



Meet the world  
with video communication as it should be

DNB Nordic TMT and Consumer Conference  
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Sept 1, 2021





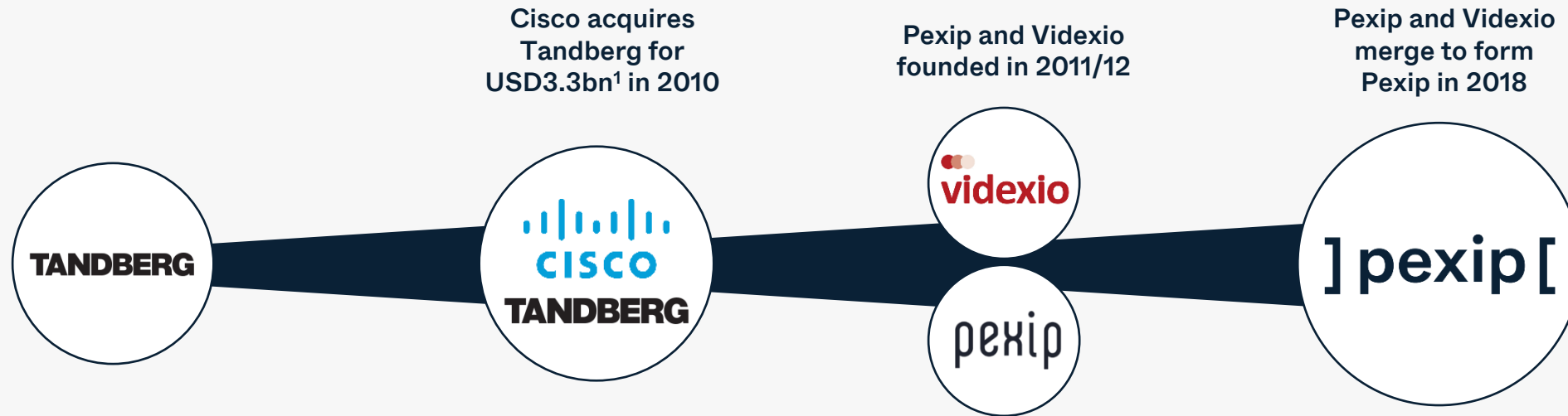
# [pexip]

Video communications as it  
should be



- ✓ Targeting large enterprises and government sector
- ✓ Unique video technology
- ✓ Deep industry partnerships with Microsoft and Google, as well as the top global AV and IT system integrators

# Pexip represents the Norwegian video communication heritage



Pexip represents knowledge, talent and culture built up over 30 years

1) At the time of acquisition



# Large organizations choose Pexip for three main use cases

High-quality video **meetings** with focus on privacy and security



**Vertical** market applications and integrations



Expanding **access** to Microsoft Teams and Google Meet



# Pexip is the preferred choice for large organizations with complex needs



Securely join  
from any device

Secure and  
private video  
connections from  
any device and  
any location



Easily integrate  
with existing  
systems

Possibility to  
connect a mix of  
legacy and  
current video  
conferencing  
systems and  
devices



Customize for  
deep integrations

Tailormade and  
branded  
videoconferencing  
solutions e.g. for  
consumer or public  
facing purposes



High quality video  
meetings

AI optimized  
audio and video  
quality, reducing  
noise and  
distraction,  
improving  
meeting  
experience



Flexible software  
deployment

Self hosted, cloud  
or private cloud  
options bringing  
flexibility, privacy  
and scalability  
depending on  
customer  
priorities

# Pexip's differentiated customer offering is underpinned by unique technology

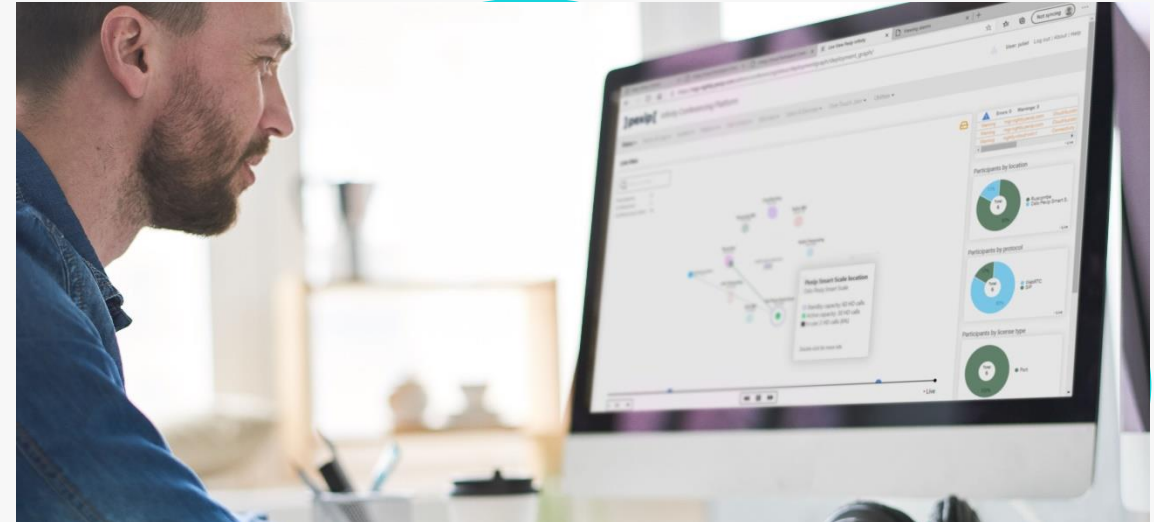
## Smart transcoding



- Proprietary real time media engine
- Unique interoperability
- Unique AI capabilities in the cloud

Rich end-user experience

## Cloud agnostic



- Proprietary technology allows Pexip's experience to be delivered on any existing platform or cloud provider (On-premise, GCP, Azure++)
- Unique data privacy and control
- Unique security capability through by-passing the internet
- Unique customization capabilities

Flexible IT admin experience

# Customers need for video will continue and evolve as they return to the office

Conference rooms



**]pexip[**



Small huddle rooms



Working from home

## The new normal will be hybrid working

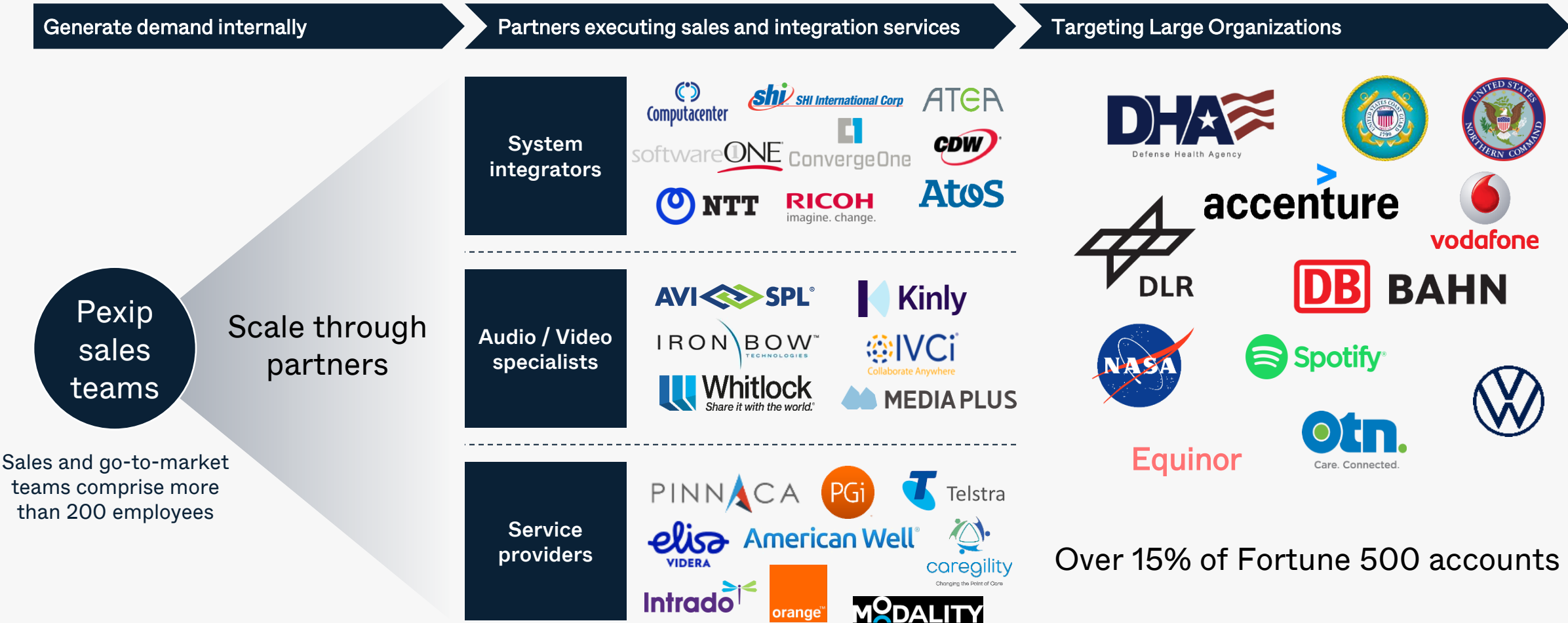
- People combining working from home and the office
- “Every” meeting will be a video meeting
- “Every” room in the office will have a video device
- Need to connect everything from the browser to the board room – internally and externally

## IT organizations will re-evaluate their video solutions

- Given the new normal, are our new needs covered?
- With video being business critical, do we have the right solution(s) relative to our use cases and need for quality, privacy and security?
- Are there opportunities to further digitalize and video enable workflows with our customers or partner?

**Pexip’s technology is uniquely positioned to meet these new customer needs**

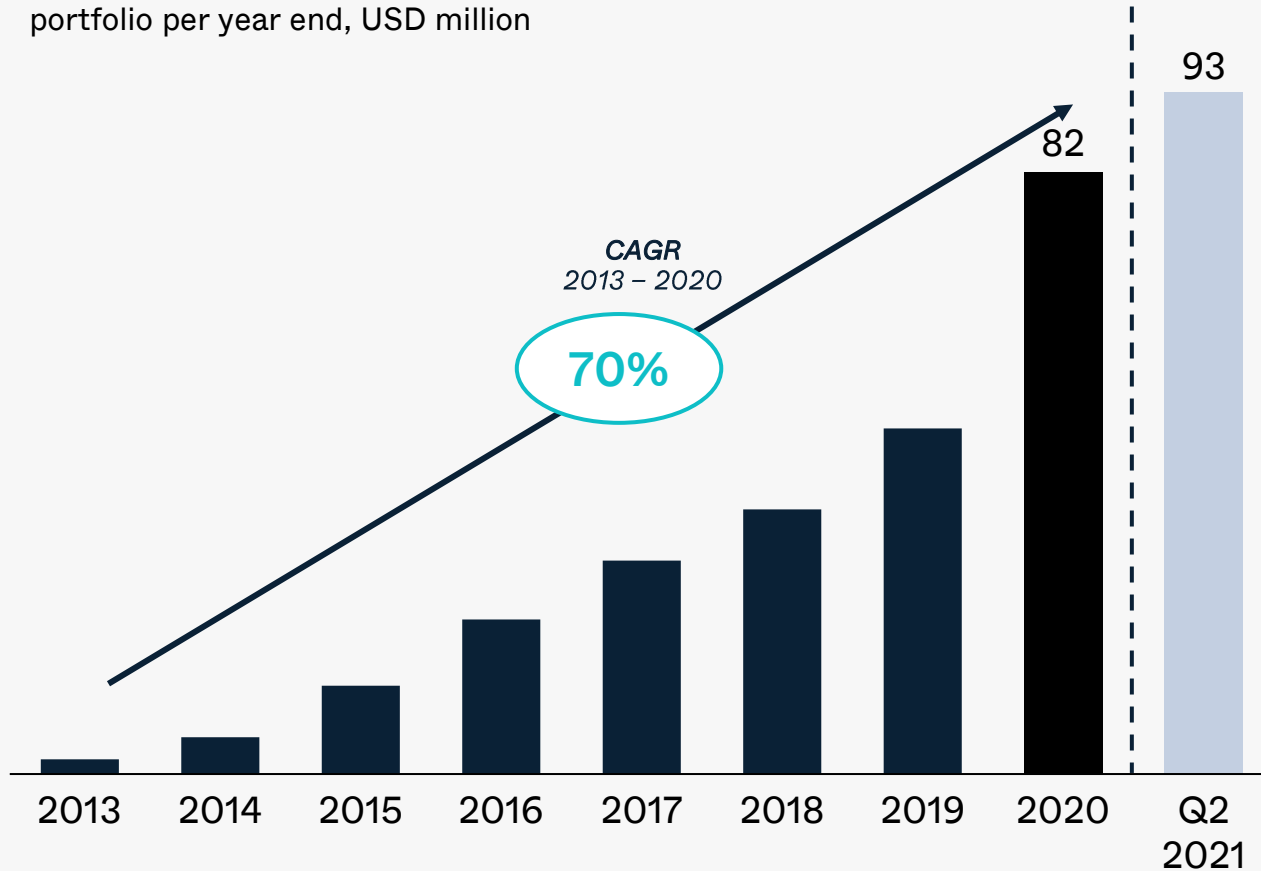
# Pexip's product and go-to-market model designed for large organizations





# Addressing a global market with a recurring revenue business model

Booked Annual Recurring Revenue (“ARR”) portfolio per year end, USD million



- Users in ~190 countries
- Over 300 partners in 70+ countries
- Over 451 employees in 20+ countries
- ~97% of revenue from subscriptions

	EMEA	Americas	APAC
Share of ARR	56%	34%	10%

# Pexip is targeting to reach USD 300 million in ARR by end of 2024

## Revenue growth

ARR of USD 300 million by end-of-2024

## Long-term profitability

2025 EBITDA of +25% with +25% revenue growth

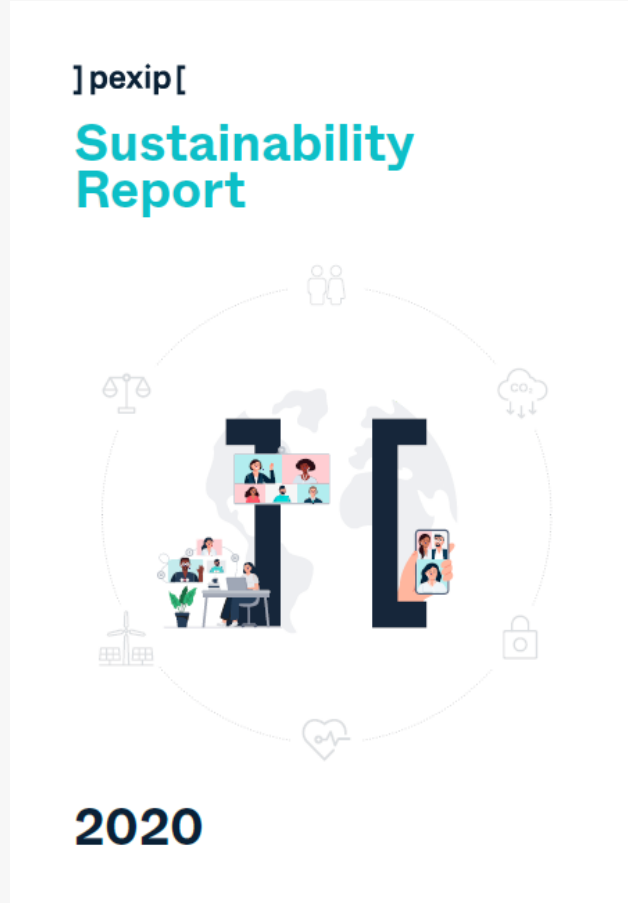
Plan for negative 25-35% EBITDA margin in 2021/2022, neutral to positive EBITDA in 2023

## Market recognition

Recognized leader position in the Meeting Solutions market within 3-4 years

# Clear commitment to ESG

## - Pexip achieves carbon neutrality in Scope 1 and 2



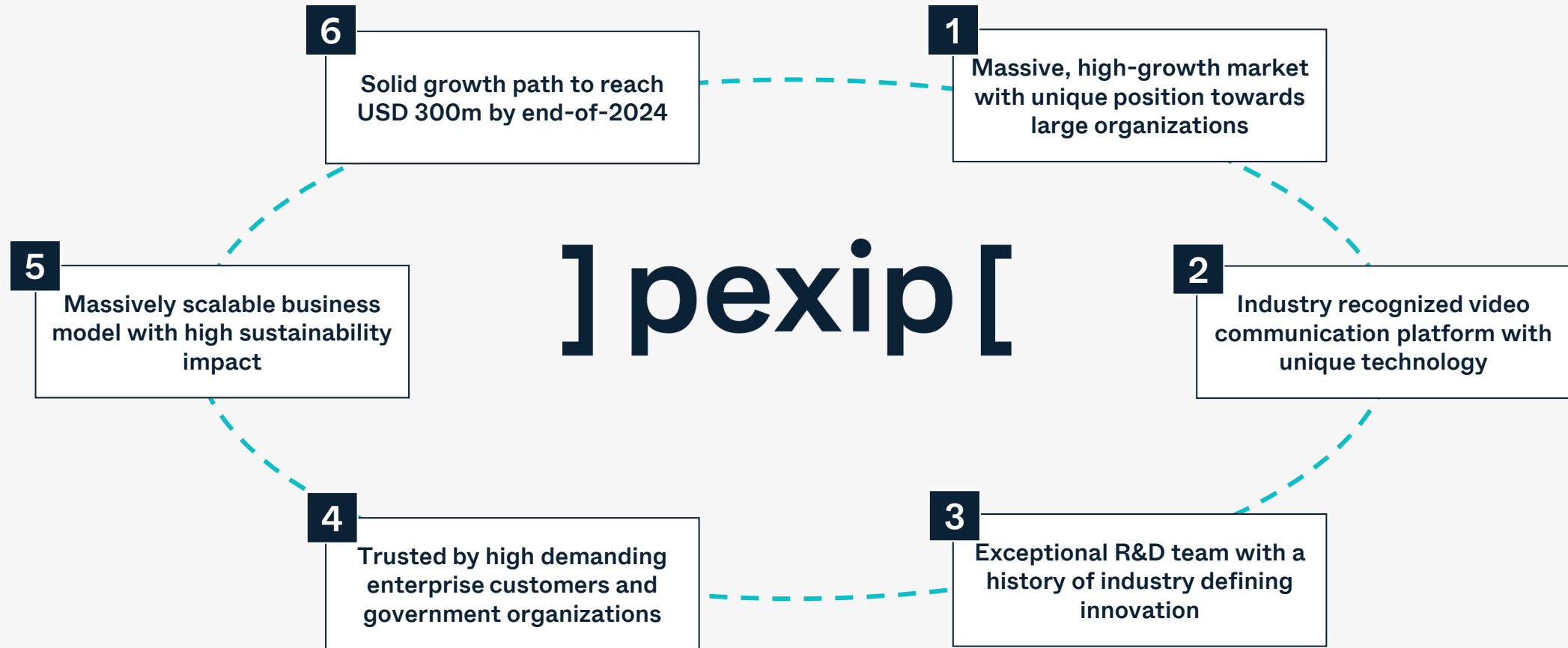
### Pexip is proud to submit its first sustainability report

- Pexip has identified material topics using the GRI standards and met the Sustainability Accounting Standards Board (SASB) disclosure requirements for Software and IT Services
- Greenhouse gas emissions and energy use is one of the material topics which is key to both customers and other stakeholders,
  - Important driver for adoption of videoconferencing solutions
  - Important criteria in assessing Pexip as a vendor


### Pexip achieves carbon neutrality and commits to Paris agreement

- Pexip has through reviewing existing business and suppliers documented its scope 1 and scope 2 emissions and is through purchased carbon credits has become carbon neutral in Scope 1 and Scope 2.
- Building on this first step, Pexip will further set a GHG emission reduction target covering all direct and indirect emissions in 2021 in line with the Paris agreement and ICT industry commitments.

# Solid growth path to long-term value creation







# Operational Updates from Q2 2021

# Pexip continues to win the trust of new large enterprises and public organizations

## Selected by a range of large organizations

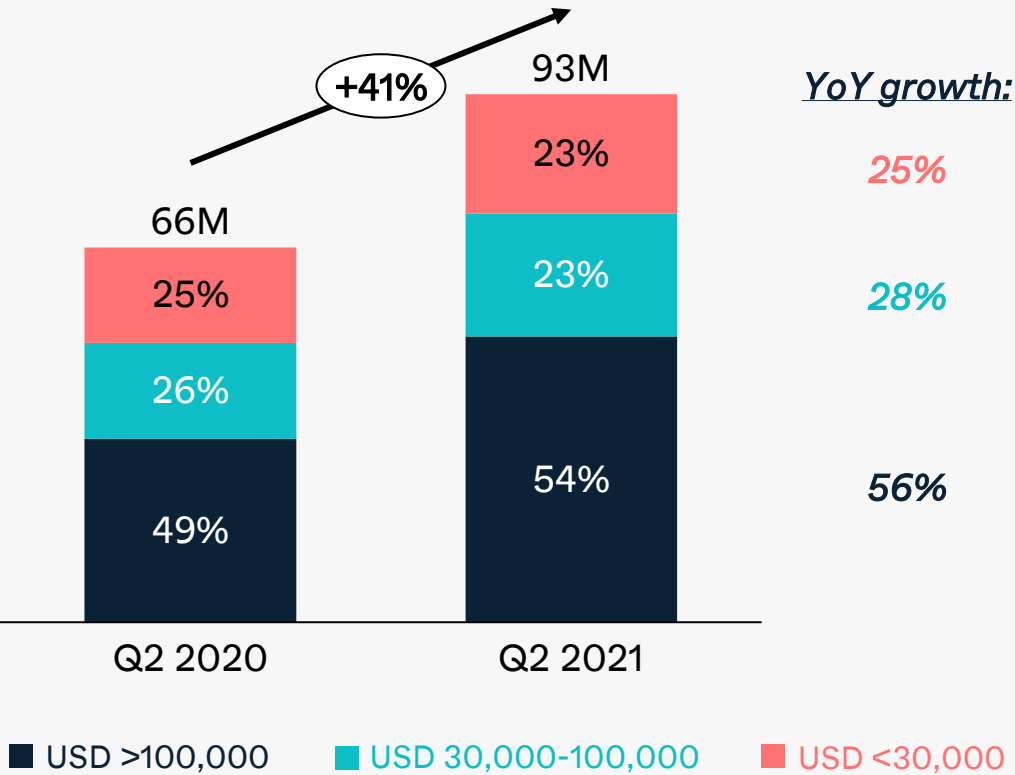
Selected customer wins in Q2 2021



Added 5 new Fortune 500\* customers in Q2  
Currently ~15% of Fortune 500\* as customers

## Large organizations driving growth

Share of ARR by account size in ARR, USD

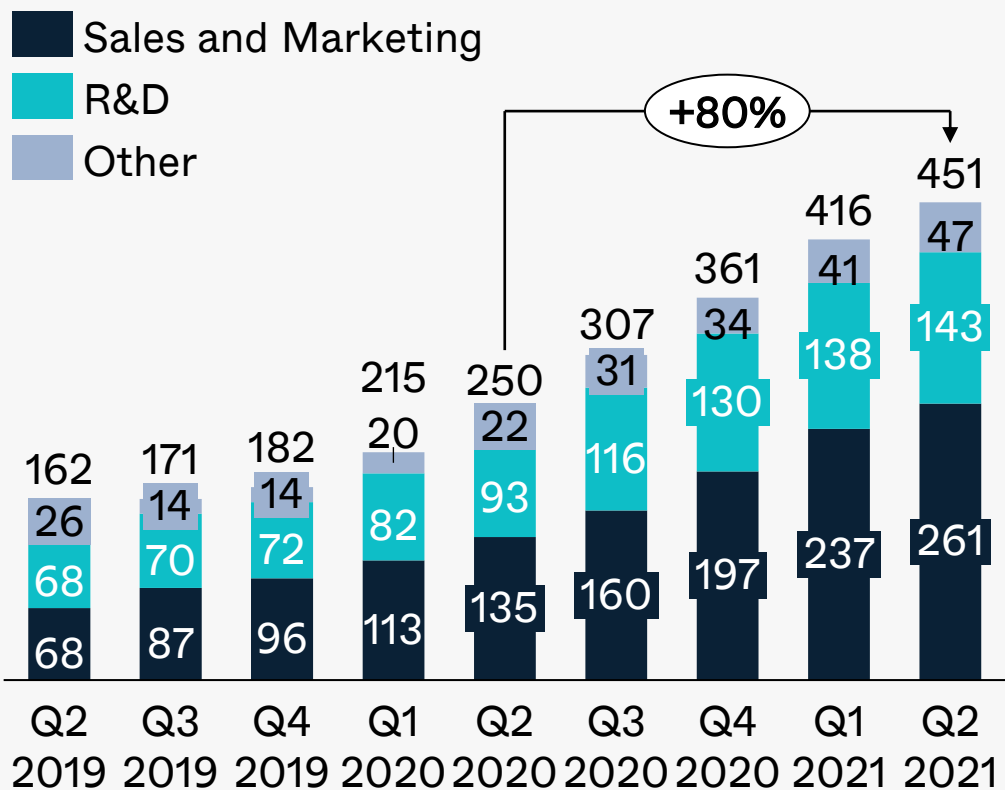


\*Fortune 500 and Global 500

# Continue to build growth capacity and culture

## Scaling the team

Number of employees



## Strong team and culture is key for future growth

- Plan for 550-600 employees year end 2021
- Approx 100-150 new employees in 2022
- 50-100 new employees in 2023 and 2024
- Investing 60% in sales and marketing, 30% in R&D and 10% in other
- Strengthening the team is a key enabler for building stronger growth capacity





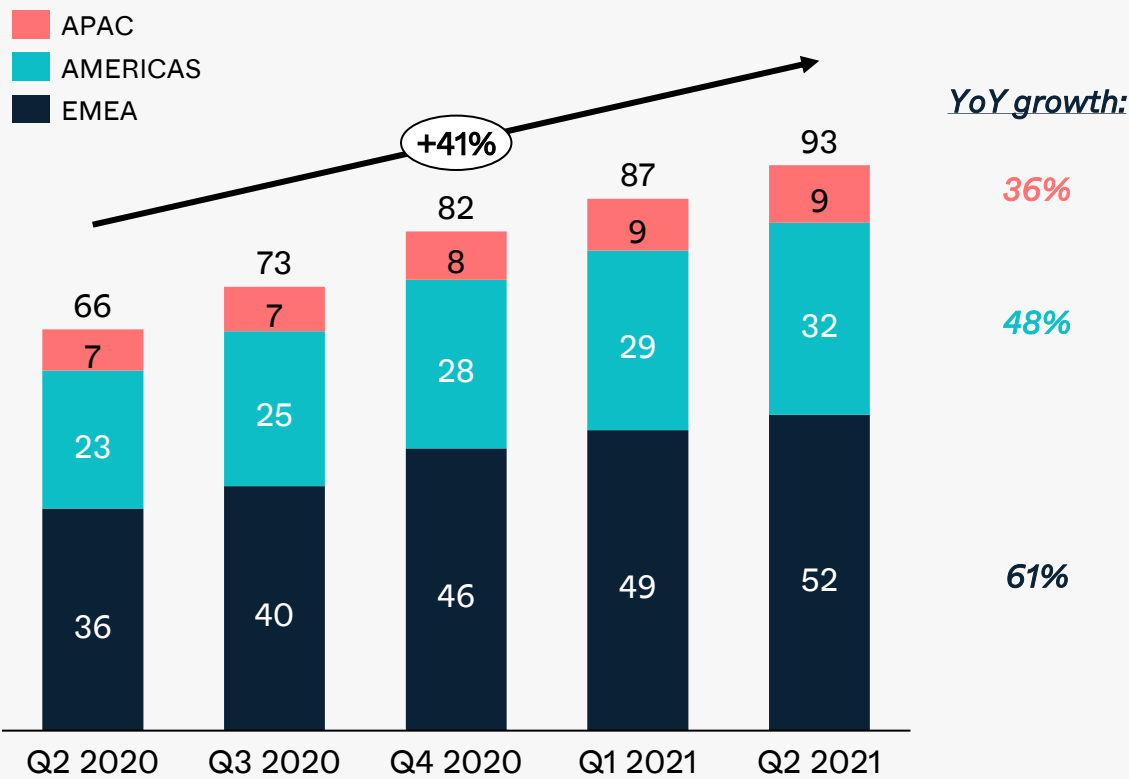
# Financial performance



# Solid growth contributions from all geographies and product lines

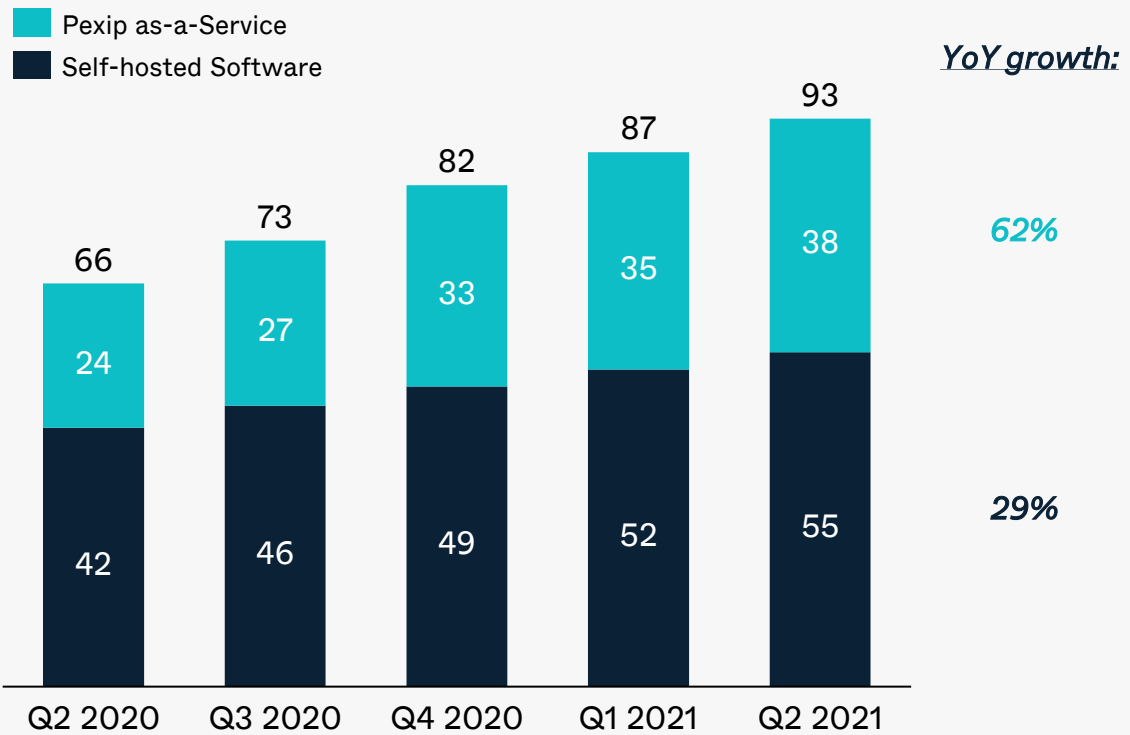
ARR per geo

USD million

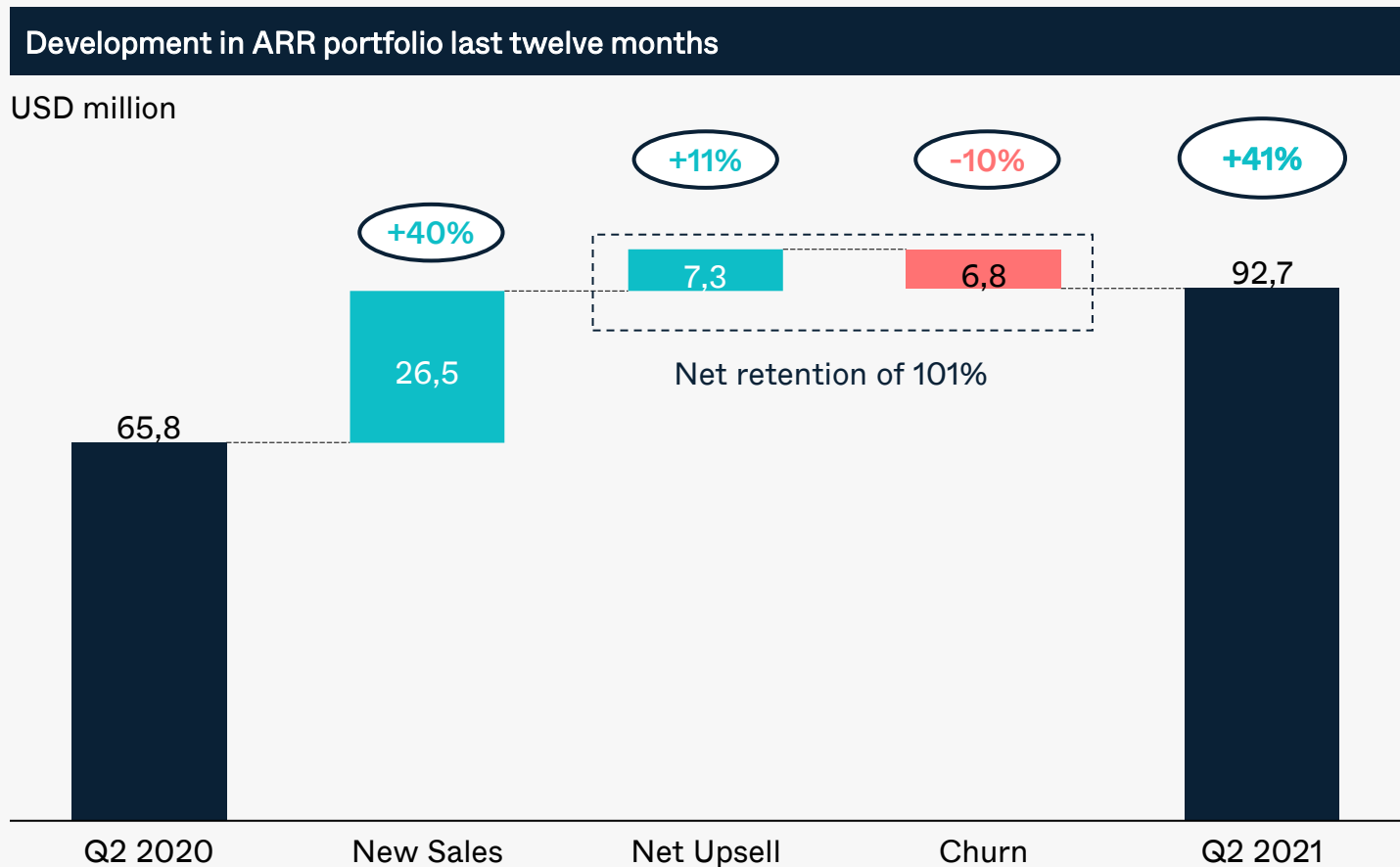


ARR per product

USD million



# New sales is the main driver for ARR growth with 40% in the last twelve months

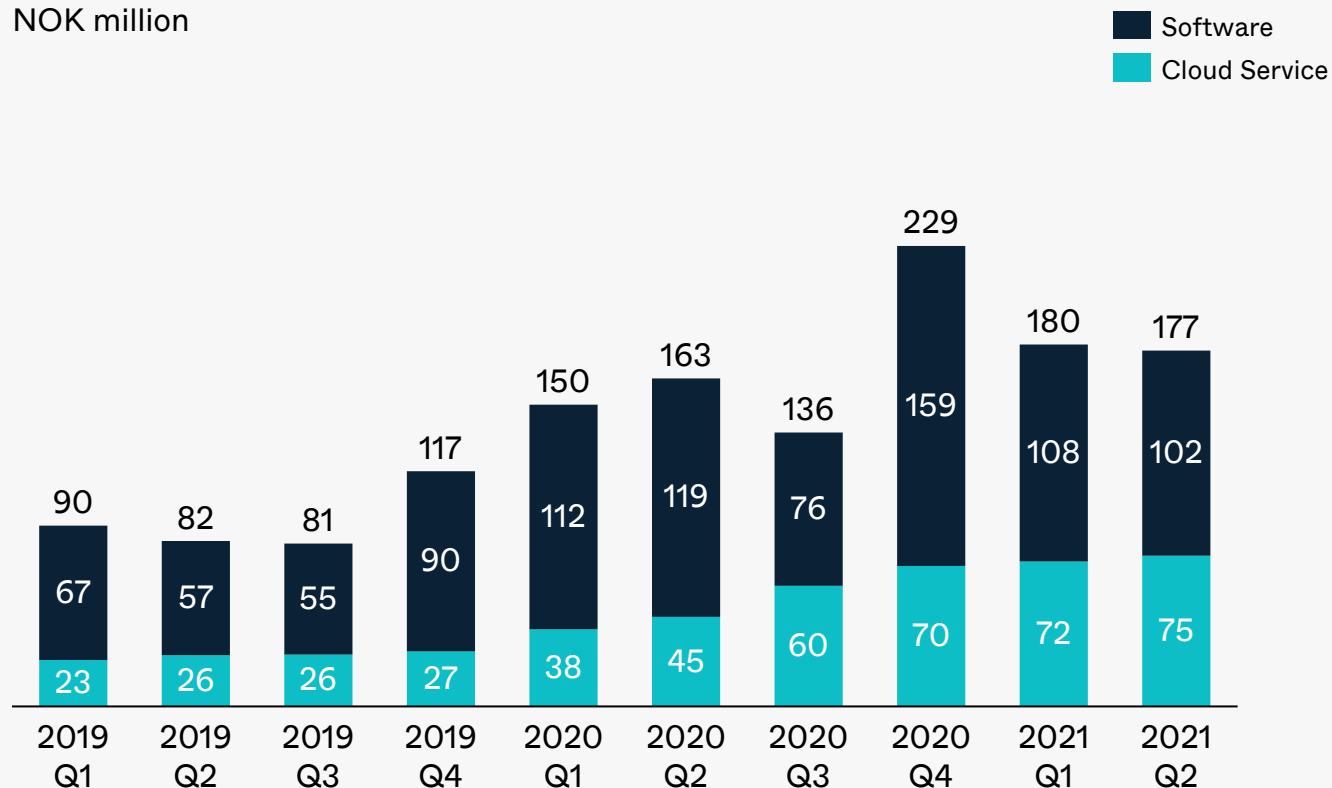


- Continue to increase last twelve months new sales
  - New sales were USD 1.8 million lower than Q1 2021, impacted by delayed returns to office
  - Strong performance in new logos and F500 additions, but on average somewhat smaller deal sizes in the quarter
- ARR net retention is at a good level at 101%, compared to 118% in 2020 and 99% in 2019

# ARR growth driving revenue growth

## Quarterly revenue development

NOK million

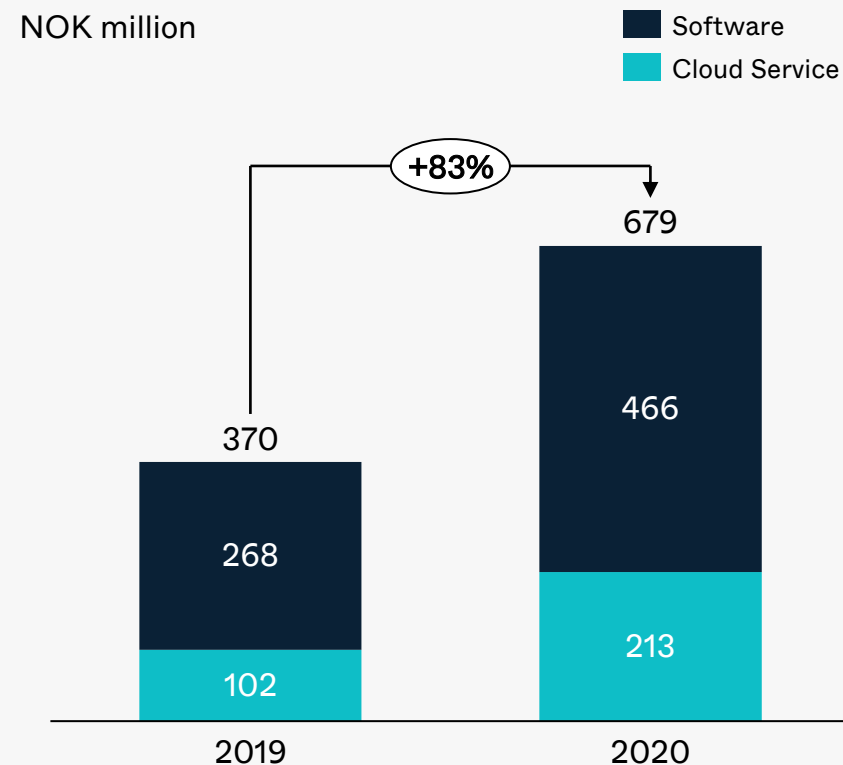


Gross margin, Percent of revenue

94% 94% 95% 96% 97% 94% 92% 93% 92% 88%

## Annual revenue development

NOK million



Gross margin, Percent of revenue

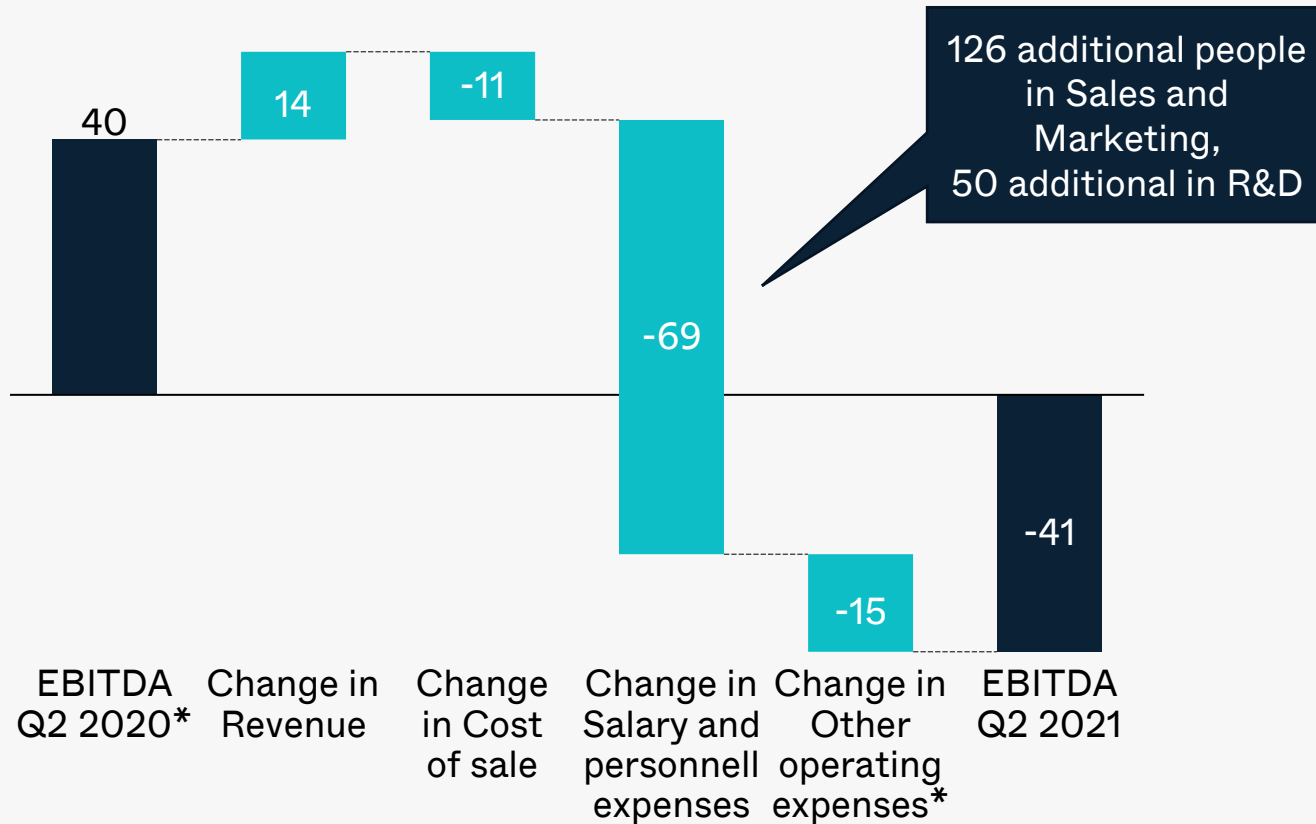
95%

94%

# Executing on communicated growth strategy

## Significant investments in sales-related headcount, impacting EBITDA

NOK million, cash outflow



## Comments

- Significant investments into growth acceleration, as indicated at the IPO
- Main investments in strengthening the global sales team as well as R&D
- Ramp-up to productivity for quarterly growth in ARR for new sellers normally 9-12 months
- Headcount increased by 80% to 451 in Q2

Targeting negative 25-35% EBITDA margin in 2021/2022, break-even in 2023 and above 25% EBITDA margin by 2025

\*Adjusted for IPO expenses





# Outlook

## **Positive outlook for video communication**

- Majority of enterprises shifting to hybrid working
- Organizations looking to embed video into their workflows towards customers
- Pexip's technology is uniquely positioned to meet these new customer needs
- Sales pipeline for 2H 2021 is strong

## **Will continue to execute on growth plan**

- Increase investments in future growth by adding talent in sales and marketing as well as R&D – targeting 550-600 employees by end of 2021
- Plan for negative 25-35% EBITDA margin in 2021/2022, neutral to positive EBITDA in 2023
- Target 2025 EBITDA of +25% with +25% revenue growth

**Expect to reach long-term target of USD 300 million in ARR by end-of-2024**

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