

Pexip delivers strong revenue growth and solid profitability in Q4 2020

Oslo, Norway, 11 February 2021 - The video communications provider, Pexip, today presented its quarterly results for the fourth quarter and full year 2020.

Q4 2020

Pexip's subscription base measured in Annual Recurring Revenue (ARR) reached USD 81.9 million in Q4 2020, up from USD 47.2 million in Q4 2019, representing an increase of 73%. The growth was driven by a range of important customer wins both in the enterprise segment and in the public sector, such as a record deal with the US Defense Health Agency at approximately USD 2 million in ARR. At the same time the percent of retained revenue from existing customers, was 114% year-on-year, including churn of -10% year-on-year.

"I am happy to report a strong Q4 2020 with record high revenue and solid profitability, providing strong momentum into 2021. We are well on track to reach our target of ARR of USD 300 million by the end of 2024 as companies and public entities are preparing for the complex requirements of a post Covid-19 hybrid working environment, and where secure, efficient, and flawless video conferencing systems will play an essential role. This is at the core of Pexip's offering, and our investments in increased sales capacity and R&D has resulted in a range of important new contracts during the quarter, said CEO of Pexip Odd Sverre Østlie.

Pexip has rolled out several important new product launches during Q4 2020.

"I am very excited about our newest launches such as Pexip Private Cloud and the Pexip Room cooperation with Logitech. We are also launching an important partnership for telehealth in collaboration with Epic, and more will come. 2021 will be an active year in terms of product enhancements," said Odd Sverre Østlie.

Revenue in Q4 was NOK 229.0 million, up 96% from NOK 116.9 million in Q4 2019, driven by higher revenues from the Infinity software platform to new customers, and strong revenue growth from the cloud solution.

Cost of sales in Q4 was NOK 16.5 million, reflecting a gross margin of 93%, up from NOK 4.4 million in Q4 2019 due to higher usage of the cloud service, resulting in higher hosting and network costs.

Reported EBITDA in Q4 was NOK 49.5 million, reflecting a 22% margin, up from NOK 32.0 million in Q4 2019. Strong sales in the quarter resulted in solid profitability in a period with high investments into ARR growth, according to strategy.

Full Year 2020

For the full year 2020, Pexip grew revenue by 83% to NOK 678.5 million from NOK 370.0 million in 2019.

Cost of sales was NOK 42.6 million in 2020 compared to NOK 18.8 million in 2019, reflecting a 94% gross margin for 2020.

Reported EBITDA was NOK 55.6 million in 2020, compared to NOK 76.3 million in 2019. Adjusted for IPO expenses, EBITDA in 2020 was NOK 103.4 million, reflecting a 15% margin.

Pexip is focusing on expanding sales and R&D capacity, and finished 2020 with a total of 361 employees, up 98% from the end of 2019.

Webcast presentation

The fourth quarter results for 2020 will be presented in a live video webcast Thursday, 11 February at 17:00 CET.

The presentation will be held in English by Odd Sverre Østlie (CEO), Øystein Hem (CFO) and Nicolas Cormier (COO).

Please register using this form: <https://www.pexip.com/q4-2020-results-webinar>

Questions can be submitted to IR@pexip.com.

This information is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act

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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.