

Pexip reports 41% year-on-year increase in Annual Recurring Revenue

(Oslo, Norway, July 8, 2021) In this trading update, Pexip Holding ASA ("Pexip", Oslo Børs Ticker: PEXIP) presents its Annual Recurring Revenue (ARR) for the second quarter (Q2) of 2021. In Q2 2021, Pexip increased its ARR with 41% year-on-year to USD 92.7 million.

- Pexip's subscription base measured in ARR reached USD 92.7 million in Q2 2021, up from USD 65.8 million in Q2 2020, representing a year-on-year increase of 41%.
- Of the 41% year-on-year growth in ARR, 40 percentage points (pp) are from new customers and 1 pp is from existing customers. Net revenue retention rate, reflecting the percent of retained revenue from existing customers, was 101% year-on-year, including churn of 10% year-on-year.
- Pexip generated new ARR (delta ARR) of USD 5.5 million in Q2 2021, compared to USD 9.1 million in Q2 2020 and USD 2.4 million in Q2 2019.
- ARR from Pexip's Self-hosted Software reached USD 54.6 million in Q2 2021, up 29% year-on-year, while ARR from Pexip as-a-Service reached USD 38.1 million, up 62% year-on-year.
- Sales pipeline for the second half of 2021 is strong.
- The company is on track to reach USD 300 million in ARR by 2024.

"While organizations all over the world are preparing for hybrid working, delayed office openings have temporarily impacted customer purchasing of digital communication solutions between the office and home workers, resulting in delayed opportunities and thus Q2 sales bookings. However, our salesforce and partners are working intensely with customers to get ready for the new normal, and we see a significant pent-up demand and strong sales pipeline for the second half of 2021. Our increased capacity within sales will also be a positive driver for growth in the months to come", says Odd Sverre Østlie, CEO in Pexip, and continues:

"In Q2 I am particularly happy with the sales to new customers as well as work done on prospective new customers in the pipeline. We saw especially strong sales to public sector organizations as well as first phase deals with some of the largest companies in the world within key verticals, such as B2C retail- and business consultancy providers. We are progressing well on our growth strategy, including our work with strategic partners, and we are on track to reach our ARR target of USD 300 million by 2024."

Key Contracts Awarded in Q2

NVIDIA

Pexip secured a 3-year contract with NVIDIA, a Fortune 500 company and the largest Graphics Processing Unit (GPU) manufacturer in the world. The contract is for Pexip as-a-Service Enterprise Room Connector for Microsoft Teams. The solution will replace NVIDIA's existing video call-control with its video cloud infrastructure, while also delivering a Microsoft Teams cloud video interoperability service.

Global Retailer

Pexip has secured a contract expansion with a global retailer for Pexip's Self-hosted software. Pexip's platform will enable remote advisory calls between this global retailer and its customers. The customer is already attracting more than two billion website visitors per year, and the Pexip solution is part of the customer's digital strategy. The solution is expected to be rolled out from 17 countries to all global locations.

Global Consulting Group

Pexip secured a contract with one of the largest consulting firms in the world with more than 22,000 employees and offices across more than 90 cities. The contract was signed for Pexip as-a-Service Enterprise Room Connector for Microsoft Teams. The customer has grown over the years, with multiple locations and various videoconferencing solutions across their offices around the world. Pexip's One Touch Join and interoperability capability enables the customer to solve the challenge of coherent collaboration between locations, without the hassle of handling multiple videoconferencing technology providers. Pexip was chosen among global competition, for its reliable and predictable service, deployment architecture and for providing the required privacy and security to a customer with strict and complex needs.

Global Oil & Gas Exploration and Production Company

Pexip secured a contract with one of the largest oil & gas exploration and production firms in the world, a Fortune 500 company with more than 87,000 employees. The contract was signed for Pexip's Self-hosted software, including One Touch Join and CVI for Microsoft Teams interoperability, supporting approximately 350 dedicated videoconferencing systems (endpoints). The Pexip solution will be the new call control system providing Outlook scheduling, One Touch Join, Microsoft Teams interoperability and self-hosted control of calendar data. Because of the nature of the business, including a high degree of confidentiality of information across the world, the customer puts strict requirements on security and data privacy. Pexip was chosen for its secure and reliable product offering.

Public Sector Organizations

Pexip is experiencing increased investment in videoconferencing as well as increased confidence from key public service providers. These are organizations Pexip works closely with to build scalable solutions for secure, reliable and flexible video communication for socially critical situations. In Q2, Pexip signed new contracts with several public sector organizations including the UK Foreign, Commonwealth & Development Office for Pexip Software as a Service, a US civilian department, and a military department for Pexip Self-hosted Software, among others. Pexip continued to be a provider of choice for public sector organizations in Q2, building on the ability to deliver top quality software for organizations with exclusively strict requirements within privacy and security.

Pexip will present the full Q2 2021 interim report on August 12, 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.