



Meet the world
with video communication as it should be

Company Presentation

12 November 2020



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Q3 highlights

70%
growth in ARR

Accelerating long-term
target with one year:
300 MUSD by 2024

Added
   
as customers
+ 7 new F500 accounts

Visionary
in Gartner Magic
Quadrant

Private Cloud is ready
to launch

307 employees
up 80% year-on-year



[pexip]

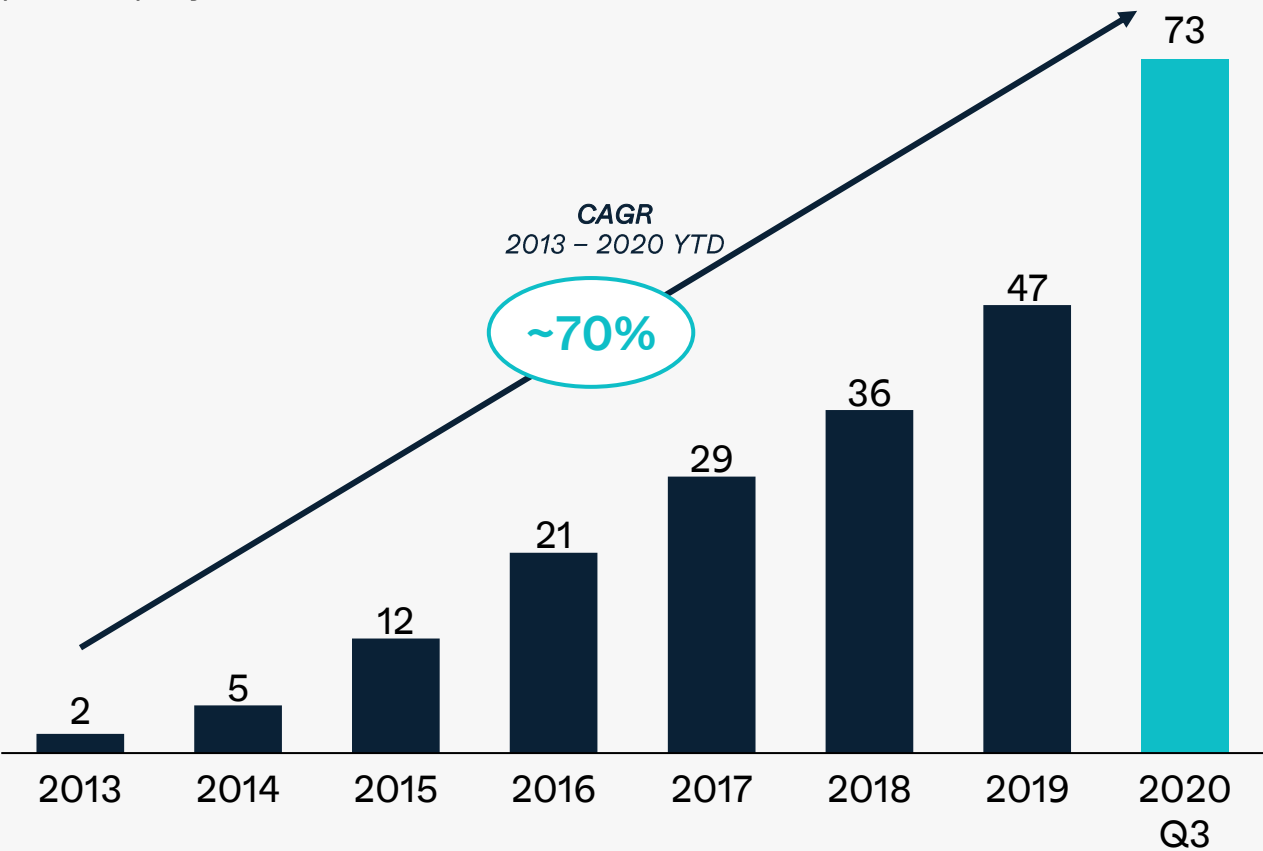
Video communications as it should be



- ✓ A better way to meet with business-quality audio/video
- ✓ Securely join from anywhere across multiple technologies
- ✓ Powerful administration tools and integrations to meet the requirements of IT
- ✓ Full control of data privacy and sovereignty, and compliance with data security standards

Pexip is a high-growth subscription-based video communication company

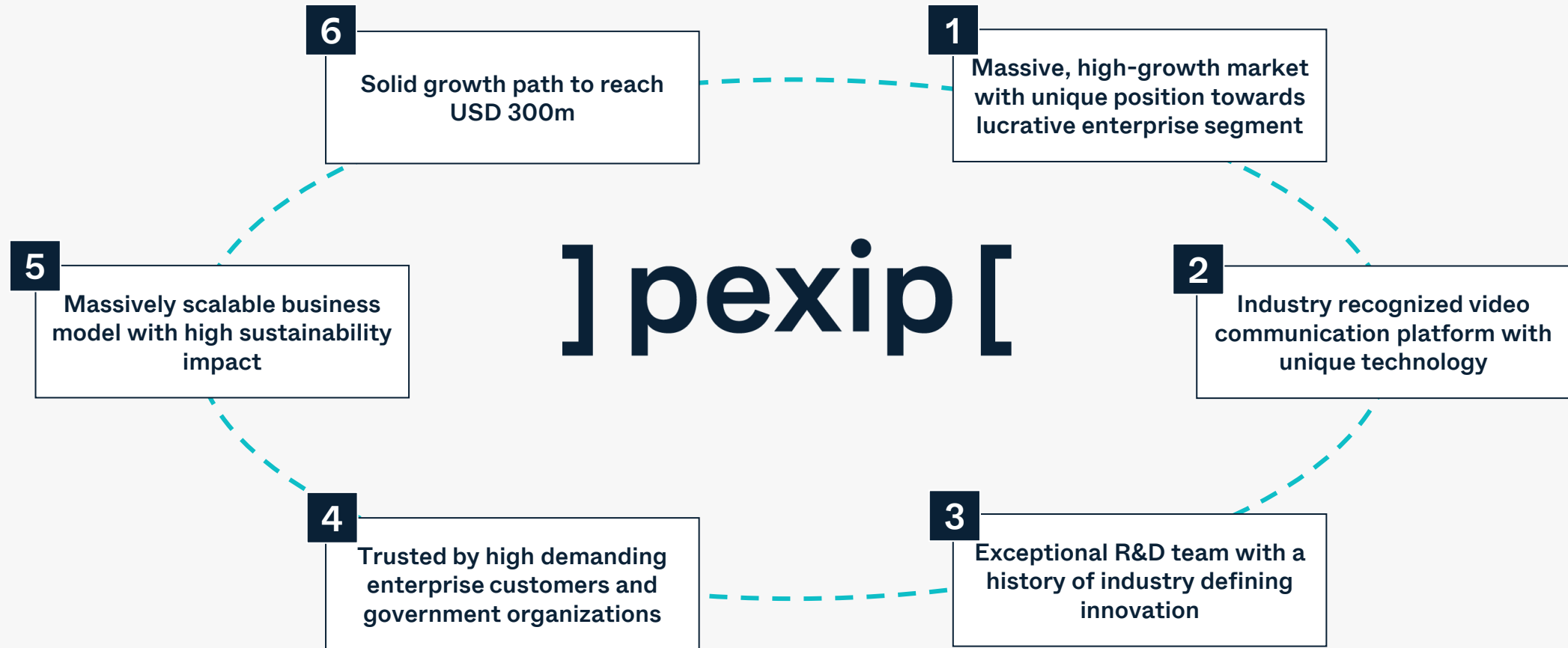
Booked Annual Recurring Revenue (“ARR”) portfolio per year end, USDm



- Users in ~190 countries
- ~300 partners in 75 countries
- +300 employees in 20+ countries
- 97% of revenue from subscriptions

	EMEA	Americas	APAC
Share of ARR	55%	35%	10%

Solid growth path to USD 300 million



Pexip accelerates long-term target of USD 300 million to 2024

Revenue growth

ARR of USD 300m by end-of-2024, one year earlier than previously communicated

Long-term profitability

2025 EBITDA of +25% with +25% revenue growth

Plan for neutral to positive EBITDA in 2023, negative 25-35% EBITDA margin in 2021/2022

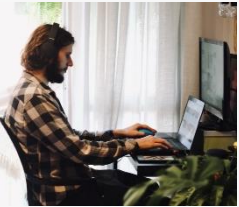
Market recognition

Recognized leader position in the Meeting Solutions market within 3-4 years

Enterprise IT will re-assess video strategy post-Covid



“Everybody” has started using video in 2020



PC-to-PC has been the primary use case



As Organizations plan their return to the office, many will need to re-evaluate their existing solution

Key questions to be asked by customers

Do we have the features we need?

Given we use video so much, are we having the right meeting quality and experience?

Is data about our conversations protected?

Is our current solution in line with our security policies?

Pexip will be more relevant than ever, both as stand-alone and add-on solution to others

Pexip ideally positioned for enterprises' reality as organizations return to the office

Conference rooms



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The new normal will be hybrid working

- People combining working from home and the office
- “Every” room in the office will have a video device
- “Every” meeting will be a video meeting
- Need to connect everything from the browser to the board room – internally and externally



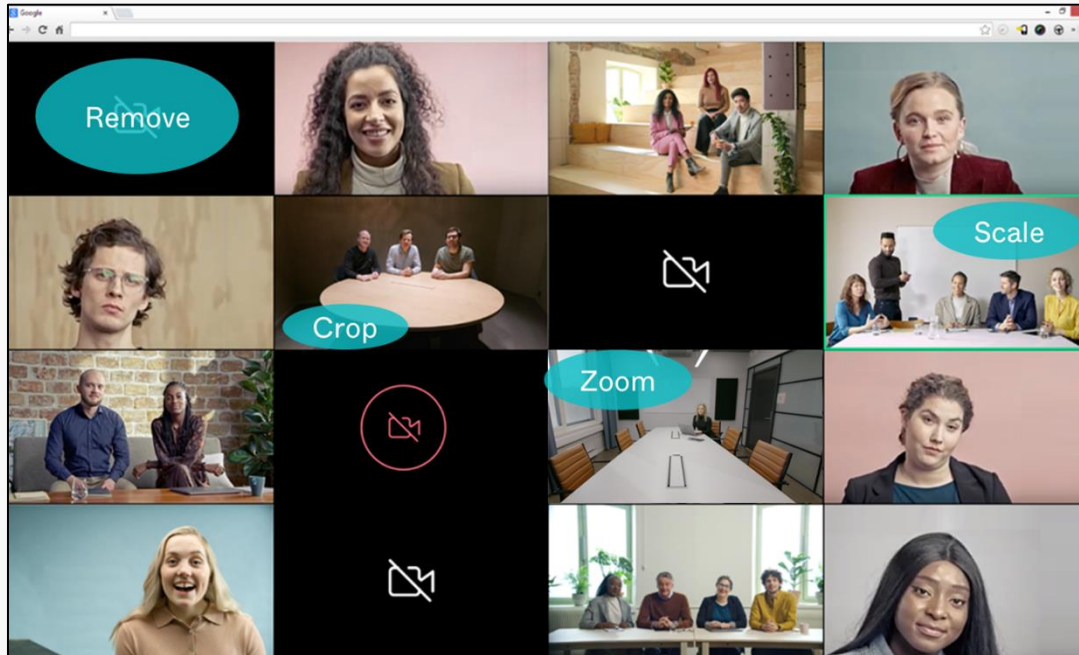
Small huddle rooms



Working from home

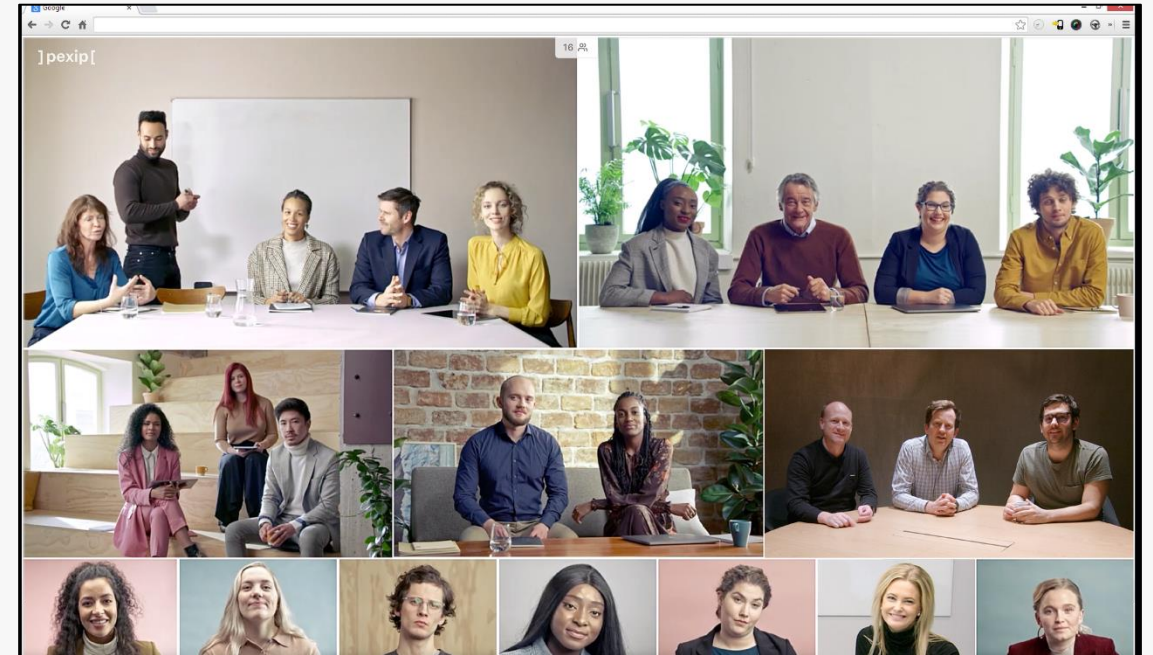
Bring meetings to life

A natural, engaging meeting experience provided by AI-driven adaptive experience



Bring meetings to life

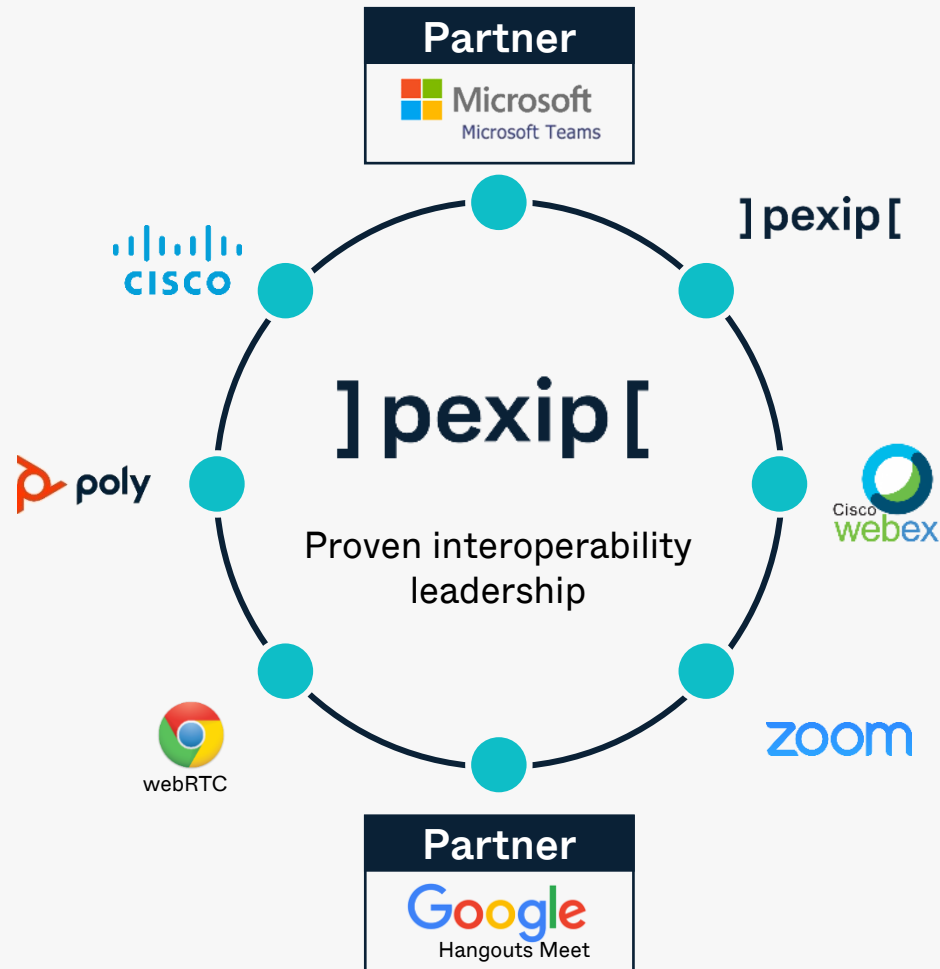
Say goodbye to black screens and hard-to-see faces. Naturally arranges your screen layout to elevate large groups and active speakers, creating a more immersive meeting experience. Enjoy super-wideband audio for a natural experience.



Focus on your conversation

With real-time image framing that automatically crops, pans, and tilts, you can maintain better eye contact and focus on your conversation for more productive, engaging meetings.

Pexip is the leader on interoperability



- 62% of organizations use more than three video communication solutions¹
- Deep technology and GTM partnerships with collaboration giants
- Allows solutions from Microsoft and Google to immediately connect with a range of non-compatible systems
- Maintains the video system's full capabilities
- Pexip is the only solution in the market that is available both as a cloud service and as a self-hosted software

1) The State of Group Video Conferencing - 2018, Wainhouse Research

Customers choose Pexip for three main use cases

High-quality video
meetings with focus
on privacy and
security



Vertical market
applications and
integrations



Expanding **access** to
Microsoft Teams and
Google Meet



Pexip is for the second time named a **Visionary** in the recent Gartner Magic Quadrant

- Gartner MQ is a key IT buyer awareness driver and decision support
- Gartner highlights Pexip's strengths in:
 - Expansive APIs
 - Interoperability leadership
 - Vertical industry expertise

Figure 1. Magic Quadrant for Meeting Solutions



Source: Gartner (October 2020)

Pexip continues to win the trust of new large enterprises and public organizations

Selected by a range of large organizations

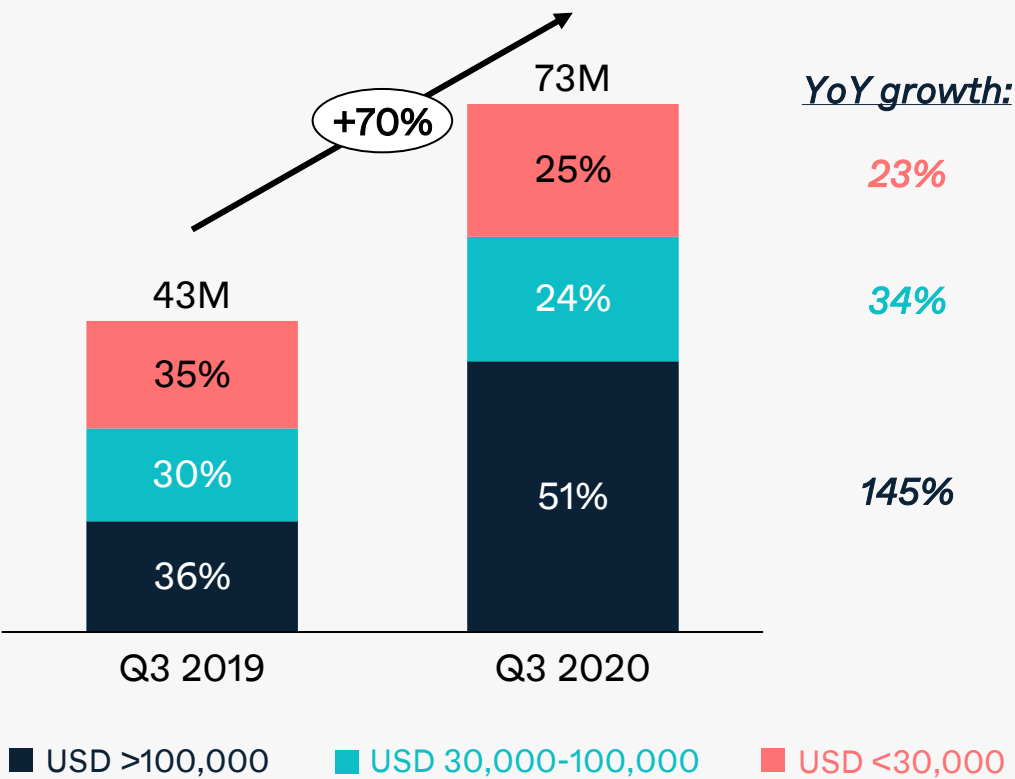
Selected new customers in Q3 2020



+ 7 new Fortune 500¹ customers

Large organizations driving growth

Share of ARR by account size in ARR, USD



Enabling our customers and users to make significant contributions to sustainable development



Pexip contributes to the green economy

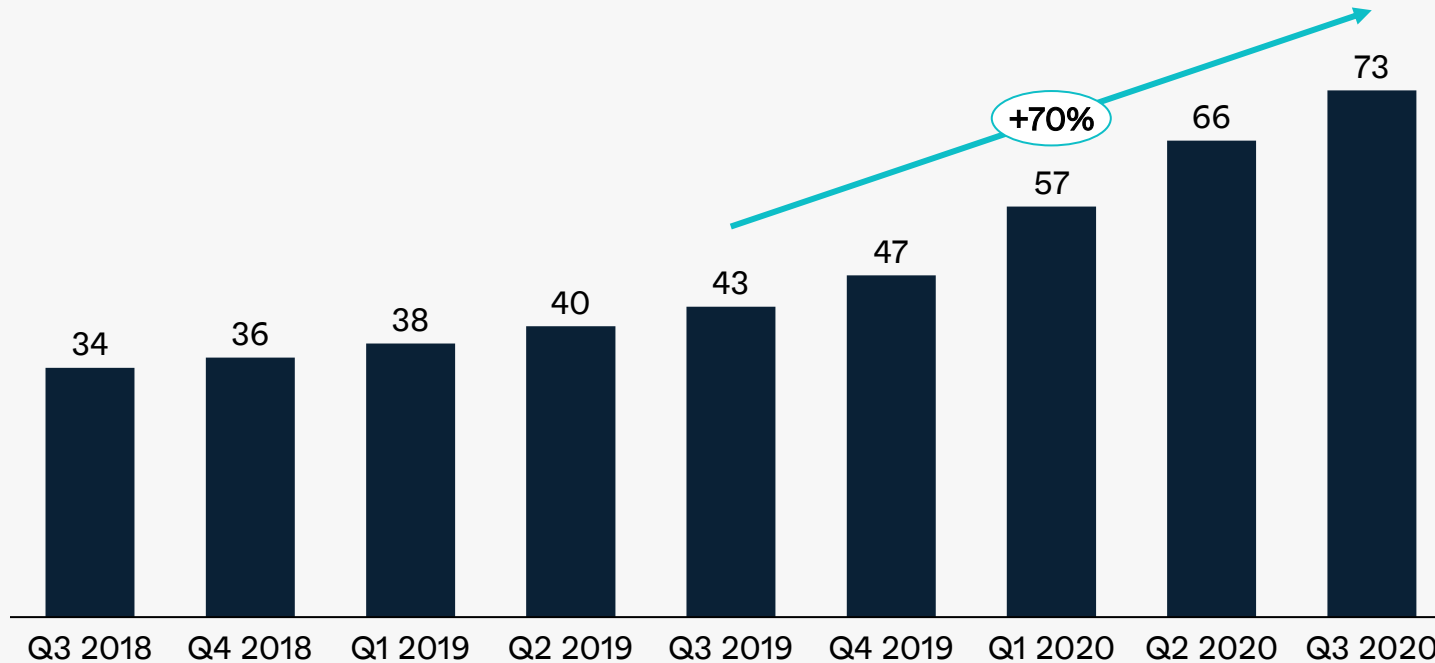
- Pexip is committed to supporting our customers in making their business processes more sustainable
 - Enabling vital healthcare service delivery despite severe Covid-19 disruption
 - Enabling significant reductions in travel and commuting
- Pexip has initiated a project to deliver a separate sustainability report outlining Pexip's ESG impact due Q2 2021

Q3 Financial results

Strong development in Annual Recurring Revenue with 70% growth YoY

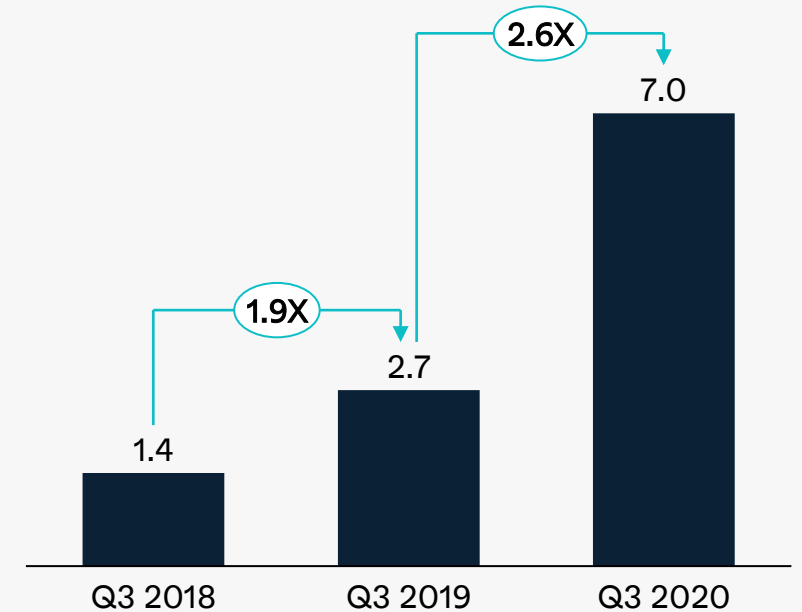
Booked Annual Recurring Revenue (ARR) development

USDm



Q-o-Q growth in ARR

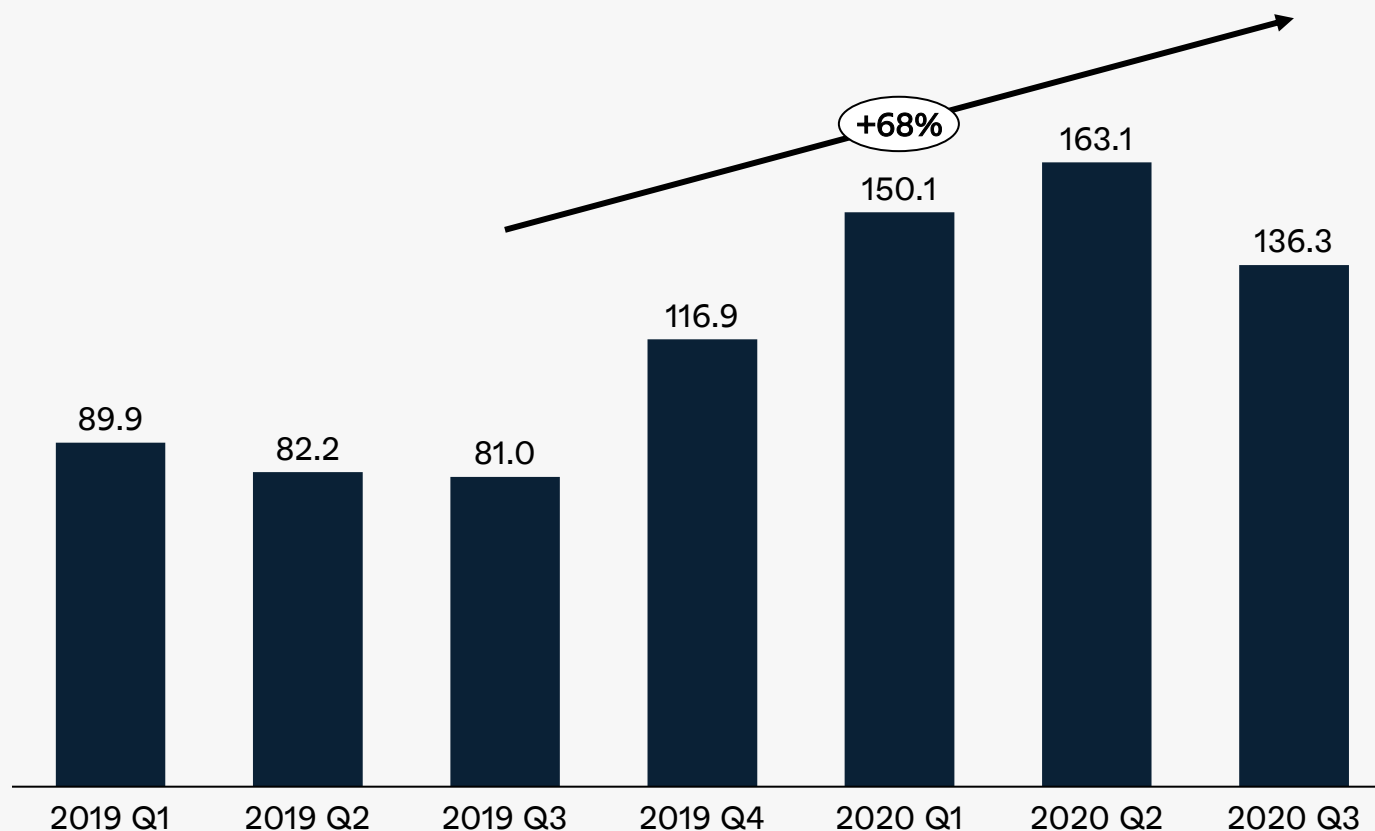
USDm



68% revenue growth

Quarterly revenue development Q1 2019 – Q3 2020

NOKm



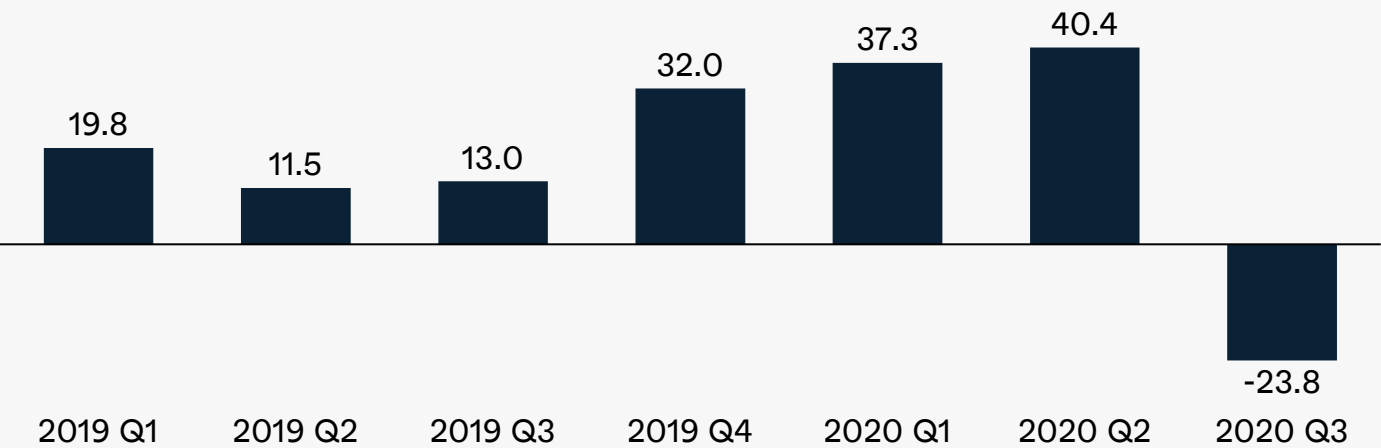
Comments

- 68% growth in revenue in line with ARR growth
- Strong growth in cloud services
- Seasonally lower software revenues due to lower number of deliveries in Q3, which also impacts gross margin for the quarter

Reduction in EBITDA in line with acceleration plan

Quarterly Adjusted¹ EBITDA development Q1 2019 – Q3 2020

NOKm



Adjusted¹ EBITDA margin, Percent of revenue

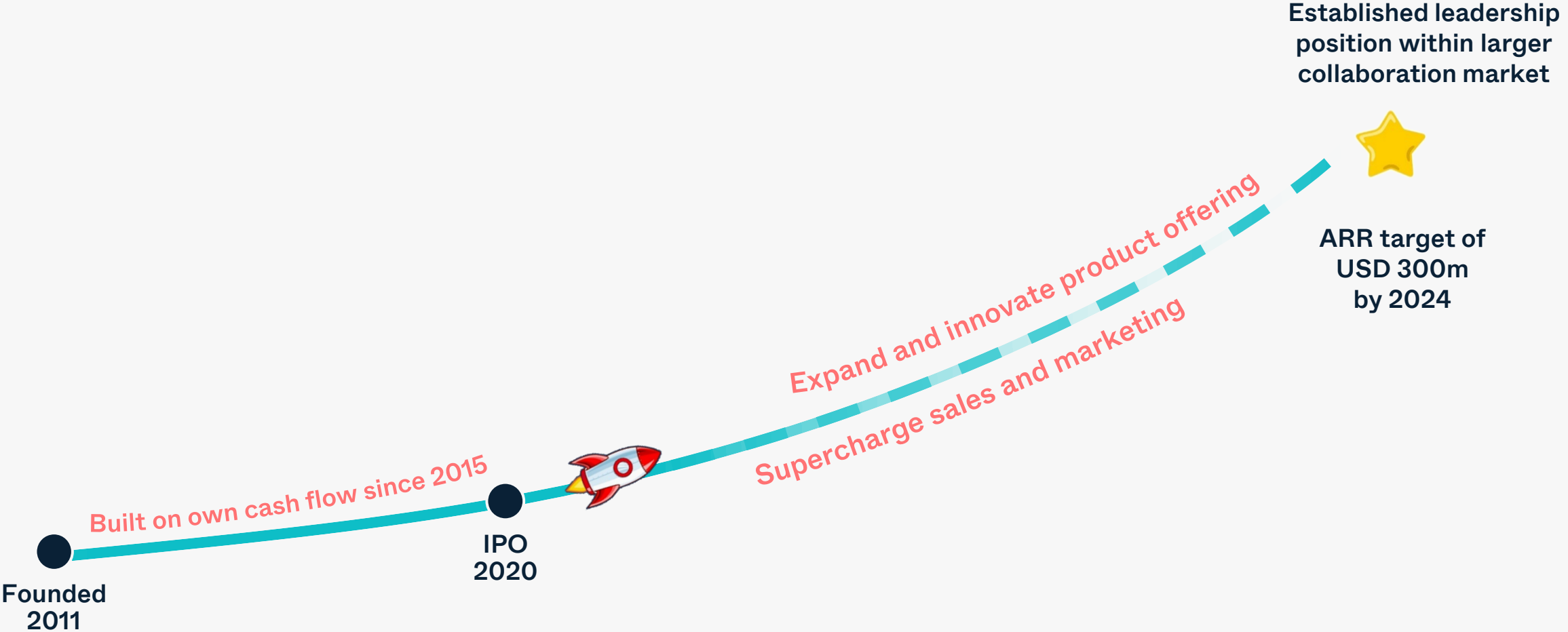


Comments

- Reduction in adjusted EBITDA due to planned acceleration investments in Sales and R&D capacity increasing Employee Benefit Expenses
 - 45% of employees (which is majority of cost base) are net new employees with less than 12 months history
- Full revenue impact of a new role in a recurring revenue business model will accumulate over several years

¹ Less of IPO transaction costs in Q1 and Q2 2020

Pexip has started on the next phase of our video communication adventure



*Equity of USD 25m¹ turned into ARR of USD 57m at time of IPO

1) NOK 225m, USDNOK 9.00

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Thank you!

