

Pexip adds USD 7.1 million in Annual Recurring Revenue during Q3 2021

(Oslo, Norway, October 7, 2021) In this trading update, Pexip Holding ASA ("Pexip" or "The Company" Oslo Børs Ticker: PEXIP) presents its Annual Recurring Revenue (ARR) for the third quarter (Q3) of 2021. In Q3 2021, Pexip increased its ARR with 37% year-on-year to USD 99.8 million.

- Pexip's subscription base measured in ARR reached USD 99.8 million in Q3 2021, up from USD 72.8 million in Q3 2020, representing a year-on-year increase of 37%.
- Of the 37% year-on-year growth in ARR, the full 37 percentage points (pp) are from new customers. Net revenue retention rate, reflecting the percent of retained revenue from existing customers, was 100.1% year-on-year, including churn of 10.8% year-on-year.
- Pexip generated new ARR of USD 7.1 million in Q3 2021, compared to USD 7.0 million in Q3 2020 and USD 2.7 million in Q3 2019.
- ARR from Pexip's Self hosted Software reached USD 56.4 million in Q3 2021, up 23% year-on-year, while ARR from Pexip as-a-Service reached USD 43.4 million, up 61% year-on-year.
- The majority of the growth in ARR in Q3 2021 relates to sales to new customers, and part of the growth in ARR is related to customer portfolio acquisition (undisclosed amount due to confidentiality).
- The Company is on track to reach USD 300 million in ARR by 2024.

"Q3 is typically a strong quarter for Pexip in the public and federal sectors and this year was no exception. The Company saw continued interest from key public sector institutions looking for secure solutions for mission-critical communication requiring strict privacy and security. In addition, Pexip's unique interoperability capabilities remains a key selling point for many large organizations. This, together with Pexip's unique self-hosted deployment option, is winning the trust of complex organizations such as The Defense Information Systems Agency (DISA) in the United States. This success is something that we are replicating with other similar customers across the world," said CFO and Interim CEO, Øystein Hem, and continues:

"We have over time seen a strong pipeline, and we are very happy to see this being translated into increased ARR growth in Q3 compared with previous quarters. The outlook is positive for the remainder of 2021 as well, and we are on track to reach our ARR target of USD 300 million by 2024."

Key Contracts Awarded in Q3:

The Defense Information Systems Agency (DISA)

A significant Enterprise Agreement was signed with The Defense Information Systems Agency (DISA) in the United States. The contract is an Enterprise Agreement for one year with options to extend for two more years and it builds on the contract between DISA and Pexip which was originally signed in 2019. This contract demonstrates how Pexip continues to build relationships with key organizations over several years.

DISA is a US Department of Defense (DoD) combat support agency composed of military, federal civilians, and contractors. DISA provides information technology (IT) and communications support to the US President, Vice President, Secretary of Defense, the military services, combatant commands, and any individual or system contributing to the defense of the US.

With the extension, Pexip will provide DISA with self-hosted software that will power their main videoconferencing service, as well as support interoperability with Microsoft Teams. Pexip's technology aligns with DISA's need for customized user interfaces and flexible deployment options

across multiple global time zones and missions. Pexip is JITC-certified, which documents that Pexip is secure and interoperable per the requirements set by the US Department of Defense.

US Department of Labor (DOL)

The United States Department of Labor (DOL) is a cabinet level department of the U.S. Federal government, responsible for occupational safety, salary standards, and benefits.

DOL selected Pexip-as-a-service as its collaboration solution for its new Hybrid Workplace initiative for its almost 18,000 employees. Pexip was chosen for its interoperability capabilities, connecting Microsoft Teams and Google Meet, as well as its One Touch Join functionality, enabling easy connection with all DOL's existing videoconferencing systems.

Leading Central-European Car Manufacturer

Pexip has secured a contract with one of the leading Central European car manufacturers. The contract was signed for Pexip Self-hosted software supplying both Pexip meetings, Microsoft Teams interoperability and One Touch Join functionality. Pexip will provide an integrated platform for its multiple locations and various videoconferencing solutions around the world. Pexip's One Touch Join and interoperability capability enables the customer to solve the challenge of coherent collaboration between locations. Pexip was chosen for its reliable and high-quality software, deployment architecture and for providing the required privacy and security to a customer with strict and complex needs.

EU Institution

Pexip has secured a contract with a central EU institution. The contract was signed for Pexip's Self-hosted software, including Cloud Video Interoperability (CVI) for Microsoft Teams interoperability. 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 due to its secure and reliable product offering.

Pexip will present the full Q3 2021 interim report on November 11, 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.