

]pexip[

Quarterly Presentation Q1 2024

May 6, 2024

Important notice and disclaimer

These materials have been produced by Pexip Holding ASA (the "Company", and with subsidiaries the "Group"). The materials have been prepared for the exclusive use of persons attending an oral briefing and meeting to which these materials relate given by a representative of the Company and/or persons to whom these materials have been provided directly by an authorized representative of the Company (the "Recipients"). For purposes of this notice, "materials" means this presentation, its contents and appendices and any part thereof, any oral presentation and any question or answer session during or after or in relation to any of the foregoing.

The materials are for information purposes only, and do not constitute or form part of any offer, invitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity. The materials comprise a general summary of certain matters in connection with the Group, and do not purport to contain all of the information that any recipient may require to make an investment decision. Each recipient should seek its own independent advice in relation to any financial, legal, tax, accounting or other specialist advice.

No representation or warranty (expressed or implied) is made as to any information contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements. Accordingly, the Company or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of the materials.

The materials may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Any such forward-looking statements are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. No liability for such statements, or any obligation to update any such statements or to conform such statements to actual results, is assumed.

These materials are not intended for distribution to, or use by, any person in any jurisdiction where such distribution or use would be contrary to local laws or regulations, and by accepting these materials, each recipient confirms that it is able to receive them without contravention of an unfulfilled registration requirements or other legal or regulatory restrictions in the jurisdiction in which such recipients resides or conducts business.

This presentation and related materials speaks only as of the date set out on the cover, and the views expressed are subject to change based on a number of factors. The Company does not undertake any obligation to amend, correct or update the materials or to provide any additional information about any matters described herein.

Pexip at-a-glance

2011

founded

293

employees across 25 countries

Niche video conferencing player

Market leading interoperability and secure video meetings provider

Software only

Develop and deliver software and SaaS

Unique tech partnerships

Partner with the global industry leaders to complement their solutions

Serve large organizations

Across enterprise and public sector

\$105 million

in Annual Recurring Revenue (ARR)

Selected Customers



Selected Technology partners



Q1 highlights

Solid Q1 results

- Q1 revenue of NOK 292 million, up 12% y-o-y
- Total ARR at USD 104.8 million, up USD 2.0 million q-o-q
- Adjusted EBITDA¹ of NOK 64 million, cash flow of NOK 105 million

Continued positive development in Connected Spaces

- USD 1.1 million in ARR growth in the quarter for Connected Spaces
- Benefiting from positive market trends, HP|Poly partnership, improved competitive dynamics and product enhancements

Major wins in Secure & Custom with HP|Poly

- Major expansion with the US Social Security Administration together with HP|Poly and large defense organization
- Partnership 1 year anniversary on May 1

Expanding Interop partnerships

- Launched first interoperability service to Zoom-registered rooms
- Starting partnership with Cisco to deliver interop solutions to the US Federal market

Delivering Secure AI

- Pexip is unique in providing AI functionality to self-hosted video platforms, built on NVIDIA partnership
- Target General Availability launch in H2 2024

Financial targets and 2024 outlook

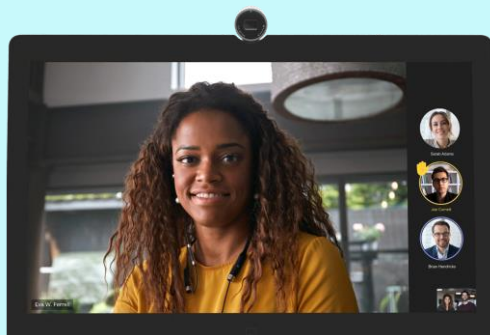
- Medium term we target to consistently deliver above 10% ARR growth and minimum 20% EBITDA
- For 2024 we have the following outlook:
 - 5-10% ARR growth
 - 13-18% EBITDA

¹) Excluding Other gains and losses, e.g., restructuring costs

MISSION

To make seamless video communication available to all organizations regardless of technology platforms and security requirements

Pexip Connected Spaces Video meeting interoperability

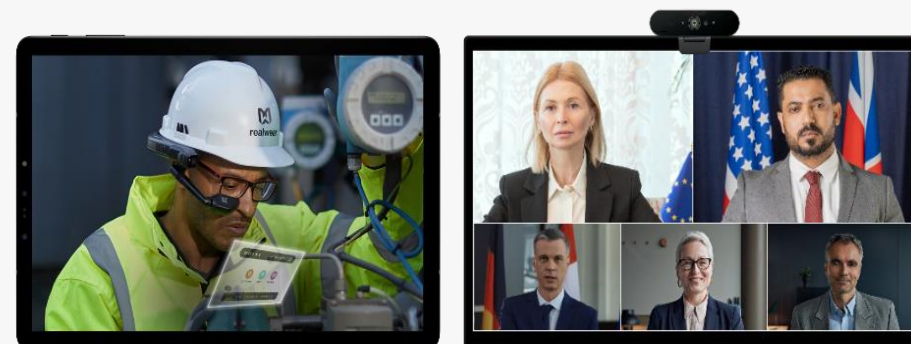


When several video technologies need to work seamlessly together

Selected partners



Pexip Secure & custom Spaces Video meetings for self hosting or private clouds

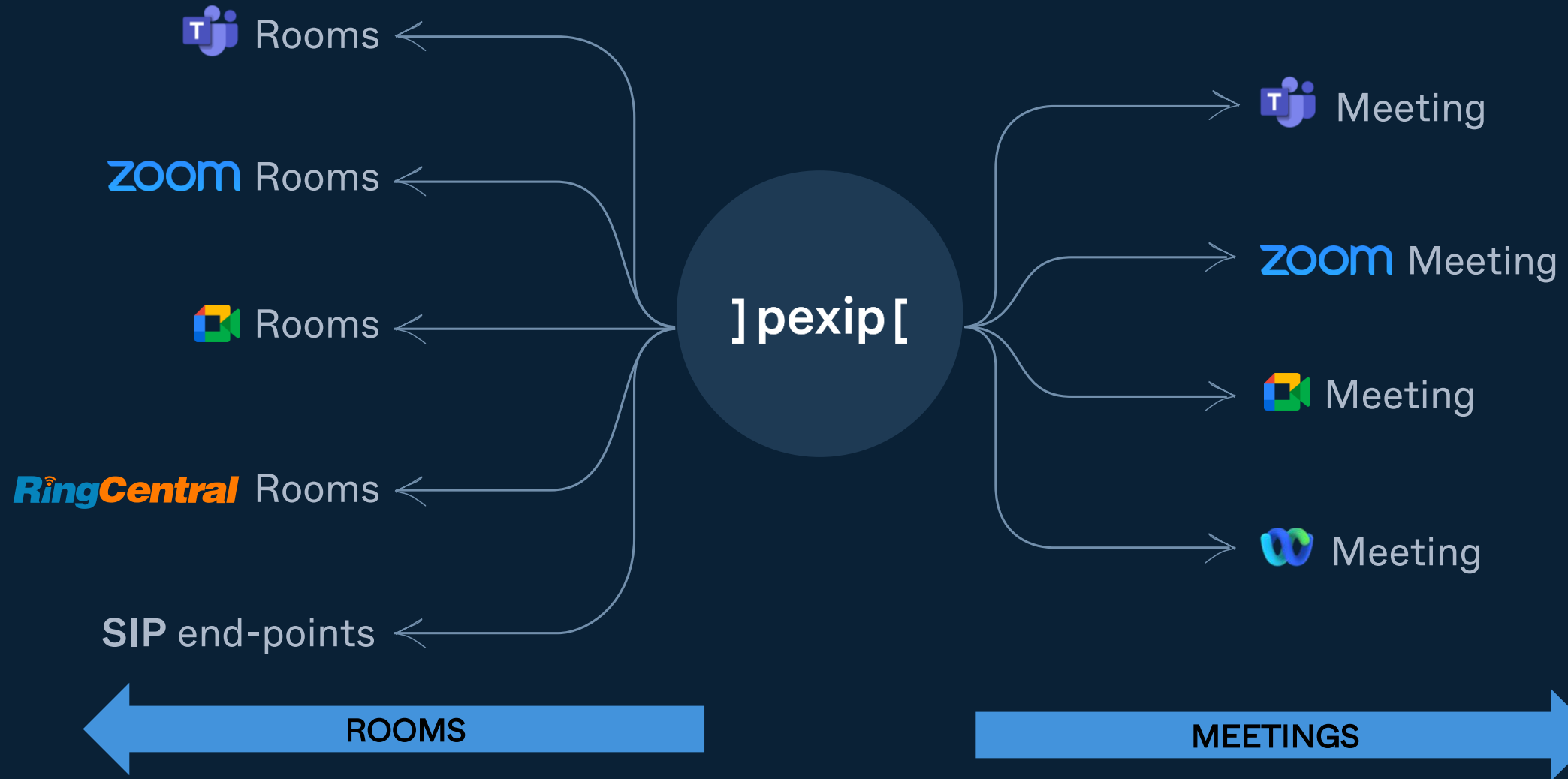


When complete privacy and control over data is required

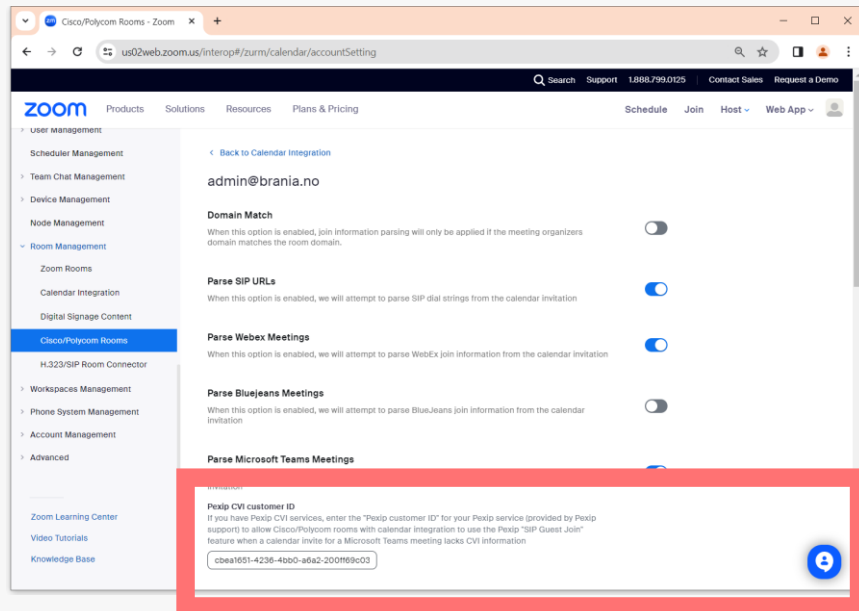
Selected partners



On a journey to connect any meeting room to any meeting



First Zoom interop cooperation - Improving interoperability for Zoom-registered devices



- Have enabled Zoom-registered systems to use Pexip' SIP Guest Join capability
- This enhances the Teams meeting experience for organizations that are primarily using Zoom
- Pexip to drive sales of this capability as an add-on subscription for Zoom Rooms

Starting a partnership with Cisco to deliver Connected Spaces solutions to US Federal customers

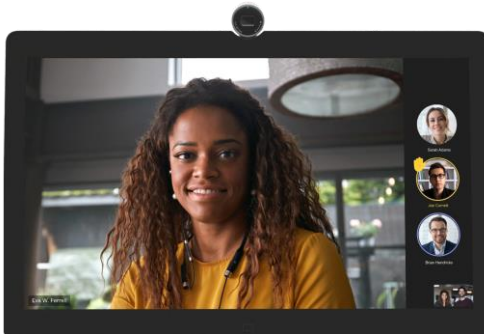


- Scope: Provide Pexip interoperability solutions to U.S. Federal and U.S. Department of Defense customers (focused on GCC High IL4, GCC DoD IL5, and higher environments)
- Fully integrated Pexip and Cisco solutions for seamless operations
- Joint customer activities
- Cisco and Pexip are focused on supporting our joint customers by providing best in class connectivity from any device to any meeting.

MISSION

To make seamless video communication available to all organizations regardless of technology platforms and security requirements

Pexip Connected Spaces Video meeting interoperability

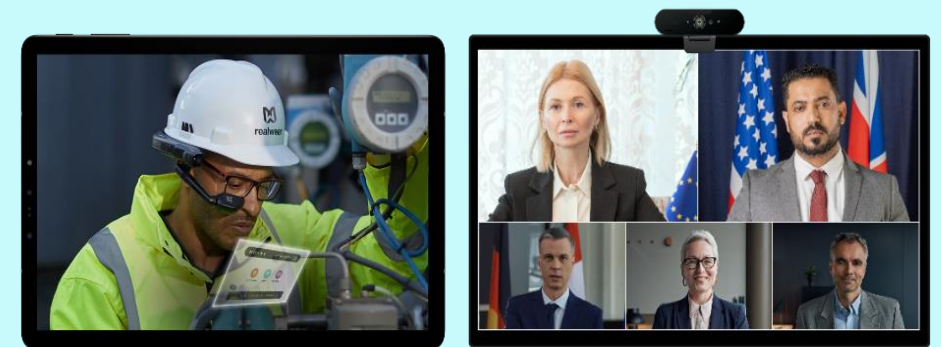


When several video technologies need to
work seamlessly together

Selected partners



Pexip Secure & custom Spaces Video meetings for self hosting or private clouds



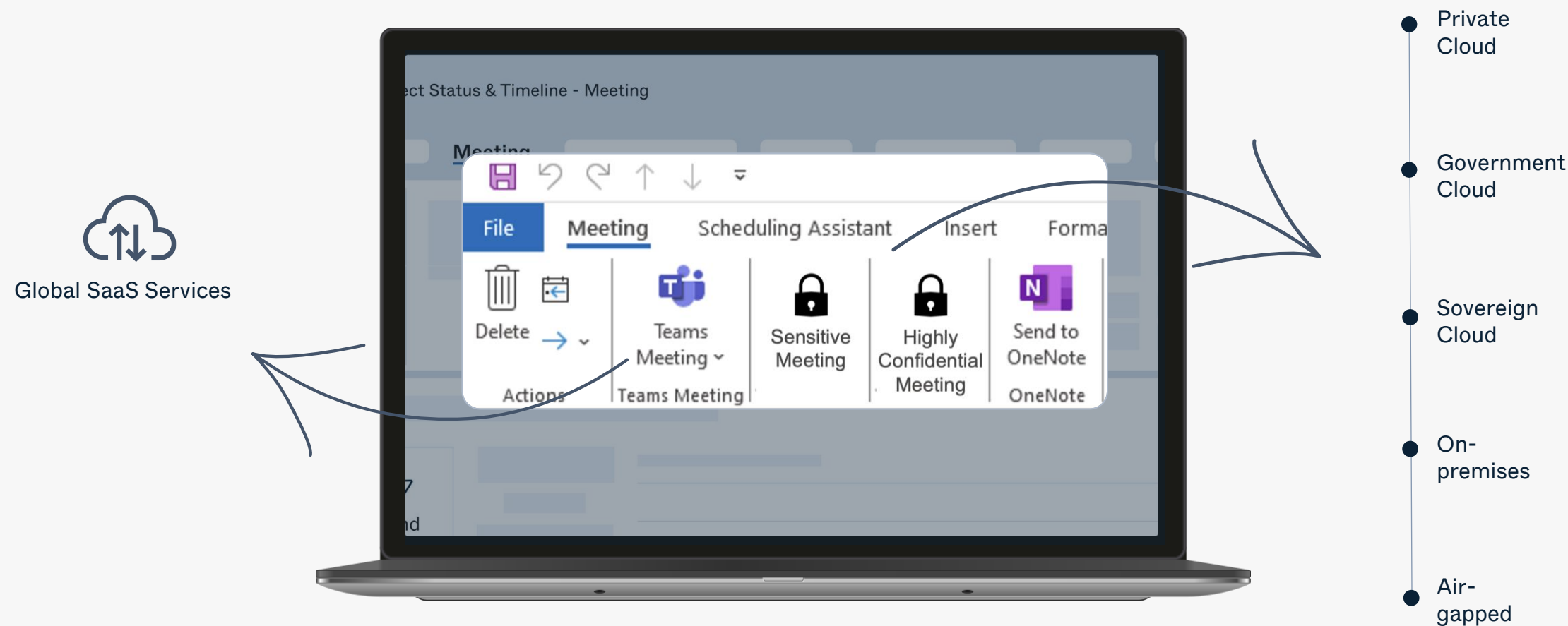
When complete privacy and control
over data is required

Selected partners



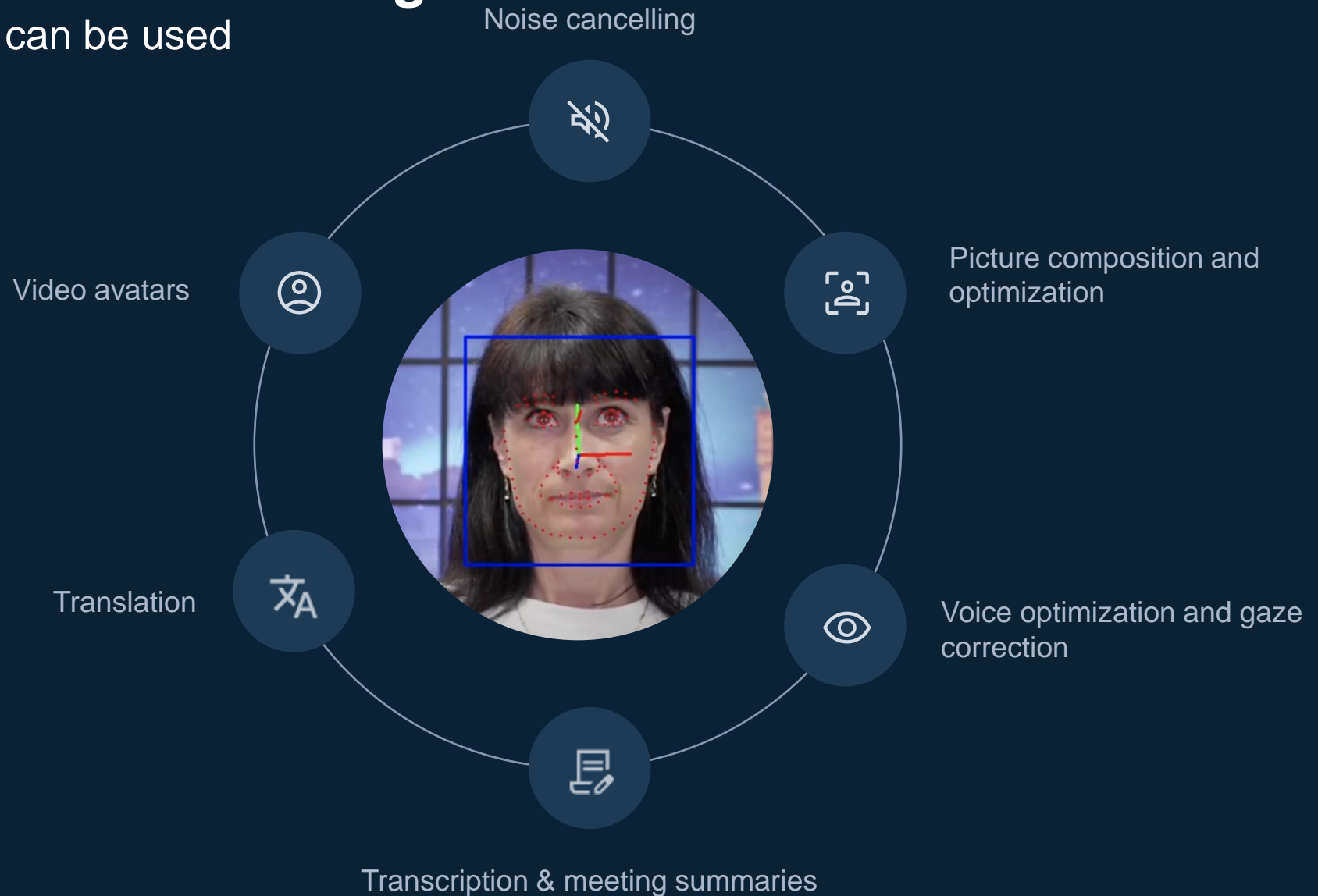
Complementary video services are used to cater to an organization's differing security & privacy requirements

SECURE & CUSTOM SPACES



AI features in Video meetings

Examples of how it can be used



Pexip has a strong partnership with NVIDIA and is one of the pioneer users of their new capabilities

NVIDIA Maxine Developer Platform to Transform \$10 Billion Video Conferencing Industry

Maxine enables developers to easily integrate AI features for creating personalized and engaging video conferencing experiences.

March 18, 2024 by Trisha Tripathi



Share

Reading Time: 4 mins



Video conferencing has allowed many to be productive from anywhere.

Now NVIDIA is boosting the productivity of the developers of video conferencing, call center and streaming applications within the \$10 billion industry by allowing them to easily integrate AI into their workflows.

The new release of the Maxine AI Developer Platform transforms the creation of state-of-the-art, real-time video conferencing applications with features enabling enhanced user flexibility, engagement and efficiency.

Available through the NVIDIA AI Enterprise software platform, Maxine allows developers to tap into the latest AI-driven features — such as enhanced video and audio quality and augmented reality effects — to turn users' everyday video calls into engaging, collaborative experiences.

Expanding Video Conferencing With New Maxine Features

Don't Miss This Transformative Moment in AI

See NVIDIA CEO Jensen Huang's live on-stage keynote

Watch Now

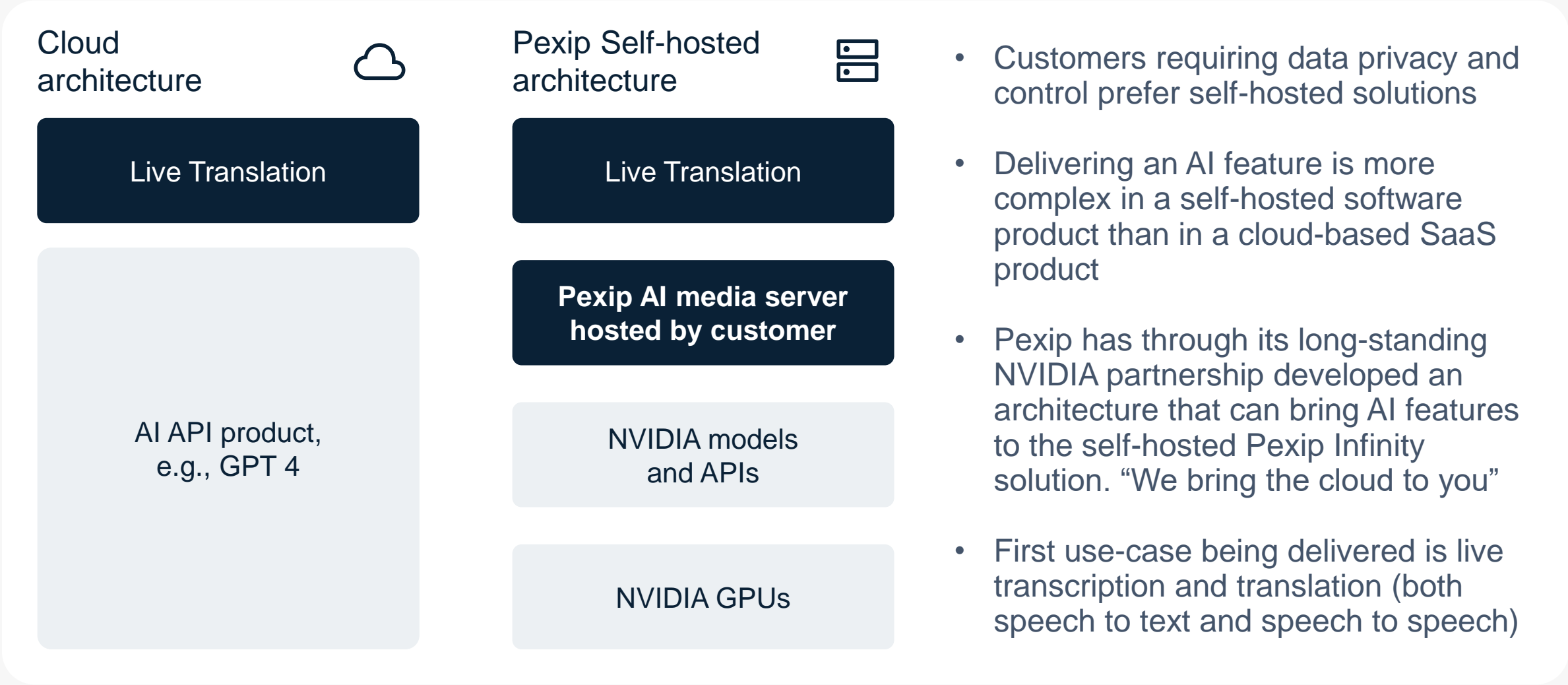


All NVIDIA News

] pexip[+  NVIDIA

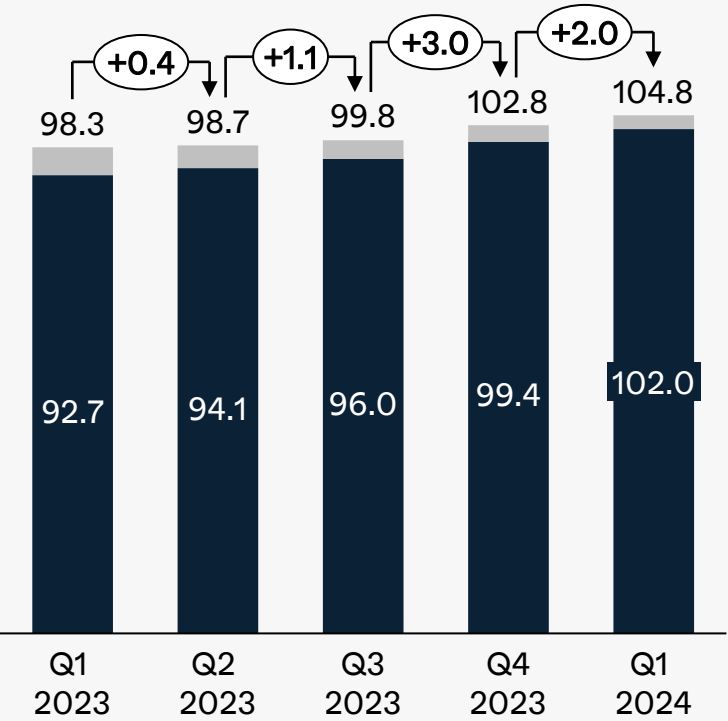
- Pexip is working with NVIDIA to take advantage of their Maxine AI developer platform
- Pexip is featured as one of the early adopters in the NVIDIA press release
- Pexip provides access to NVIDIA's latest technology without a cloud service. "We bring the cloud to you"

Pexip has developed its own AI Media Server architecture to enable new AI features



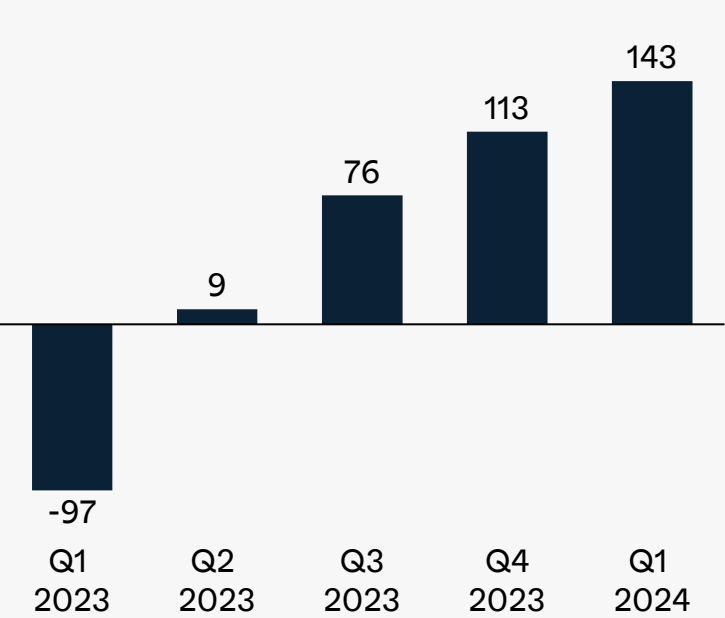
Four quarters of consecutive growth and improved profitability

Total ARR
USDm

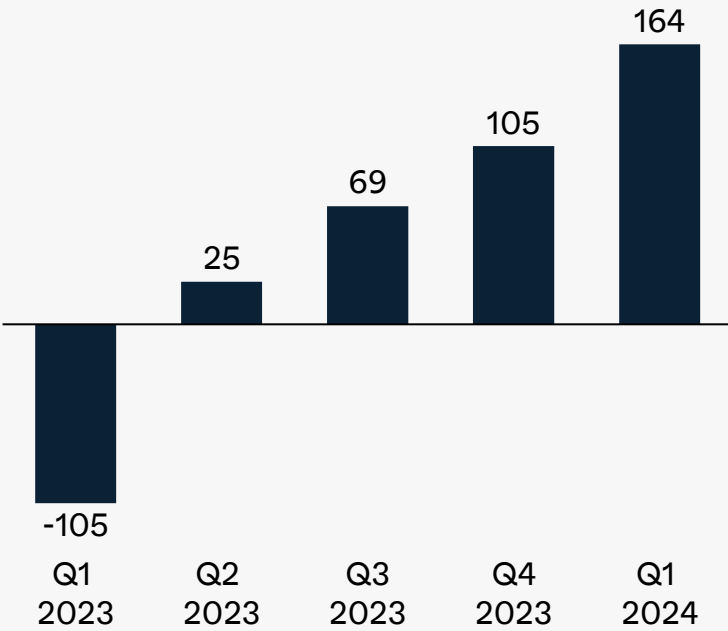


Legacy Underlying ARR

Adjusted EBITDA¹
NOKm, Last twelve months



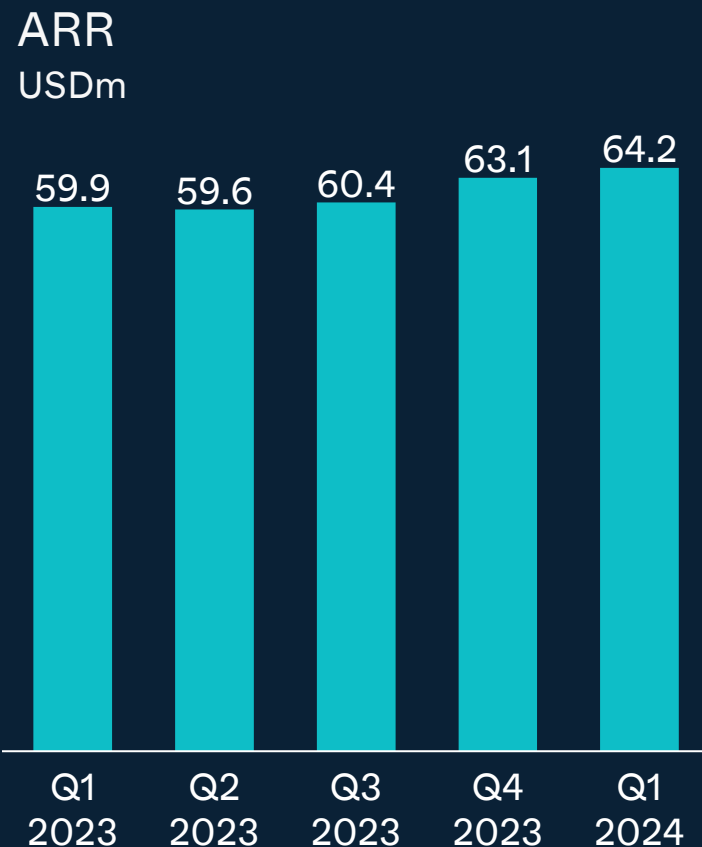
Free Cash flow²
NOKm, Last twelve months



¹ EBITDA less Other gains and losses
² Operating cash flow, investment cash flow and leases

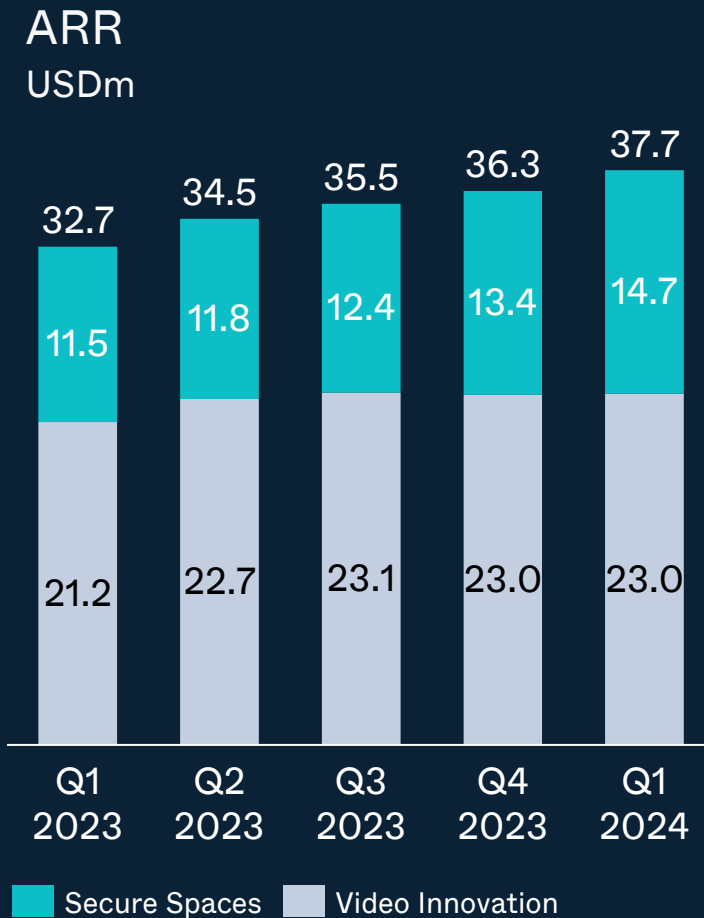
Sales update

Connected Spaces



- Growth in Connected Spaces in Q1 benefiting from improved product differentiation, increasing momentum in Poly|HP partnership and BlueJeans sunsetting their CVI solution
- Seeing increased customer activity on Pexip Connect for MTRs and Zoom
- Won a contract with a leading global airliner to provide Teams interoperability
- Won a contract with a major US software firm to provide Teams interoperability

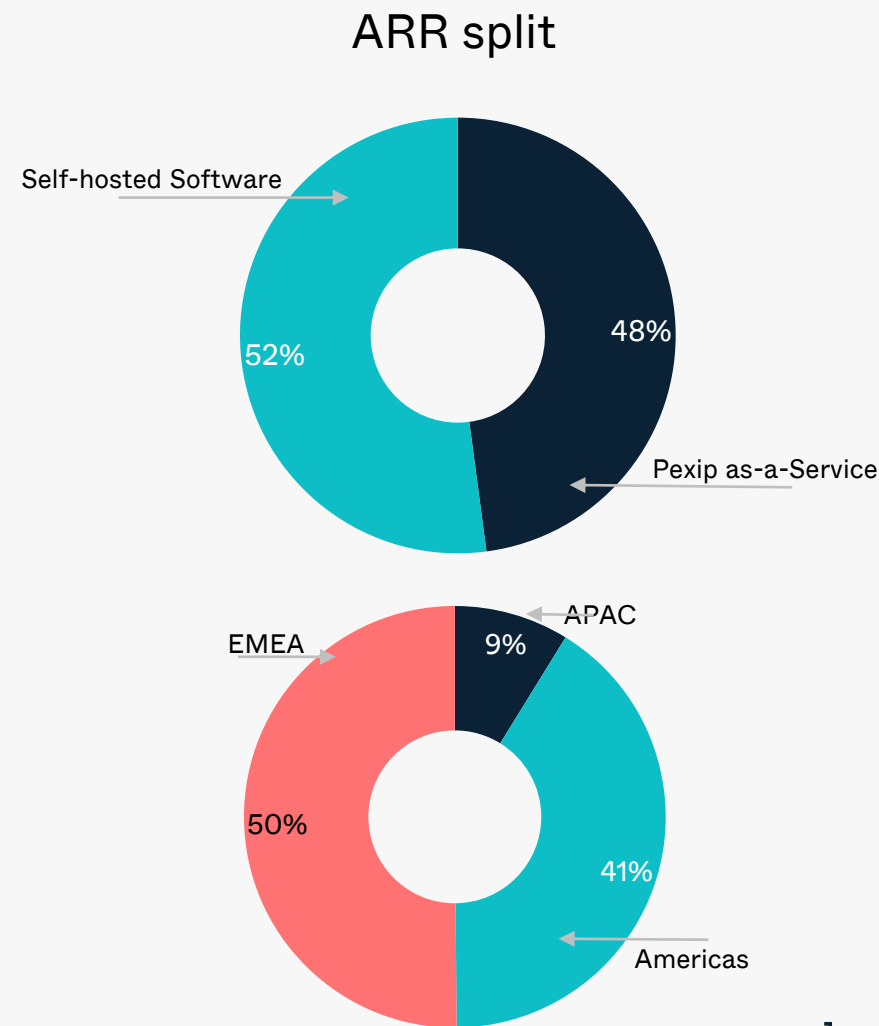
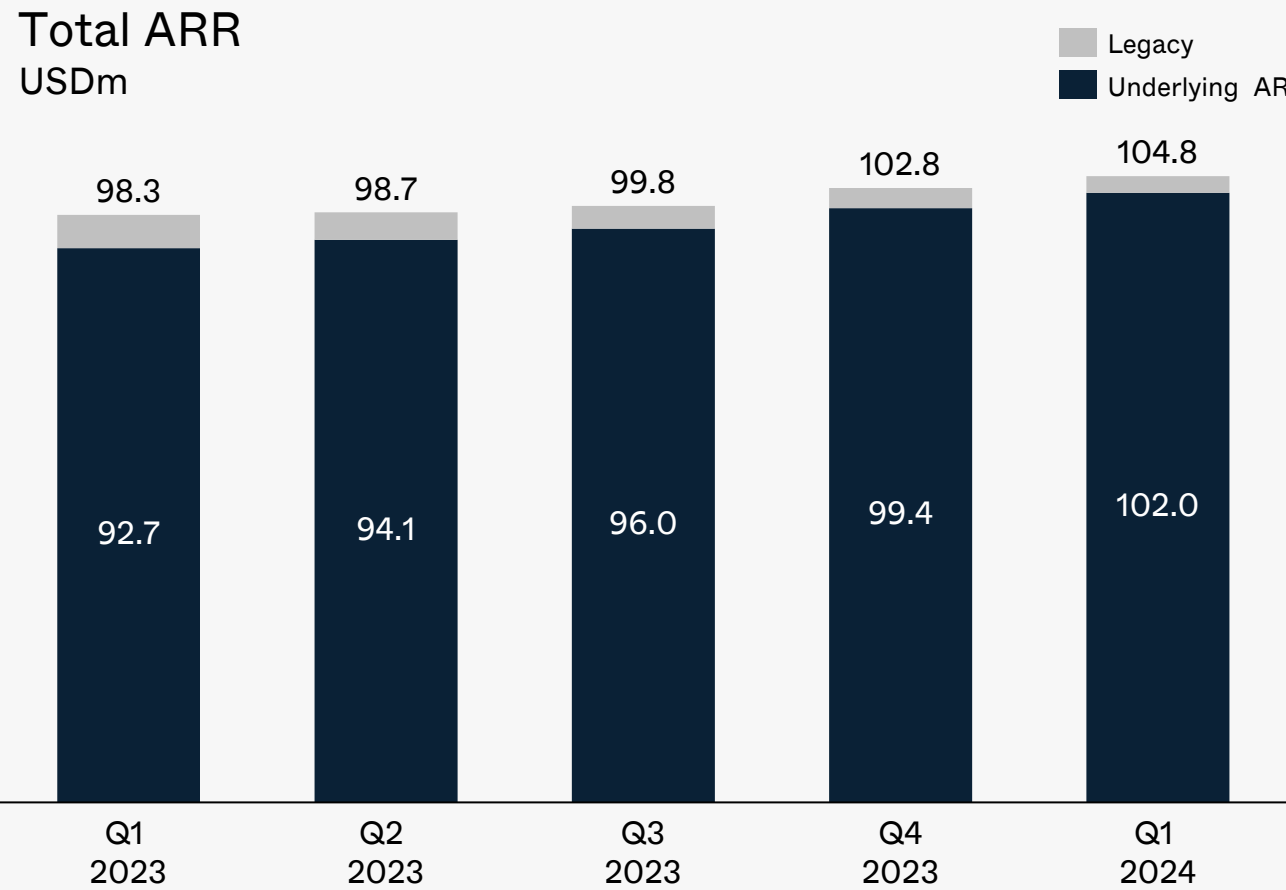
Secure and custom solutions



- Secure and custom solutions growing 4% in Q1 and 15% y-o-y, driven largely by strong upsell across several accounts in Secure and Custom
- Secure spaces was the main source of growth, with 27% growth y-o-y. Significant recent wins include:
 - Secure meetings to a large defense organization
 - Secure meetings to the US Social Security Administration
- Continued strong momentum in the Defence Sector

Financial update

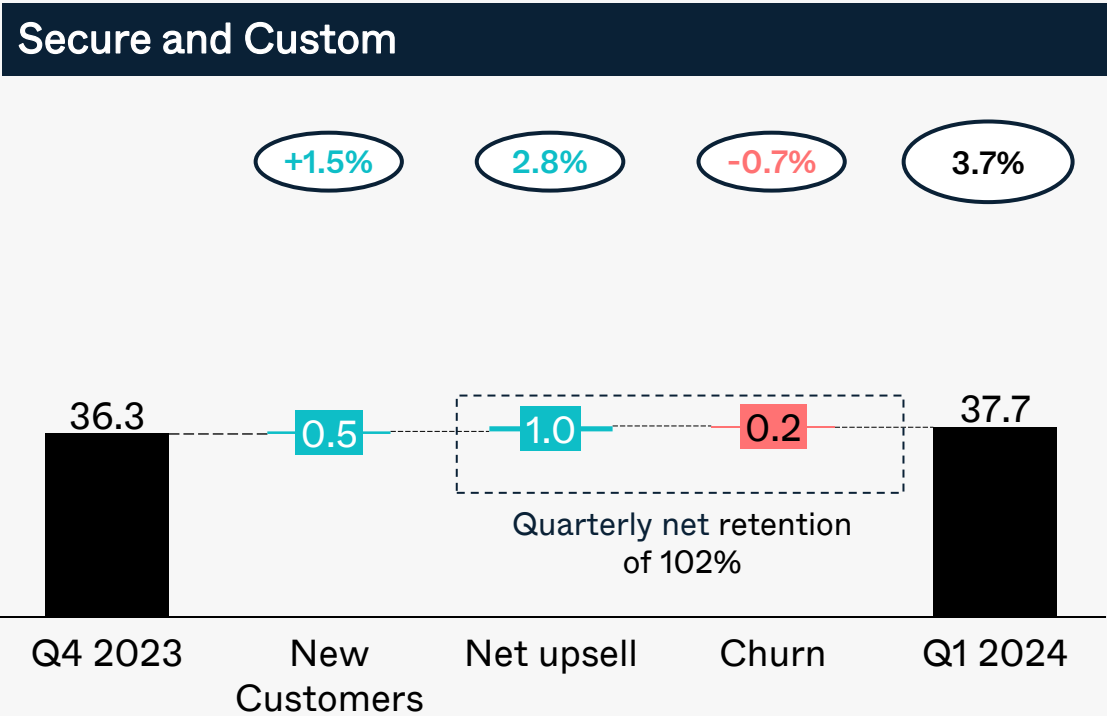
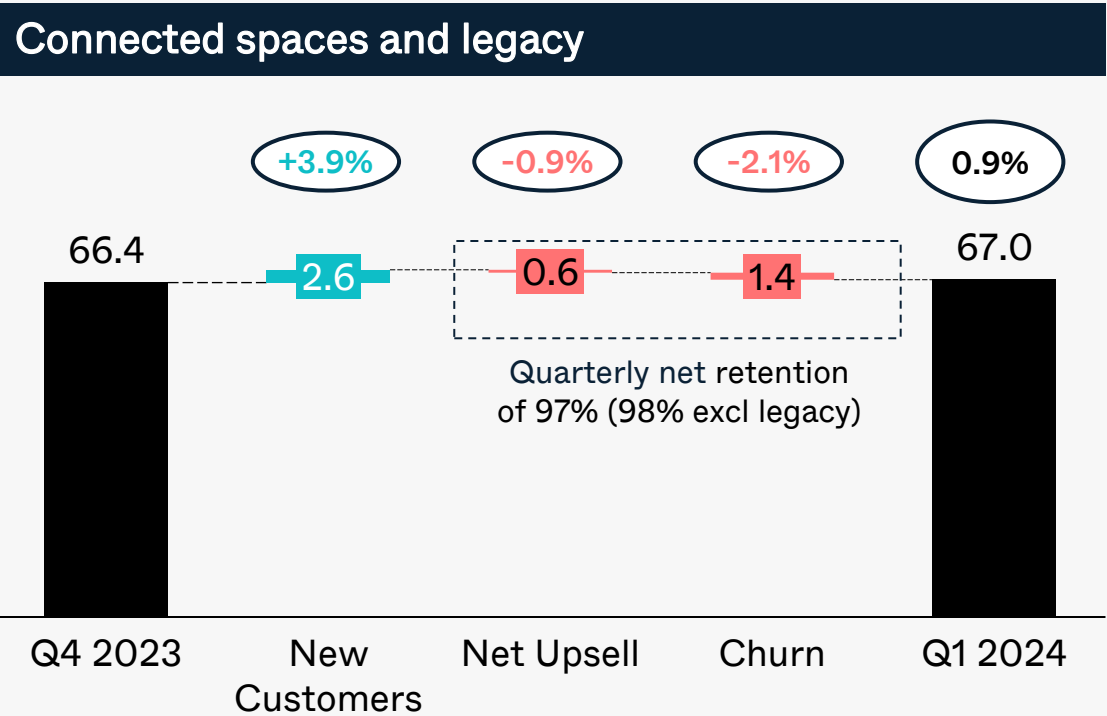
Total ARR base at USD 105m in Q1 2024



Booked Annual Recurring Revenue (ARR) development. Note: Will incorporate legacy in Connected Spaces from 2025

Growth in both business areas

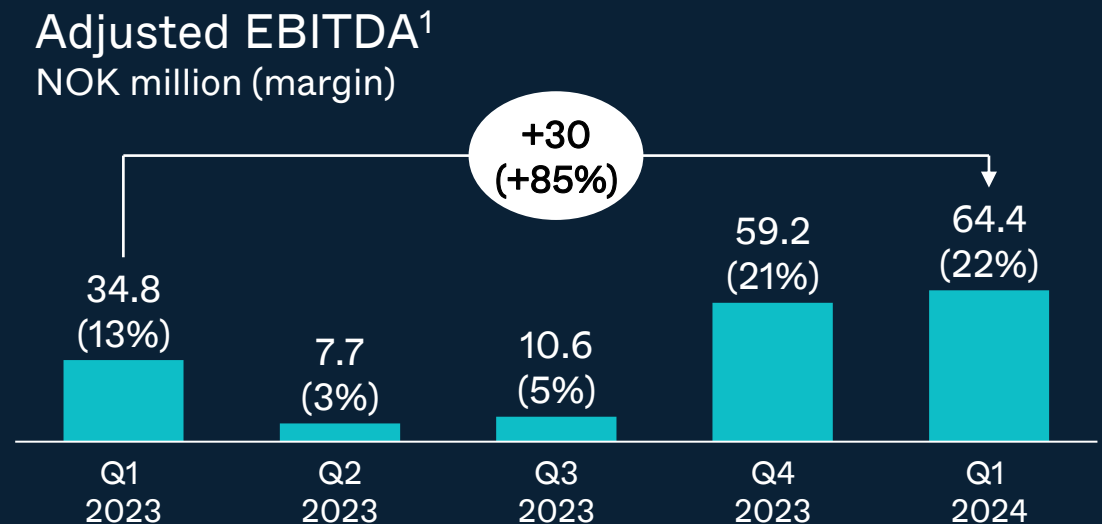
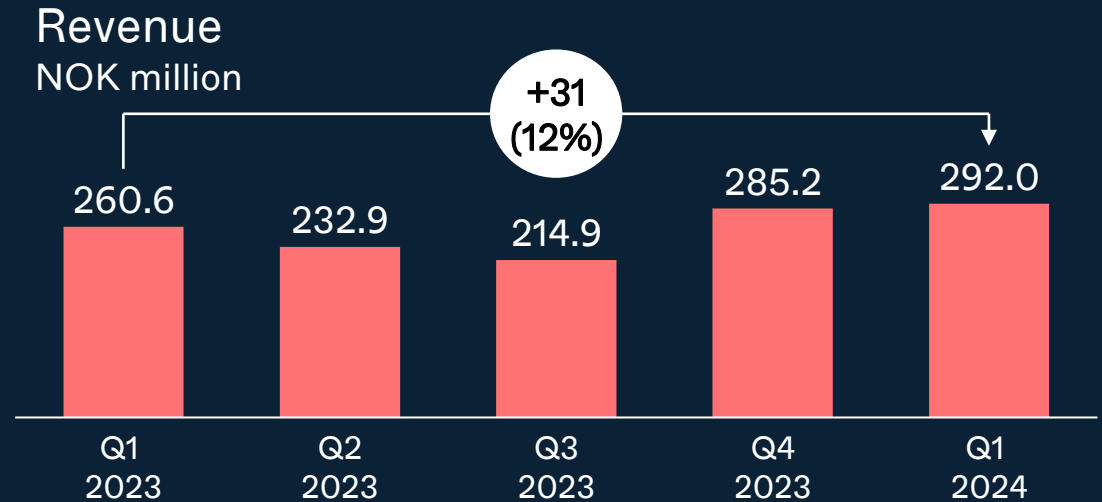
USD million, quarter-over-quarter



- Continued strong net retention in Secure Spaces, in part as major new sales in Q1 were additions to existing customers driving growth – 3.7% quarterly growth/15% annualized
- Reduced churn in Connected Spaces, however, also lower new sales/upsales compared to Q4 2023

Continued improvement in revenue and EBITDA

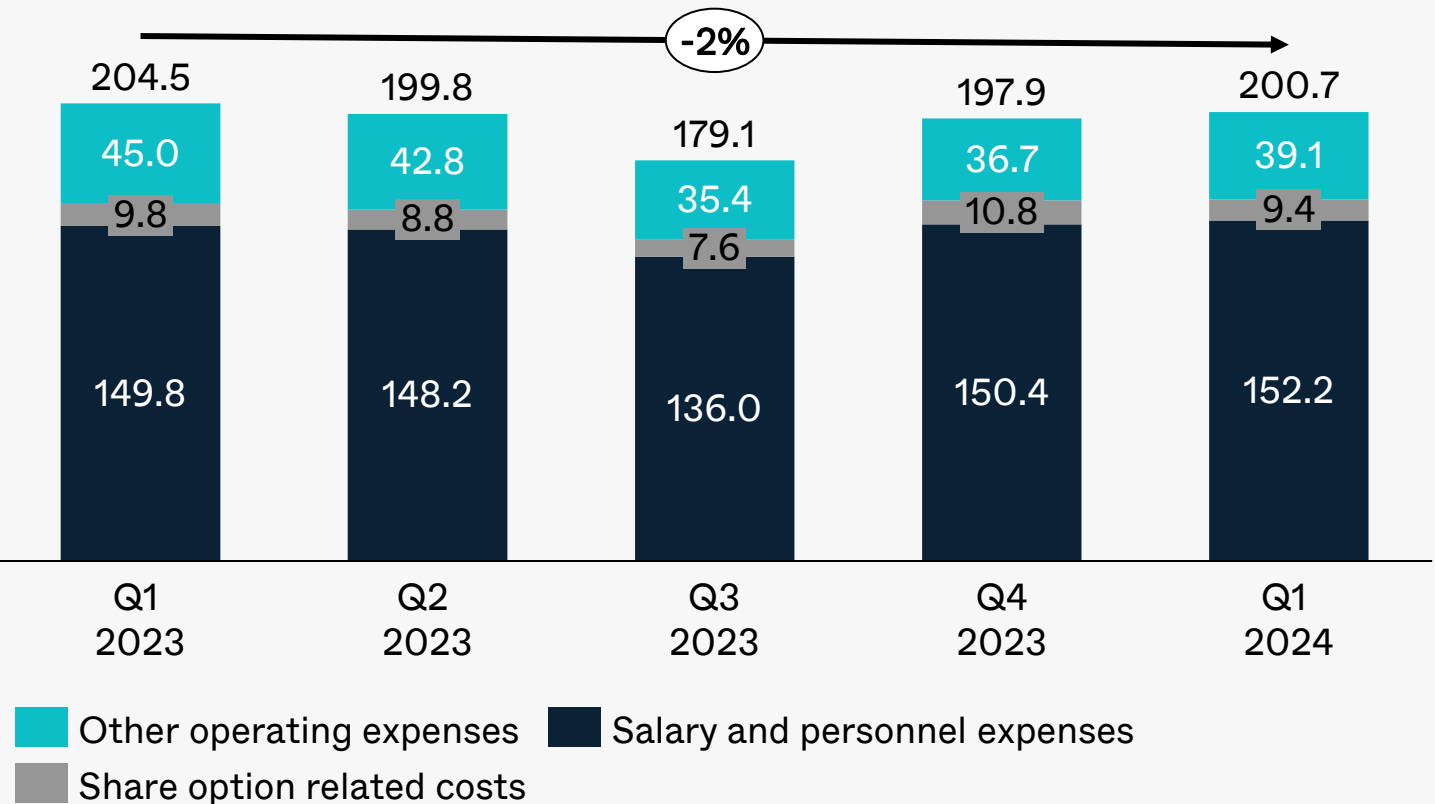
- Positive revenue increase of 12% compared to Q1'23
 - Combination of self-hosted software and as-a-Service driving growth
- Adjusted EBITDA increase of NOK 30 million compared to revenue increase of NOK 31 million
 - Operational improvements keep cost level stable despite inflation



1) EBITDA adjusted for Other gains and losses

Q1 2024 OPEX base 2% below Q1 2023

Quarterly OPEX development
NOKm



Salary and personnel expenses

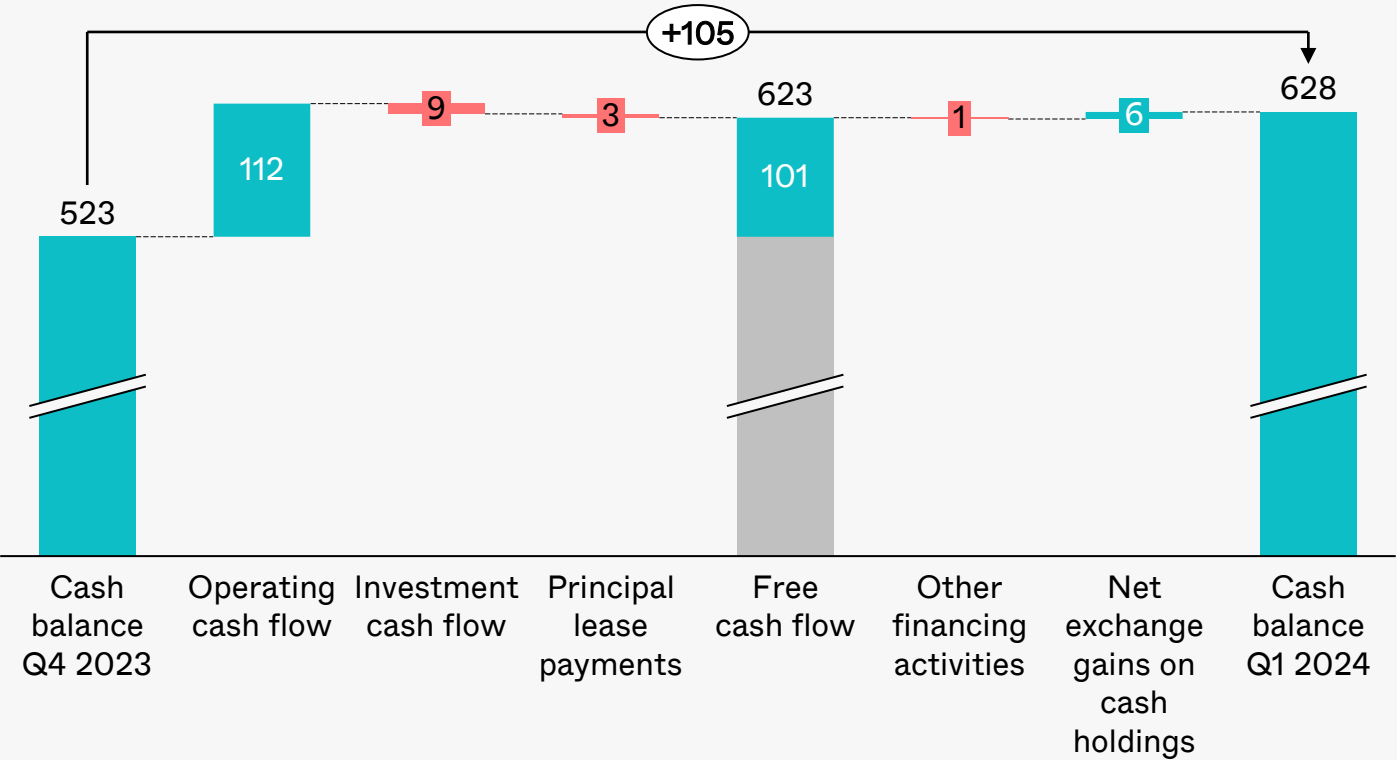
- Stable salary and personnel expenses, with somewhat lower fixed salary and higher variable compensation achievement from stronger sales compared to Q1 2023

Other Operating expenses

- Overall in line with previous quarters, and 13% lower than Q1 2023.
- Reduction mostly from lower consultancy costs compared to Q1 2023

NOK 105 million in positive cash flow in Q1

Cash flow bridge Q1 2024
NOKm



- Positive EBITDA, improved working capital and positive impact of exchange gains contributing positively to Q1 cash flow
- Reduced investment and lease cash flow
- NOK 6 million from exchange gains on cash holdings in foreign currency

Q1 2024 Financial results

Profit and loss

NOK millions

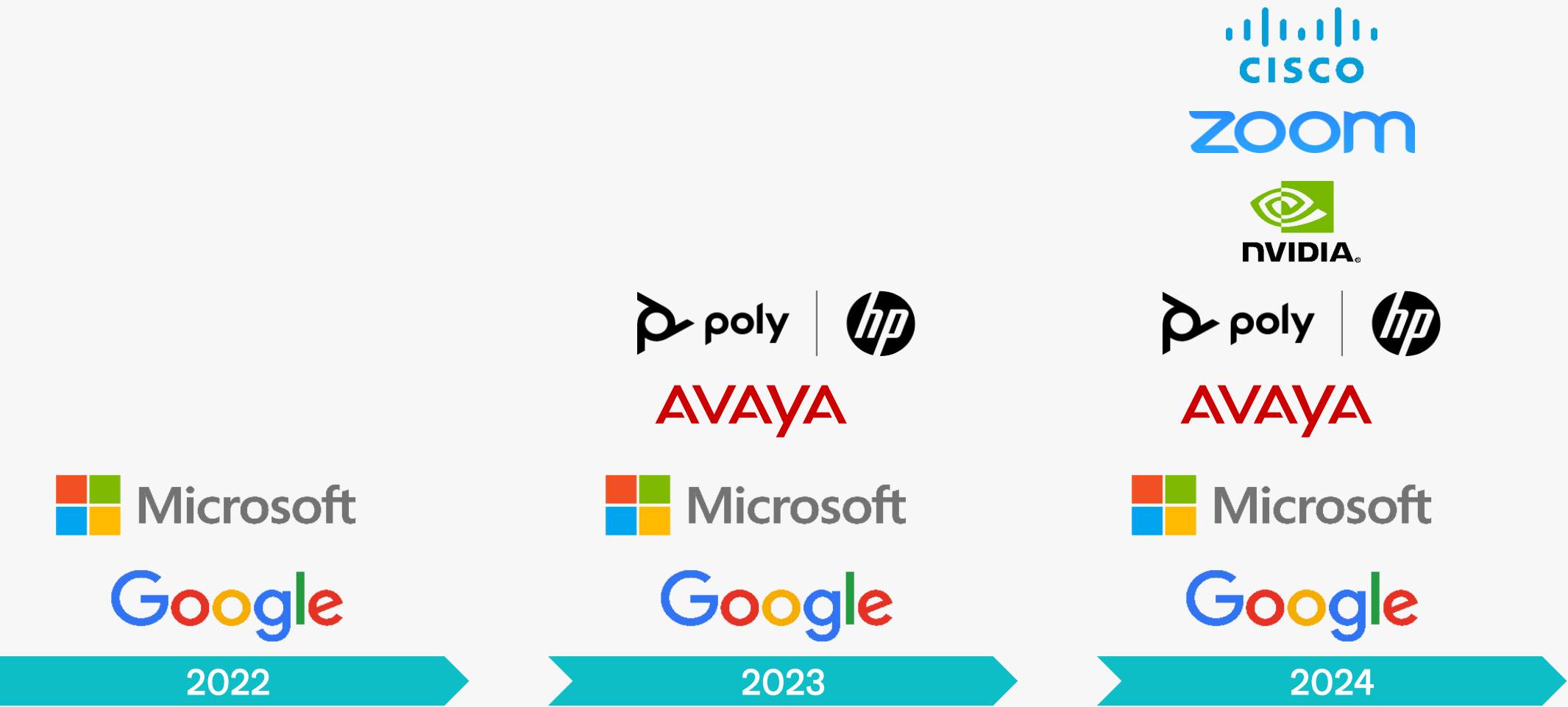
	Q1 2024	Q1 2023	Y-o-Y
Revenue	292	261	31
Cost of goods sold	27	21	6
Gross Profit	265	239	26
Salary and personnel exp.	161	160	2
Other operating exp.	39	45	(6)
Adjusted EBITDA	64	35	30
Other gains and losses	7	(0)	7
EBITDA	58	35	23
D&A	20	29	(9)
EBIT	38	6	32
Net financials	23	26	(3)
Profit/loss before income tax	60	32	29

- 12% increase in year-on-year revenue, driven by stronger Software and Software-as-a-Service revenues
- COGS is mainly relating to sale of Pexip-as-a-Service with the increase being related to increased usage as well as activation of key AI features
- EBITDA excluding other gains and losses of NOK 64 million, NOK 30 million higher than in Q1 2023.
- NOK 7 million in other gains and losses from restructuring supporting long-term cost reductions
- Reduction in D&A in Q1 2024 due to reduction in depreciation of fixed assets and reduced leasing costs
- Reduction in net financials from lower gains from foreign exchange differences

Outlook and targets

Improved ecosystem position going into 2025

Partners with active R&D and/or sales collaboration by year



Note: Not exhaustive list

Market outlook

- Continued positive market outlook across the business areas
- Partnerships expected to continue to drive growth
- Q2 2024 ARR expected 105-108 USD millions

2024 outlook

- 5 to 10% ARR growth
- 13-18% EBITDA¹

Mid-term targets

Consistently deliver:

- Above 10% ARR growth
- Above 20% EBITDA¹

¹) Excluding other gains and losses

Upcoming dates

Q2 2024 Quarterly Presentation

🕒 August 15th , 2024



Q&A

Investor.pexip.com

]pexip[

BACKUP

Supporting materials



]pexip[

Summary of key figures

KPI	Unit	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Y-o-y	Q-o-Q	Comments Q1 2024
ARR									
Connected Spaces	MUSD	59.9	59.6	60.5	63.1	64.2	4.3	1.1	ARR <ul style="list-style-type: none">Delta ARR Q1 of 2 MUSDAnnual ARR growth of 7% p.a. (10% excl legacy)
Secure & Custom	MUSD	32.7	34.5	35.5	36.3	37.7	5.0	1.3	
Legacy	MUSD	5.6	4.6	3.8	3.3	2.8	-2.8	-0.5	
Total	MUSD	98.3	98.7	99.7	102.8	104.8	6.5	2.0	
P&L									
Revenue	MNOK	260.6	232.9	214.9	285.2	292.0	31.3	6.8	Revenues <ul style="list-style-type: none">All time high revenue quarterBenefiting from ARR growth, as well as some currency benefits
Cost of Goods Sold	MNOK	-21.3	-24.4	-25.2	-28.1	-27.1	-5.7	1.1	
Salary and personnel expenses	MNOK	-159.6	-157.0	-143.6	-161.2	-161.4	-1.8	-0.2	
Other OPEX	MNOK	-45.0	-42.8	-35.4	-36.7	-39.1	5.9	-2.4	
Adj. EBITDA	MNOK	34.8	8.7	10.6	59.2	64.4	29.7	5.3	COGS <ul style="list-style-type: none">Up year-on-year from higher traffic usage and roll-out of AI-powered layouts. Somewhat down q-o-q
Other gains and losses	MNOK	0.3	-1.0	-5.7	-4.5	-6.7	-7.1	-2.2	
EBITDA	MNOK	35.1	7.7	4.9	54.6	57.7	22.6	3.0	
D&A	MNOK	-29.1	-42.8	-27.1	-100.0	-19.8	9.3	80.2	
EBIT	MNOK	6.0	-35.1	-22.3	-45.4	37.9	31.9	83.2	Opex <ul style="list-style-type: none">Almost flat y-o-y and q-o-q, with inflation and currency effects from weak NOK balanced out by realized FTE efficiencies
Net Financials	MNOK	25.9	10.1	-3.2	0.4	22.5	-3.3	22.1	
Tax	MNOK	-9.7	5.8	1.2	-13.6	-15.0	-5.3	-1.4	
Net profits	MNOK	22.2	-19.2	-24.2	-58.6	45.4	23.3	104.0	
Cash and cash flow									
Operating cash flow	MNOK	73.4	55.5	(1.7)	50.4	112.3	38.9	62.0	Cash <ul style="list-style-type: none">Strong operating cash flow driving change in cash of NOK 105 million in Q1, and NOK 162 million in 12 months
Investing cash flow	MNOK	(26.2)	(9.2)	(3.4)	(12.5)	(8.7)	17.4	3.7	
Principal lease payments	MNOK	(6.5)	(5.3)	(5.2)	(4.8)	(3.0)	3.5	1.7	
Free cash flow	MNOK	40.7	41.1	(10.3)	33.1	100.5	59.8	67.4	
Cash position	MNOK	465.9	507.7	494.3	522.7	628.1	162.2	105.4	