

Pexip adds USD 6.6 million in Annual Recurring Revenue during Q4 2021

(Oslo, Norway, January 10, 2022) In this trading update, Pexip Holding ASA ("Pexip" or "The Company" Oslo Børs Ticker: PEXIP) presents its Annual Recurring Revenue (ARR) for the fourth quarter (Q4) of 2021. In Q4 2021, Pexip increased its ARR with 30% year-on-year to USD 106.4 million.

- Pexip's subscription base measured in ARR reached USD 106.4 million in Q4 2021, up from USD 81.9 million in Q4 2020, representing a year-on-year increase of 30% or USD 24.6 million for 2021 full year.
- Of the 30% year-on-year growth in ARR, 29 percentage points (pp) are from new customers. Net revenue retention rate, reflecting the percent of retained revenue from existing customers, was 101% year-on-year, including churn of 9.7% year-on-year.
- Pexip generated new ARR of USD 6.6 million in Q4 2021, compared to USD 9.1 million in Q4 2020 and USD 4.4 million in Q4 2019.
- ARR from Pexip's Self hosted Software reached USD 58.8 million in Q4 2021, up 20% year-on-year, while ARR from Pexip as-a-Service reached USD 47.6 million, up 45% year-on-year.
- The acquisition of Skedify, announced on November 8, 2021, accounted for slightly more than USD 0.9 million of the growth in ARR.

"I am pleased to report continued strong growth for Pexip in 2021, having increased our subscription base with USD 6.6 million in Q4, and USD 25 million in ARR during 2021. For Q4, I am particularly satisfied with the reduction in year-on-year churn which is now back below 10%, and to report that we landed some significant new customers. We experienced growth across all our core business pillars, however, the video infrastructure area is negatively impacted by the limited use of offices and delays in the roll-out of new video rooms. This is due to the renewed Covid-19 restrictions, as well as delays in our customers' video hardware deliveries due to chip shortages. As presented at Pexip's Capital Markets Day in December, moving into 2022, we have redefined our strategy to focus specifically on the three main business areas where Pexip has clear competitive differentiators – video infrastructure, critical meetings and video enablement. We feel confident that executing on this renewed focus and capitalizing on the growth investments made in 2020 and 2021 will enable us to deliver on our ambitions to return to positive EBITDA during 2023 and reach USD 300 million in ARR by the end of 2024," said Interim CEO and CFO, Øystein Hem.

Key Contracts Awarded in Q4 included:

The US Federal Reserve

The US Federal Reserve is the central bank of the United States. Its purpose is to promote the effective operation of the U.S. economy and, more generally, the public interest. For the Federal Reserve, data sovereignty and privacy were key components in their decision to utilize Pexip as their critical meetings video platform.

Charter Communications

Charter Communications is an American telecommunications and mass media company. With over 26 million customers in 41 states, it is the second-largest cable operator and the fifth-largest telephone provider in the United States, with 100,000 employees across North America. The company currently uses Pexip primarily as a disaster recovery communication platform, and their CXOs rely heavily on video for their day-to-day business. Pexip was chosen for its ability to be deployed in their many data centers across the US and made immediately available as a failover service. Charter Communications views Pexip as a mission critical disaster recovery platform.

GM Financial

GM Financial is a global provider of auto finance solutions and is the wholly owned captive finance subsidiary of General Motors, with operations in North America, South America, and Asia. The company chose Pexip to facilitate communication between different video platforms and for the sustainability aspect that Pexip provides, allowing them to make the most of their existing video hardware, and manage it more effectively without needing to deploy extra internal resources.

Technip Energies

Technip Energies is a leading Engineering & Technology company for the energy transition, with leadership positions in Liquefied Natural Gas (LNG), hydrogen and ethylene as well as growing market positions in blue and green hydrogen, sustainable chemistry, and CO2 management. The Company operates in 34 countries and has 15,000 employees. The company chose Pexip for its Microsoft integration, registration and management of video hardware, and platform flexibility and quality.

Pexip will hold a presentation of the Q4 2021 ARR update today at 08:00 CET. The presentation material is attached. The webcast will be held in English by Øystein Hem (Interim CEO and CFO) and Åsmund Olav Fodstad (President Global Sales & Marketing) at:
https://www.pexip.com/q42021_arr

Pexip will present the full Q4 2021 interim report on February 10, 2022. 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 Øystein Hem.

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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.