developments in Q2 included:

Added Statistics

Increasing the insights available to users of the One-to-One solution, Bambuser added visibility into customer transactions, with the ability to see the number of products in cart when a checkout happens as well as the total value of products in the cart when the checkout occurs.

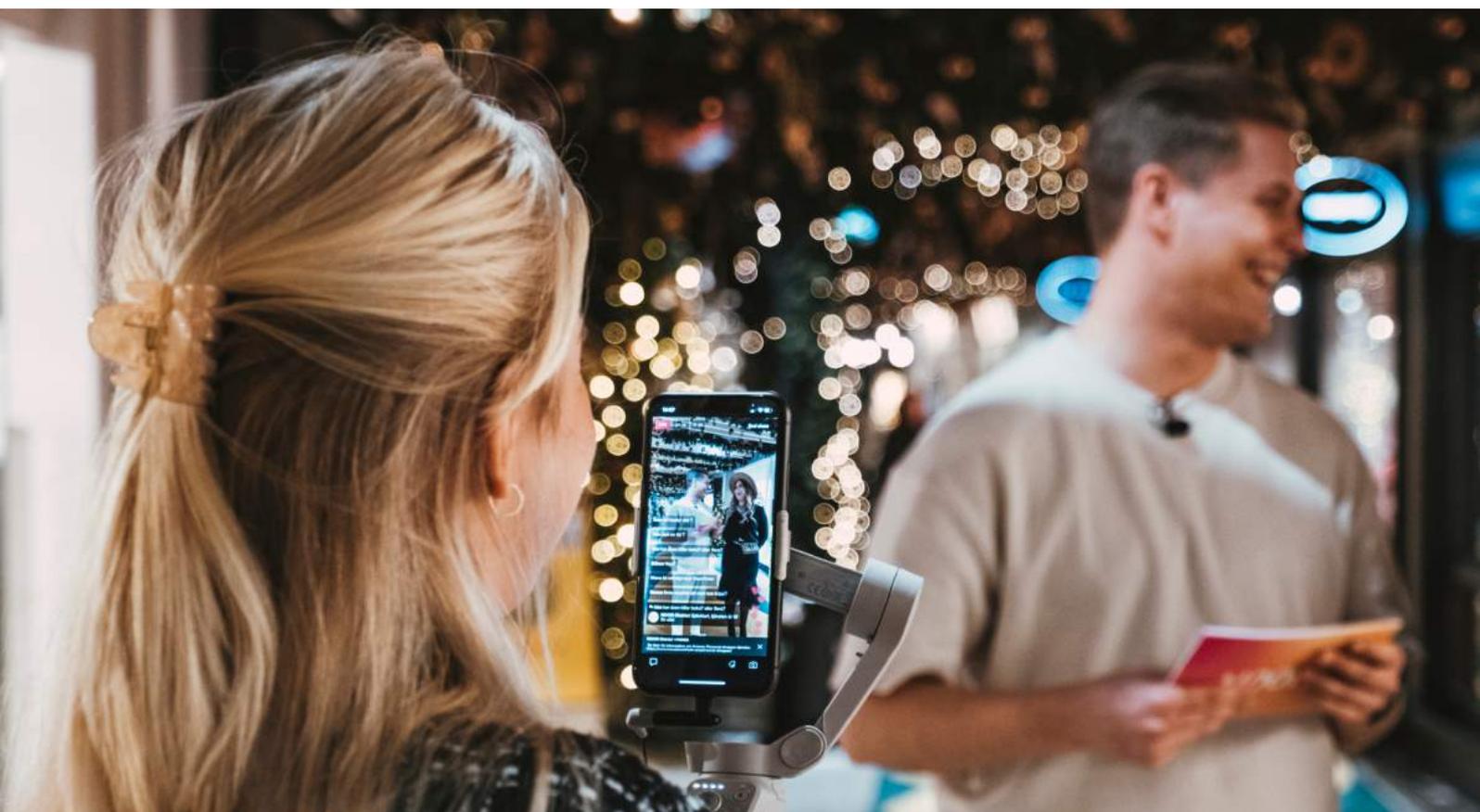
New queue experience

Improving the user experience for drop-in one-to-one calls, Bambuser now enables shoppers waiting for a representative to perform a number of

activities that reduce wait times and prepare the shoppers for the one-to-one video call. The new capabilities include booking meetings, changing camera and mic settings and seeing the estimated wait time.

Scalability and infrastructure

As Bambuser's scalability and superior service levels continue to drive competitive advantage, the company is taking steps to ensure these functions are optimized. Q2 developments include speeding the onboarding process for new accounts as well as increasing the number of simultaneous One-to-One calls the platform can support while maintaining performance levels. Bambuser is also leveraging the experience of making these architecture and background improvements to accelerate internal development processes moving forward.



Four Phases of Bambuser's Product Journey

1. Product development: The first step of Bambuser's product journey was to expand the capabilities of the proprietary streaming technology. We have developed new products and capabilities, achieving product-market fit while delivering an industry-leading suite of SaaS video shopping solutions.

Phase completed ✓

2. Scaling information infrastructure. The second phase included scaling the technology for geographically dispersed enterprise use. Bambuser has solved the tension between standardization and flexibility to build a scalable, robust and compliant infrastructure. Our technology now handles over 41 languages and is compliant with the local rules and regulations, security and data privacy regulations, disability accessibility, etc. that effectively serve as barriers to entry for our competitors in many markets. Bambuser's market-leading information infrastructure is now an important competitive advantage that has allowed us to win the vast majority of enterprise procurement processes against competitors. Furthermore, we have gone from signing proof-of-concept and pilot agreements to immediately entering long-term relationships, with some contracts extending two or three years.

Phase completed ✓

3. Service expansion: In the third phase, we are expanding our suite of services that complement Live Video Shopping, empowering organizations to build their brand, drive relevant traffic and attain goals for customer acquisition and retention. The recent acquisition of Relatable, which enables us to offer fully integrated marketing solutions, has accelerated the timeline for completion of this phase.

Phase completed ✓

4. Future-proofing our SaaS offering through continuous R&D: The fourth phase involves making sure we have the most cutting-edge solutions on the market, at the same time as we scale our commercial organization. We are committed to ongoing research and development of products and services that will bring our solutions into new categories and application areas. One example is the creation of omnichannel offerings that seamlessly connect Live Video Shopping and experiences in organizations' physical spaces. By partnering with our enterprise customers who are interested in buying this type of custom solution from Bambuser will contribute to our delivery of 360-degree solutions that maximize sales and drive customer loyalty.

Phase in progress.



Market development

Arvato Supply Chain Solutions

A study published by Arvato Supply Chain Solutions, Live Shopping in Europe, cites research conducted by Forrester Research that found 70% of Europeans surveyed are interested in live shopping experiences. The study also states that retail related online video viewership increased by 44% in Europe while average viewing time increased by 74%, as first reported by Brightcove.

According to Arvato's own research, 70% of fashion and beauty retailers are leveraging live shopping on their own sites, while only 5% are relying entirely on social media for their streams. Among the reasons for this preference is one of Bambuser's key differentiators: the ability to retain control over the quality of the content and products shown. In line with Bambuser's multistreaming functionality, retailers are generally using social channels to promote or complement their live video shopping events, with 38% of respondents selecting YouTube as the supporting platform of choice.

McKinsey & Company

In an article entitled [Live commerce is transforming online shopping](#), the global management consulting firm estimates that live-commerce-initiated sales could account for as much as 10 to 20% of all e-commerce by 2026.

McKinsey points to examples including German beauty retailer Douglas, an early customer of Bambuser and among the first European companies to embrace video shopping, who reported conversion rates of up to 40%. McKinsey also points to Tommy Hilfiger who attracted 14 million people and sold out 1,300 hoodies within two minutes during a single livestream.

The piece concludes that, as live commerce rapidly spreads throughout Europe and the United States, businesses who've not yet adopted the strategy need to move quickly in order to get the most out of this increasingly important channel.

The Estée Lauder Companies

In an interview with Japanese publication [Beauty Tech](#), representatives from ELC Japan Co., disclosed that the company had switched from Instagram Live to Bambuser, and as a result, experienced significant lifts in key performance metrics.

The company's first Bambuser Live Video Shopping event received viewership 80 times that of previous Instagram streams while the sales total was 500 times higher. These metrics demonstrate how social media platforms like Instagram are powerful channels for discovery, but do not provide the seamless experience through the purchase funnel that are necessary to drive conversions.

Shiseido

Bambuser customer Shiseido disclosed a number of interesting performance metrics during an interview with the publication [Glossy](#). In Japan, a livestream with a makeup artist had 6,000 views, with 95% of the viewers watching on mobile, while another influencer-led event received over 15,000 views. In Canada, a livestream event for Narciso Rodriguez fragrances drove triple-digit growth.

Lindex

Lindex, one of Bambuser's trailblazing fashion retailers, tapped Bambuser to create the unique experience for the launch of their summer collection. The live show was produced using advanced technology that enables rendering of high-end 3D photorealistic graphics in Unreal Engine, resulting in the creation of stunning worlds and environments.

The live show exceeded the Bambuser average performance across a number of [key success metrics](#). Lindex achieved a 55% add-to-cart click rate, which is significantly higher than the retailer's average of 21%. Following the livestream, the recording has continued to engage shoppers. In just 48 hours, the show's replay has received over 136% more views than the average number of views a recorded show garners in a month.

Financial Performance

Revenue

During the second quarter of 2021, revenue continued to show strong growth compared to the corresponding period in the previous year. Total Revenue during the second quarter of 2021 amounted to 34.8 MSEK (6.8) +411%. Total Revenue during the period January – June 2021 amounted to 56.1 MSEK (9.5) +488%.

Organic growth in the second quarter was +219% (+351% January - June 2021). The inclusion of the acquired company Relatable from June 1st 2021, contributed 13.1 MSEK, +192% in Q2 2021.

Net sales during the second quarter of 2021 amounted to 27.3 MSEK (5.4) +406%. Net sales during the period January – June 2021 amounted to 44.0 MSEK (7.2) +514%.

Net sales consist primarily of Live Video Shopping solution (13.6) and Creative Services (10.7). Live Video Shopping solution grew +286% in the period April - June 2021 as a result of the increased number of closed deals with new customers and extended commitments from existing partners as well as conversion of proof-of-concept and pilot agreements to long-term agreements. The growth in Creative Services is largely driven by the acquisition of Relatable, which is included from 1 June.

Profit and loss

Adjusted EBITDA (excluding costs associated with a stock option program) for the second quarter of 2021 amounted to –26.9 MSEK (–4.9). Adjusted EBITDA during the period January – June 2021 amounted to –48.8 MSEK (–11.3). The increased loss is mainly attributed to higher operating costs, primarily staff related, which are needed to fuel the Company's accelerating growth.

EBITDA for the second quarter of 2021 amounted to –35.6 MSEK (–5.0). EBITDA during the period January – June 2021 amounted to –88.4 MSEK (–11.3). EBITDA includes 39.6 MSEK in staff and social costs associated with the stock option program described in detail in the annual report 2020 under "Stock Option Program 2020."

EBIT for the second quarter of 2021 amounted to –42.7 MSEK (–5.8). EBIT during the period January – June 2021 amounted to –98.1 MSEK (–12.9).

Net income for the second quarter of 2021 amounted to SEK –42.9 MSEK (–5.8). Net income during the period January – June 2021 amounted to –98.3 MSEK (–13.0).

Capitalized Development Expenses

As of June 30, 2021, capitalized expenses amounted to 71.1 MSEK compared to 49.9 MSEK as of March 31, 2021, corresponding to an increase of 21.2 MSEK.

Acquisition of Group companies

The acquisition of Relatable was completed on May 31st, 2021, and Relatable is included in Bambuser's consolidated financial statements as per June 1, 2021. The acquisition was financed partly through a cash payment of 100.0 MSEK, adjusted for net cash and working capital, and partly with 4,450,376 newly issued shares in Bambuser, equivalent to a value of 100.0 MSEK.

Cash and Cash flow

As of June 30, 2021, cash and cash equivalents amounted to 613.5 MSEK. Cash flow from operating activities during the period January – June 2021 amounted to –43.9 MSEK (–13.1).

Accounting principles

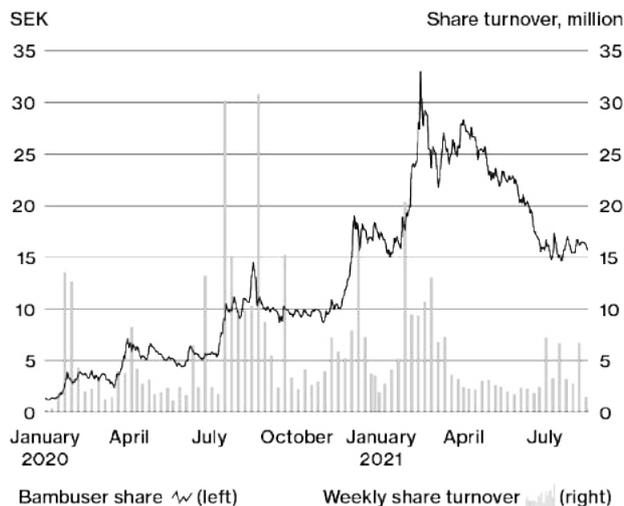
The interim report period is from April to June 2021. The interim report has been prepared in accordance with the Annual Accounts Act. The accounting and valuation policies applied are consistent with the Swedish Accounting Standards Board's Category 3 (BFN K3) regulation. The Parent Company applies the same accounting policies as the Group.

No changes have been made to accounting policies since the last annual accounts.

This report is the first in which Bambuser presents consolidated financial statements.

Shares

The number of shares has increased slightly during the second quarter of 2021. At the beginning of the period, the number of shares in the Company amounted to 197,338,787 and at the end of the period, the number of shares amounted to 202,131,995.



Ownership Structure – the largest shareholders in the Company as of June 30, 2021

Name	Shares	Share of capital and votes (%)
Brightfolk A/S	23,550,348	11.65
Muirfield Invest AB	20,200,000	9.99
TIN Fonder	13,830,000	6.84
Avanza Pension	11,163,070	5.52
Handelsbanken Fonder	10,600,000	5.37
Harmony Partners	10,570,000	5.36
Capital Group	9,961,959	4.93
Joel Citron & Tenth Avenue	9,790,170	4.84
Lancelot Asset Management	7,150,003	3.54
Handelsbanken Liv Försäkring	5,929,592	2.93
Largest shareholders	122,745,142	60.73
Other shareholders	79,386,853	39.27
Total	202,131,995	100.0

Based on public ownership data from Holdings.

Employees

Bambuser is experiencing rapid growth and the Company is growing operations and deploying new resources in all areas including tech, product, commercial, and general/administrative. Staff costs amounted to -44.6 MSEK (-6.3) during the second quarter of 2021 and amounted to -97.1 MSEK (-10.9) during the period January-June 2021. The average number of employees during the period January – June 2021 amounted to 162 (32), where the average number of women was 82 (16). During the period, the total number of full-

time positions including consultants amounted to 216 (49).

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 are available at bambuser.com/ir.

Auditor's Review

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

Annual General Meeting and Annual Report

The Annual General Meeting (AGM) of Bambuser AB was held on April 29, 2021. The AGM resolved, in accordance with the board of directors' proposal, to authorize the board of directors to issue a maximum of 3,246,481 rights to subscribe for shares in the company. The right to subscribe for shares is devoted to the subsidiary Bambuser Incentive AB, other group companies or a third party, and the purpose of the authorization is to enable the company to secure costs associated with the company's stock option program.

In accordance with the board of directors' proposal, the AGM also resolved to authorize the board of directors to decide on the issue of shares, convertibles and/or warrants with the right to convert to or subscribe for a number of shares, with or without preferential rights for the shareholders. The total number of shares to be included in such issues correspond to a maximum of ten (10) percent of the total number of shares in the Company at the time when the authorization is used for the first time. The purpose of the authorization is to facilitate the financing of the Company's operations, to finance acquisitions of companies or assets, to issue instruments as part of the consideration for

such acquisitions and for the Company's strategic collaborations, to enable issue of instruments directed to industrial and strategic partners and to broaden the shareholder base.

The Annual Report 2020 is available on the Company's website.

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 20th, 2021.

Financial calendar 2021

- Interim Report Q3 2021, Jul-Sep, November 3, 2021
- Year-End Report 2021, Jan-Dec, February 24, 2022
- Interim Report Q1 2022, Jan-Mar, April 28, 2022
- Interim Report Q2 2022, Apr-Jun, August 12, 2022

The full Financial Calendar for 2021 is published at bambuser.com/ir.

Financial Statements

Bambuser Group

Condensed Consolidated Income Statement

(in thousands SEK)

	Notes	2021		2020		2020
		Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Full year
Revenue						
Sales	1	27 273	43 968	5 394	7 162	31 099
Other revenue		2 443	3 080	25	73	4 276
Capitalized work for own account		5 081	9 014	1 395	2 298	6 994
Total Revenue		34 797	56 062	6 814	9 534	42 369
Costs						
Staff costs		-44 630	-97 139	-6 255	-10 943	-62 111
Other external expenses		-21 256	-41 910	-5 010	-9 392	-36 990
Depreciations / Amortization		-7 172	-9 749	-823	-1 646	-5 408
Other operational costs		-4 467	-5 409	-483	-483	-1 513
Total Costs		-77 525	-154 207	-12 571	-22 463	-106 021
Operating Income		-42 728	-98 145	-5 757	-12 929	-63 651
Financial items						
Finance income		-50	-33	0	0	6
Finance costs		27	-3	-15	-31	-61
Total Financial items		-22	-36	-15	-31	-55
Profit/loss before tax		-42 750	-98 181	-5 772	-12 961	-63 706
Income tax expense		-121	-121	0	0	-4
Net Income		-42 871	-98 302	-5 772	-12 961	-63 710
Net loss attributable to owners of the parent		-42 871	-98 302	-5 772	-12 961	-63 710

Bambuser Group

Condensed Consolidated Balance Sheet

(in thousands SEK)

	2021-06-30	2020-06-30	2020-12-31
Assets			
Intangible assets			
Capitalized development expenses	71 089	12 375	33 923
Goodwill	202 338	1 059	828
	273 428	13 433	34 751
Tangible assets			
Furnitures and equipment	1 364	0	925
	1 364	0	925
Financial assets			
Other receivables	3 281	552	2 031
	3 281	552	2 031
Total non-current assets	278 072	13 985	37 707
Current assets			
Trade receivable	40 340	7 638	12 769
Tax receivables	1 904	801	4 391
Other current assets	2 612	70	788
Prepaid expenses and accrued income	4 013	-3 525	6 052
Cash and cash equivalents	613 509	145 363	318 472
Total Current assets	662 379	150 347	342 472
Total Assets	940 452	164 332	380 179
Equity and liabilities			
Equity			
Share capital	10 107	5 940	8 244
Other paid in equity	1 051 643	258 477	478 921
Other equity including net income	-217 541	-106 247	-144 309
Total equity	844 208	158 170	342 857
Non-current liabilities			
Provisions	22 593	0	7 977
	22 593	0	7 977
Current liabilities			
Trade payables	18 316	3 824	11 863
Income tax payable	82	0	0
Liability to credit institutions	167	667	417
Other current liabilities	7 789	-653	3 742
Accrued expenses and deferred revenue	47 298	2 324	13 324
	73 651	6 162	29 346
Total liabilities	96 244	6 162	37 322
Total equity & liabilities	940 452	164 332	380 179

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 2019	3 370	111 492	-93 287	21 575
Profit of the year			-12 961	-12 961
Foreign exchange difference from subsidiaries			0	0
Rights issues	2 570	146 985		149 555
Equity as per June, 30 2020	5 940	258 477	-106 247	158 170
Equity as per December, 31 2020	8 244	478 921	-144 309	342 857
Profit of the year			-98 302	-98 302
Foreign exchange difference from subsidiaries			87	87
Stock options			24 983	24 983
Rights issues	1 862	572 722		574 584
Equity as per June, 30 2021	10 107	1 051 643	-217 541	844 208
Equity as per December, 31 2019	3 370	111 492	-93 287	21 575
Profit of the year			-63 710	-63 710
Foreign exchange difference from subsidiaries			-11	-11
Stock options			12 698	12 698
Rights issues	4 875	367 429		372 304
Equity as per December, 31 2020	8 244	478 921	-144 309	342 857

Bambuser Group

Condensed Consolidated Cash Flow

(in thousands SEK)

	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full year
Cash flow from operations before changes in working capital	-26 963	-4 949	-48 873	-11 315	-37 629
Change in current receivables	-3 139	-4 577	-8 597	-4 068	-23 323
Change in current payables	16 311	1 929	13 556	2 271	25 983
Cash flow from operations	-13 791	-7 596	-43 914	-13 112	-34 969
Investment activities					
Investments in intangible assets	-19 860	-4 462	-38 294	-6 764	-31 806
Investments in tangible assets	-499	0	-579	0	-978
Acquisition of subsidiary	-96 461	0	-96 461	0	0
Deposits	-108	-24	-99	-24	-1 503
Cash Flow from investment activities	-116 928	-4 486	-135 433	-6 788	-34 286
Financing activities					
Rights issue	257	156 475	500 282	156 475	393 723
Issue costs	-704	-6 919	-25 698	-6 919	-21 419
Amortization of loan	-125	-125	-250	-250	-500
Cash Flow from financing activities	-572	149 430	474 334	149 305	371 804
Cash Flow of the period	-131 292	137 348	294 987	129 405	302 549
Cash at the beginning of the period	744 770	8 016	318 472	15 958	15 958
Net exchange losses/gains on cash and cash equivalents	30	0	50	0	-35
CASH AT THE END OF THE PERIOD	613 509	145 363	613 509	145 363	318 472

Bambuser AB

Condensed Parent Income Statement

(in thousands SEK)

	Note	2021		2020		2020
		Apr - Jun Q2	Jan - Jun YTD	Apr - Jun Q2	Jan - Jun YTD	Full year
Revenue						
Sales	1	16 623	33 318	5 394	7 162	31 099
Other revenue		183	821	25	73	4 276
Capitalized work for own account		4 920	8 852	1 395	2 298	6 994
Total Revenue		21 726	42 991	6 814	9 534	42 369
Costs						
Staff costs		-38 519	-88 834	-6 255	-10 943	-60 729
Other external expenses		-22 775	-45 784	-5 010	-9 385	-38 466
Depreciations / Amortization		-3 631	-6 189	-823	-1 646	-5 398
Other operational costs		-130	-1 073	-483	-483	-1 513
Total Costs		-65 055	-141 879	-12 570	-22 456	-106 106
Operating Income		-43 329	-98 888	-5 756	-12 922	-63 737
Financial items						
Finance income		56	90	0	0	8
Finance costs		-22	-36	-15	-31	-54
Total Financial items		34	55	-15	-31	-46
Profit/loss before tax		-43 295	-98 834	-5 771	-12 954	-63 783
Income tax expense		0	0	0	0	-4
Net Income		-43 295	-98 834	-5 771	-12 954	-63 787

Bambuser AB

Condensed Parent Balance Sheet

(in thousands SEK)

	2021-06-30	2020-06-30	2020-12-31
Assets			
Intangible and tangible assets			
Capitalized development expenses	66 083	12 375	33 923
Goodwill	713	1 059	828
	66 795	13 433	34 751
Tangible assets			
Furnitures and equipment	1 151	0	831
	1 151	0	831
Financial assets			
Shares in subsidiaries	214 275	50	50
Other receivables	2 022	552	2 022
	216 296	602	2 072
Total non-current assets	284 243	14 036	37 654
Current assets			
Trade receivable	19 714	7 638	12 769
Receivables from group companies	6 972	462	671
Tax receivables	1 788	801	4 391
Other current assets	368	44	756
Prepaid expenses and accrued income	3 396	-3 525	6 016
Cash and cash equivalents	590 395	144 884	317 777
Total Current assets	622 634	150 303	342 379
Total Assets	906 877	164 339	380 033
Equity and liabilities			
Equity			
Restricted equity			
Share capital	10 107	5 940	8 244
Development fund	66 083	9 147	33 923
	76 189	15 087	42 168
Share premium fund	1 051 643	258 477	478 921
Retained earnings incl. net income	-284 308	-115 387	-178 298
	767 335	143 090	300 623
Total equity	843 524	158 177	342 791
Non-current liabilities			
Provisions	22 593	0	7 977
	22 593	0	7 977
Current liabilities			
Trade payables	12 799	3 824	11 842
Payables to group companies	3 007	0	0
Liability to credit institutions	167	667	417
Other current liabilities	4 591	-653	3 708
Accrued expenses and deferred revenue	20 196	2 324	13 299
	40 760	6 162	29 266
Total liabilities	63 353	6 162	37 242
Total equity & liabilities	906 877	164 339	380 033

Bambuser AB

Parent Equity

(in thousands SEK)

	Share capital	Development fund	Share premium fund	Retained earnings including net income	Total Equity
Equity as per December, 31 2019	3 370	6 848	111 492	-100 135	21 575
Profit of the year				-12 954	-12 954
Change in development fund		2 298		-2 298	0
Rights issues	2 570		146 985		149 555
Equity as per June, 30 2020	5 940	9 147	258 477	-115 387	158 177
Equity as per December, 31 2020	8 244	33 923	478 921	-178 298	342 791
Loss for the year				-98 834	-98 834
Change in development fund		32 159		-32 159	0
Stock options				24 983	24 983
Rights issues	1 862		572 722		574 584
Equity as per June, 30 2021	10 107	66 083	1 051 643	-284 308	843 524
Equity as per December, 31 2019	3 370	6 848	111 492	-100 135	21 575
Loss for the year				-63 787	-63 787
Change in development fund		27 075		-27 075	0
Stock options				12 698	12 698
Rights issues	4 875		367 429		372 304
Equity as per December, 31 2020	8 244	33 923	478 921	-178 298	342 791

Bambuser AB

Condensed Parent Cash Flow

(in thousands SEK)

	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full year
Cash flow from operations before changes in working capital	-31 009	-4 948	-53 046	-11 308	-37 713
Change in current receivables	2 898	-4 577	-7 637	-4 193	-23 376
Change in current payables	9 522	1 935	11 745	2 271	25 625
Cash flow from operations	-18 589	-7 590	-48 938	-13 231	-35 465
Investment activities					
Investments in intangible assets	-19 699	-4 462	-38 132	-6 764	-31 806
Investments in tangible assets	-421	0	-421	0	-860
Investment in shares in subsidiary	-114 224	0	-114 224	0	-0
Deposits	0	-24	0	-24	-1 494
Cash Flow from investment activities	-134 343	-4 486	-152 777	-6 788	-34 159
Financing activities					
Rights issue	257	156 475	500 282	156 475	393 723
Issue costs	-704	-6 919	-25 698	-6 919	-21 419
Amortization of loan	-125	-125	-250	-250	-500
Cash Flow from financing activities	-572	149 430	474 334	149 305	371 804
Cash Flow of the period	-153 505	137 354	272 618	129 287	302 180
Cash at the beginning of the period	743 900	7 530	317 777	15 597	15 597
CASH AT THE END OF THE PERIOD	590 395	144 884	590 395	144 884	317 777

Not 1 Sales

Consolidated	2021	2020
	Apr - Jun	Apr - Jun
Licenses	13 629	3 530
Creative Services	10 650	0
Other services	2 994	1 864
Total	27 273	5 394
Parent Company	2021	2020
	Apr - Jun	Apr - Jun
Licenses	13 629	3 530
Other services	2 994	1 864
Total	16 623	5 394

KPI

	2021	2020
	Jan-Jun	Jan-Jun
Earnings per share	-0,49	-0,11
Equity per share	4,18	1,33
Number of shares	202 131 995	118 802 186
Average shares of the period	191 595 155	90 644 918
Number of shares with full dilution	202 131 995	118 802 186
Equity ratio	89,8 %	96,3 %
Total Headcount	216	49
Adj. EBITDA (KSEK)	-48 797	-11 284
EBITDA (KSEK)	-88 396	-11 284
EBIT (KSEK)	-98 145	-12 929
EBT (KSEK)	-98 181	-12 961

Definitions

MRR Defined as Monthly Recurring Revenue consisting of i) the opening balance of the next coming month, ii) contracted recurring license revenue, iii) excluding one-time fees, usage and proof-of-concept agreements. In Q2 2020, the average MRR was 1.442 MSEK according to the old calculation which has been updated as of Q1 2021.

TCV Defined as Total Contract Value signed with customers during the period. The net income will be allocated as per the service performance or prorated as per the license period for the service. Example: a contract with a duration of two years and a TCV of 2.4 MSEK will be allocated as net income monthly with SEK 100,000.

Guaranteed TCV With some contracts, the customer may have the right to opt-out on a certain date and terminate the contract before it continues with the full term. The period between a contract's commence date and opt-out date is considered guaranteed contract value. The full term of the contract is considered guaranteed once the opt-out date has passed without termination.

EBITDA Operating profit before interest, tax, depreciation and amortization.

Adjusted EBITDA Operating profit before interest, tax, depreciation and amortization excluding

EBIT Operating profit before interest and tax.

EBT Operating profit before tax.

POC Proof-of-concept or pilot agreements are short-term agreements, typically 1-3 months, offered to enterprise customers. The purpose of this was/is to allow the customers to evaluate Bambuser's solution prior to entering long-term enterprise agreements.



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