

bambuser

Year-End report

for the period January 2018 - December 2018

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Summary

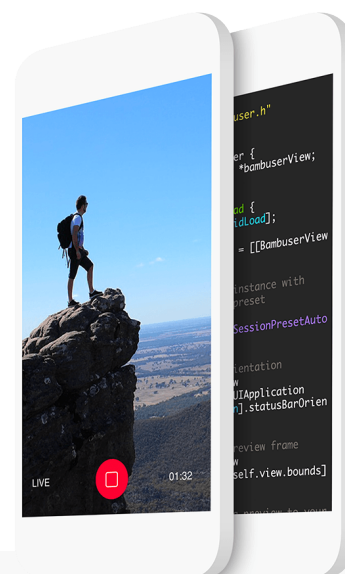
Significant events during the financial year

- In January, the company closed its free platform to focus all development and sales on the B2B platform Iris.
- In February, the company decided to discontinue the US sales organization to concentrate most of its sales efforts to Europe.
- Ingvar Svensson took over the role of interim CFO from Ulrika Jones on February 26.
- On March 12, the previous CEO Hans Eriksson was succeeded by Maryam Ghahremani, who in August after 5 months in an interim role was hired as regular CEO.
- In April 2018, Bambuser announced a new strategic direction, where the company's resources would be focused on generating revenue through product development and data-driven marketing.
- In July, Anders Liling and Per Anders Wärn acquired the entire Almi Invest's holding of 1 397 934 shares in Bambuser.
- In August, Jesper Funck joined Bambuser as CPO / COO.
- In September, Bambuser entered into partnership with Net Insight, a leading provider of streaming, transport and resource planning in TV and media.
- Ingrid Bojner left her board assignment in September due to high workload in other ongoing commitments.

Significant events after the financial year

- In February 20, 2019, Linda Murray Wennberg took the role of regular CFO from interim CFO, Ingvar Svensson.

	2018	2017
Net sales	4 479 KSEK	5 966 KSEK
Earnings before taxes (EBT)	-19 781 KSEK	-22 239 KSEK
Balance sheet total	11 788 KSEK	34 559 KSEK
Solidity	63%	78%
Return on equity	-268%	-82%
Return on total capital	-167%	-64%
Cash liquidity	239%	512%
Head count	15	22



Short information about Bambuser

Bambuser is a Swedish software company that offers B2B solutions for live video. Since 2007, the Company has developed a platform for interactive live video broadcasts enabling live video streaming from mobile phones and web cams to the Internet.

The breakthrough occurred in 2010, when the Company's service was used to report the unrest in Egypt during the parliamentary elections. The following year, videos were produced via Bambuser and used in several television broadcasts throughout the world during the Arab Spring. Bambuser's live streaming technology has over the years been installed in more than 50 million devices and millions of news consumers through companies like CNN, BBC, Al Jazeera, SkyNews, etc.

Since 2014, Bambuser has chosen to focus on B2B, Business-to-Business, to increase the spread of the company's products and strengthen its long-term revenue potential. Among the customers are companies as AP, Schibsted/Aftonbladet, NRK & Ilta-Sanomat.

CEO's comment

2018 was a year of change for Bambuser with a completely new management and chairman of the board and partly new board members. Since I started as CEO in March 2018, we have changed and slimmed the organization and positioned the company for a restart. We have redone much of our brand profile and removed the brand Iris to instead focus all our resources on our original brand Bambuser.

In early April we presented a new "Go-to-market" strategy with a focus on digital sales and after the launch in August we have gained growth in our digital channels. We will continue to sell Bambuser as a platform, but after being live for four months, the average revenue per user (ARPU) for these new customers has been low and did not meet our expectations.

We have therefore started an exploration phase in order to identify new areas, where Bambuser's live video component can be vital. Among the areas we are now exploring are Live Commerce e-commerce solutions. Video is also already a frequently used medium in e-commerce, not least through influencers and social media. Our product team has now started to develop a foundation that will help us make our video platform a viable option in this, for us, new market.

Thanks to our new strategy, we have our ears to the ground, which helps us perceive the prevailing market trend and will give us better conditions for further developing our platform and focusing our sales resources. There is a lot going on in the market now and we are determined to be an important supplier of the engine behind many live video applications in coming years.

I look forward to an exciting 2019!

Maryam Ghahremani

CEO



The company

Business concept

Bambuser is leading the mobile live video revolution, providing mobile live video streaming technology for businesses. This is offered through the Bambuser platform, an entirely software based platform. By combining a unique knowledge and history of mobile live video with a flexible and robust platform Bambuser will continue to improve and break new ground within the mobile live video segment.

Vision

– To become the most trusted technology for any company or brand who wants to make mobile live-streaming accessible to their users.

Mission

– Make live broadcasting easily accessible for any company or brand, while turning it into the most powerful way to engage an audience.

Products

Bambuser offers a product suite of broadcasting tools:

The company offers a software platform, in the form of SDK:s (software development kit) and API:s (application programming interface) as well as the infrastructure, for any customer wishing to make live streaming video a part of their iOS or Android app. Proven to be exceptionally easy and quick to integrate, any app owner can enjoy a full mobile live video solution within their app in a matter of hours, enabling users to stream and watch live video.

The backend API:s and webhooks give the customer full freedom to create an experience that matches their demands and requirements.

In addition, Bambuser offers an off-the-shelf mobile app available for iOS and Android that enables customers to enjoy the benefits of mobile live broadcasting without having to build anything themselves.

The app allows a customer's users to create live video content, upload recorded videos and photos and take photos while broadcasting. A browser based content management tool functions as a central point where videos can be screened, multiple interaction possibilities with the broadcaster exist and videos can be published instantly to the destination of the customer's choice.

Market

With the two products, the software platform and the broadcasting app, Bambuser is approaching slightly different (although partially overlapping) markets.

The software platform is a product targeted mainly at companies creating apps in one form or another. Companies already operating a mobile app can add the live streaming concept in order to add value and functionality to their existing product. Consulting companies, building applications for others as a service, can have the Bambuser software platform as one of their tools they are familiar with, using it to build applications for multiple clients. Finally, the software platform can be used by organizations to provide live streaming features in their existing apps.

The off-the-shelf app is targeted towards broadcasters as well as digital publishers. It is also a usable tool for any organization to create content by broadcasting live video.

Business Model

Bambuser's business model is built on a license based structure and the ambition is to always enter a monthly contract. Our SDK and broadcasting app makes high-quality streaming accessible for any budget thanks to pay-as-you-go pricing.

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



Fredrik Ramberg
Chairman of the Board



Christer Thordson
Board Member



Alexander MacIntyre
Board Member



Mikael Ahlström
Board Member



Maryam Ghahremani
CEO

Financial information

The annual report will have a period of 12 months. January to December 2018 is the reporting period.

The Year-End report has been prepared in accordance with the Swedish Annual Account Act (årsredovisningslagen). 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 Swedish Annual Account Act (årsredovisningslagen) chapter 7 § 2, no consolidated accounts are prepared.

Revenue

Revenue has been recorded to fair value of what has been received or what will be obtained. The company therefore reports the revenue to nominal value if the compensation is obtained in cash at delivery. Deductions are made for discounts. Net sales for the company during the period of January – December 2018 amounted to 4 479 KSEK (5 966). Capitalized work for own account amounted to 0 KSEK (967). Other revenue amounted to 667 KSEK (1 323). Total income amounted to 5 146 KSEK (8 257).

Profit & Loss

The company's operating income for the period January – December 2018 was -19 648 KSEK (-22 073). Net income for the period amounted to -19 781 KSEK (-31,210).

Financial Position

Equity ratio was 63% (78%) on December 31, 2018 and Equity amounted to 7 374 KSEK (27 044).

Cash flow and investments

Capital expenditure during 2018 amounted to 0 KSEK (-968) as no capitalized development expenses in 2018. Net Cash Flow for the period amounted to -19 225 KSEK (15 643). Cash amounted to 7 898 KSEK per December 31, 2018 a decrease of 19 225 KSEK compared to 27 123 KSEK at January 1, 2018. Total assets on December 31st 2018 amounted to 11 788 KSEK compared to 34 559 KSEK at January 1, 2018.

Transaction with related parties

No significant transactions with related parties in addition to ordinary salaries and remuneration have taken place between January 2018 – December 2018, except for stock option program to employees and board members.

Bambuser AB have during 2018 implemented two (2) stock option programs through the issue of warrants in total 2 677 911 warrants. Of the total number of options issued, 267 790 options were not subscribed. Subscription of shares through exercise of warrants takes place during the period 1 July 2021 - 30 September 2021 at the set subscription price of SEK 3,54 per share. Each warrant entitles the holder to subscribe for one (1) new share in Bambuser AB. Therefore, in case of full exercise of the warrants, the company's share capital will increase by a total of SEK 120 506,05.

Shares

The number of shares at the end of the period amounted to 15 174 831.

Employees

Employee costs for the period January - December 2018 amounted to 12 091 KSEK (16 825). The average number of employees during the period January – December 2018 amounted to 15 (22), of which 2 (4) are women.

Risks and uncertainties

Bambuser's business, financial position and results might be impacted by a number of risks and uncertainties. These are described on pages 6 – 9 in the Information Memorandum that was conducted for the IPO at Nasdaq First North and is available at bambuser.com/ir.

Allocation of profits

The board proposes that the loss be balanced on new accounts.

Audit

The Year-End report has not been audited by the company's auditor.

Publication

This information is information that Bambuser AB (publ) 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 February 21st 2019, 08:30 CET.

Financial calendar 2019

March 7nd: Annual Report, January 2018 – December 2018

April 4th: Annual General meeting

The interim report and Year-End report is available at bambuser.com/ir.

Profit & Loss statement

KSEK	Total H2 2018	Total AC 2018	Total H2 2017	Total AC 2017
Net Sales	2 162	4 479	2 522	5 966
Capitalized work for own account	0	0	0	967
Other Revenue	238	667	468	1 323
TOTAL INCOME	2 400	5 146	2 990	8 257
COGS	-903	-1 826	-1 520	-2 152
Other SG&A	-3 264	-8 181	-3 601	-7 159
Staff Cost	-5 661	-12 091	-8 894	-16 825
Depreciation / Amortization	-1 044	-2 482	-1 475	-4 194
Operating expenditure	-159	-214		
	-11 031	-24 793	-15 490	-30 330
EBIT	-8 631	-19 648	-12 500	-22 073
<i>% EBIT margin</i>	-353%	-382%	-382%	-267%
Financial Income / Cost	0	-132	-101	-166
EBT	-8 631	-19 781	-12 601	-22 239
Tax	0	0	-10 928	-8 971
PROFIT / LOSS	-8 631	-19 781	-23 529	-31 210

Balance sheet

KSEK	2018-12-31	2017-12-31
ASSETS		
Fixed assets		
Other Intangible Fixed Assets	3 377	5 859
Equipment, tools and fixture	0	0
Long term debts	50	50
Total Fixed Assets	3 427	5 909
Current Assets		
Other Current Receivables	463	1 526
Cash & Bank	7 898	27 123
Total Current Assets	8 361	28 650
TOTAL ASSETS	11 788	34 559
EQUITY & LIABILITIES		
Equity	7 374	27 044
Liabilities		
Current Liabilities	3 497	5 599
Long-term Liabilities	917	1 916
Total Liabilities	4 414	7 515
TOTAL EQUITY AND LIABILITIES	11 788	34 559

Cash Flow

KSEK	H2 2018	AC 2018	H2 2017	AC 2017
Cash Flow from Operations before change in working capital	-7 851	-17 298	-11 025	-18 038
Working capital	-24	-1 038	3 839	3 034
Cash Flow from Operations	-7 875	-18 336	7 186	-15 004
CAPEX	0	-	0	-968
Cash Flow from Financial Activities	-500	-889	2 101	31 615
Cash Flow of the period	-8 375	-19 225	9 287	15 643
Cash at beginning of period	16 273	27 123	36 460	11 530
Cash at end of period	7 898	7 898	27 173	27 173

Equity

KSEK	2018	2017
Equity at beginning of period	27 044	58 254
Stock options	111	0
Profit and loss	-19 781	-31 210
Equity at the end of period	7 374	27 044

Key numbers

	2018	2017
Earnings per share	-1,30 SEK	-1,47 SEK
Equity per share	0,49 SEK	1,78 SEK
Equity ratio	63%	78%
Number of shares	15 174 831	15 174 831
Average shares of the period	15 174 831	15 174 831
Number of shares with full dilution	15 174 831	15 174 831
Average employees	15	22

Earnings per share - Profit of period divided by the number of shares at end of period

Equity per share - Adjusted equity divided by the number of shares at end of period

Equity ratio - Adjusted equity at end of period divided by the balance sheet

Cash liquidity - Current asset, excluding inventory and work in progress, in relation to short term liabilities

bambuser

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