

## **Pexip Q1 2022 – Key focus on accelerated return to profitability**

Oslo, Norway, May 12, 2022 - The video communications provider, Pexip Holding ASA ("Pexip" or "The Company", Oslo Børs Ticker: PEXIP), today presented its quarterly results for the first quarter of 2022, showing revenue of NOK 222.5 million, a growth of 24 percent year-on-year and EBITDA margin of -23%, affected by the company's significant investments in future growth.

As previously communicated, Pexip is accelerating its return to positive financial results, and targets a return to positive EBITDA in Q4 2022 and for the full year 2023. Pexip's new CEO, Trond K. Johannessen, took the reins on April 20.

"The Covid 19 pandemic has changed the videoconferencing market landscape. Organizations across the globe have started to see the full potential of a video-enabled world, not just for internal company communication but also for mission-critical applications and high-security meetings. Video has become an integral part of many organizations' operations, strategies, and workflows. Pexip has created a focused strategy built on its core technology strengths to take advantage of these opportunities, and we are uniquely positioned to succeed. In order to do this in the most effective way, the Company needs to adapt its organizational structure to be able to better execute on the defined strategy and capitalize on the identified growth opportunities. At the same time, Pexip needs to reduce its overall cost level to accelerate the Company's return to profitable growth. Doing so will ensure a return to positive EBITDA in Q4 2022 and for the whole year of 2023. I am excited to have taken over as Pexip's CEO on April 20, and I am truly impressed with the capabilities of Pexip's technology and people as well as the high-caliber customers we serve. I look forward to working with the team to fully implement the planned changes that will fuel Pexip's return to profitability and future growth," said Trond K. Johannessen, Pexip CEO.

### **Q1 2022 – Key Figures**

Pexip's subscription base measured in Annual Recurring Revenue (ARR) reached USD 105.6 million in Q1 2022, up from USD 87.2 million in Q1 2021, representing an increase of 21%, driven by higher sales from both product areas, Pexip self-hosted software and Pexip as-a-Service.

Key highlights for the quarter include:

- Pexip's ARR reached USD 105.6 million, reflecting a 21% growth year-on-year
- ARR was reduced quarter-on-quarter by USD 0.8 million. Underlying ARR growth was USD 1.2 million, adjusted for a change in pricing model with a strategic partner. This change is expected to drive more than USD 4 million ARR growth during 2022
- Revenues were at NOK 222.5 million, 24% growth year-on-year, driven by both product areas
- EBITDA was at negative NOK 51.8 million, representing a negative 23% EBITDA margin compared to a negative 30% EBITDA margin in Q1 2021
- Non-recurring cash outflows of total NOK 147 million for share buyback and portfolio purchases drove extraordinary negative cash flow in the quarter. Current cash reserves considered sufficient to drive growth and return to profitability
- Net revenue retention rate, reflecting the percent of retained revenue from existing customers, was 95% year-on-year, including churn of 9.2% year-on-year. The reduction in net revenue retention rate was driven by a decline in net upsell, which was at USD 3.4 million in Q1 2022

- Pexip closed its first customers through Microsoft Azure marketplace and had a strong momentum within Secure Spaces and in public sector sales in the quarter

**Q1 – key deals included:**

- Västra Götaland Regional Council – Public sector organization in Sweden
- Central European Ministry of Justice
- DLA Piper – Leading multinational law firm
- Significant upsell to US Department of Veterans Affairs – Executive branch department of the federal government

**Analyst consensus estimates**

Every quarter ahead of the earnings announcement, Pexip collects earnings estimates from the equity analysts currently covering the Company. The consensus estimates and the methodology used in preparation of the consensus estimates are published on the Company's IR webpages here:

<https://investor.pexip.com/consensus>.

**Q1 results presentation**

The first quarter results for 2022 will be presented by video webcast on Thursday, May 12, at 17:00 CEST. The presentation will be held in English by Trond K. Johannessen (CEO), Øystein Dahl Hem (CFO), and Åsmund Fodstad (Chief Revenue Officer). Please register using this form: <https://www.pexip.com/q1-2022-results-presentation-registration>. Questions can be submitted to [IR@pexip.com](mailto:IR@pexip.com). The presentation will be streamed via [investor.pexip.com](https://investor.pexip.com).

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

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