

Pexip continues strong growth with 54% increase in Annual Recurring Revenue

(Oslo, Norway, 8 April 2021) In this trading update, Pexip Holding ASA ("Pexip", Oslo Børs Ticker: PEXIP) presents its Annual Recurring Revenue (ARR) for the first quarter (Q1) of 2021. In Q1 2021, Pexip increased its ARR with 54% year-on-year to USD 87.2 million, driven by strong sales to new customers.

- Pexip's subscription base measured in ARR reached USD 87.2 million in Q1 2021, up from USD 56.7 million in Q1 2020, representing a year-on-year increase of 54%.
- Of the 54% year-on-year growth in ARR, 50 percentage points (pp) are from new customers and 4 pp are from existing customers. Net revenue retention rate, reflecting the percent of retained revenue from existing customers, was 104% year-on-year, including churn of 9% year-on-year.
- Pexip generated new ARR (delta ARR) of USD 5.4 million in Q1 2021, compared to USD 9.5 million in Q1 2020 and USD 2.0 million in Q1 2019.
- ARR from Pexip's Self-hosted Software reached USD 51.7 million in Q1 2021, up 39% year-on-year, while ARR from Pexip as-a-Service reached USD 35.5 million, up 82% year-on-year.
- The company is on track to reach USD 300 million in ARR by 2024.

"I am pleased with the performance of the team in Q1, delivering continued strong growth. It is particularly good to note our ability to attract new customers, which is evidence of our attractive product offering for demanding enterprise and public sector customers. We are on track to reach our ARR target of USD 300 million by 2024, and we have recently seen a solid development in our pipeline, as large organizations are starting to plan for their return to the office in a post-pandemic world. This new normal will require video communication solutions that Pexip is particularly well positioned to offer. I am also pleased to see early market traction of our recent technology innovations, with both the first Private Cloud customer as well as the first Epic healthcare customer in Q1", said Pexip CEO, Odd Sverre Østlie.

Key Contracts Awarded in Q1

New South Wales Health, Australia

Pexip has secured a new contract with New South Wales Health in Australia to enable virtual healthcare visits based on Pexip's Self-hosted Software. The value of the contract is USD 2.4 million over three years (USD 800,000 per year).

UK Foreign, Commonwealth & Development Office

Pexip won its first contract with the Foreign, Commonwealth & Development Office, a UK Government department, to enable its videoconferencing equipment to interoperate with Microsoft Teams. Pexip will deliver its Pexip as-a-Service Enterprise Room Connector, which enriches standard-based videoconferencing equipment with a range of features including Microsoft Teams Interoperability and One-touch Join. The value of the contract is above USD 1 million over three years.

Honeywell, USA

Pexip secured its first contract with Honeywell, the American Fortune 500 conglomerate, for Pexip's Self-hosted Software. Honeywell will use Pexip to enable their video rooms with features such as Microsoft Teams Interoperability and One-Touch-Join.

Pexip Health and Epic Integrations

Building on Pexip's long-standing work in the healthcare space, Pexip Health was launched in February. Pexip Health allows healthcare providers to extend the reach of their practice by providing secure, easy-to-join video visits for patients from any device or location. Pexip also announced the launch of native integration with Epic, the world's largest electronic health record system. Epic is currently used by more than 250 million patients worldwide and this integration makes it easier for patients and healthcare providers to conduct video visits that fit seamlessly into their daily workflow. In Q1, Pexip signed new customers with the Epic integration, such as St Antonius Hospital in Amsterdam and Norsk Helsenett SF (Norwegian Health Network).

In addition, Pexip signed several additions to existing contracts with healthcare customers, such as the US Department of Veterans Affairs and Medcom in Denmark, increasing the ARR within healthcare with USD 1.8 million in Q1 2021.

First Pexip Private Cloud customer

Pexip launched Pexip Private Cloud in December 2020, which is an offering targeting the unique needs of large public sector and enterprise organizations. Pexip Private Cloud is a new deployment option for Pexip's videoconferencing platform and combines the best elements of both self-hosted software and software-as-a-service, by allowing organizations to maintain full data control and privacy in combination with ease of management and scale. Pexip secured its first customer, a public sector organization in Q1, and has developed a promising pipeline of prospective customers.

Pexip will present the full Q1 2021 interim report on 6 May 2021.

The information included in this announcement is such that the Company is required to disclose in accordance with the EU Market Abuse Regulation (MAR), and is publicly disclosed in accordance with MAR article 17 and section 5-12 of the Norwegian Securities Trading Act. The announcement is made by the contact person.

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About Pexip | pexip.com

Pexip simplifies complex videoconferencing to empower organizations with face-to-face collaboration, no matter the location or technology. Our scalable platform enables high-quality video meetings, with

enterprise-grade security, and is easily adapted to fit customers' IT requirements and existing infrastructure. This makes Pexip the leading provider for large enterprises and public sector organizations. The solution is sold through 300 channel partners in 75 countries and used in more than 190 countries. Pexip was listed on the Oslo Børs in May 2020.