

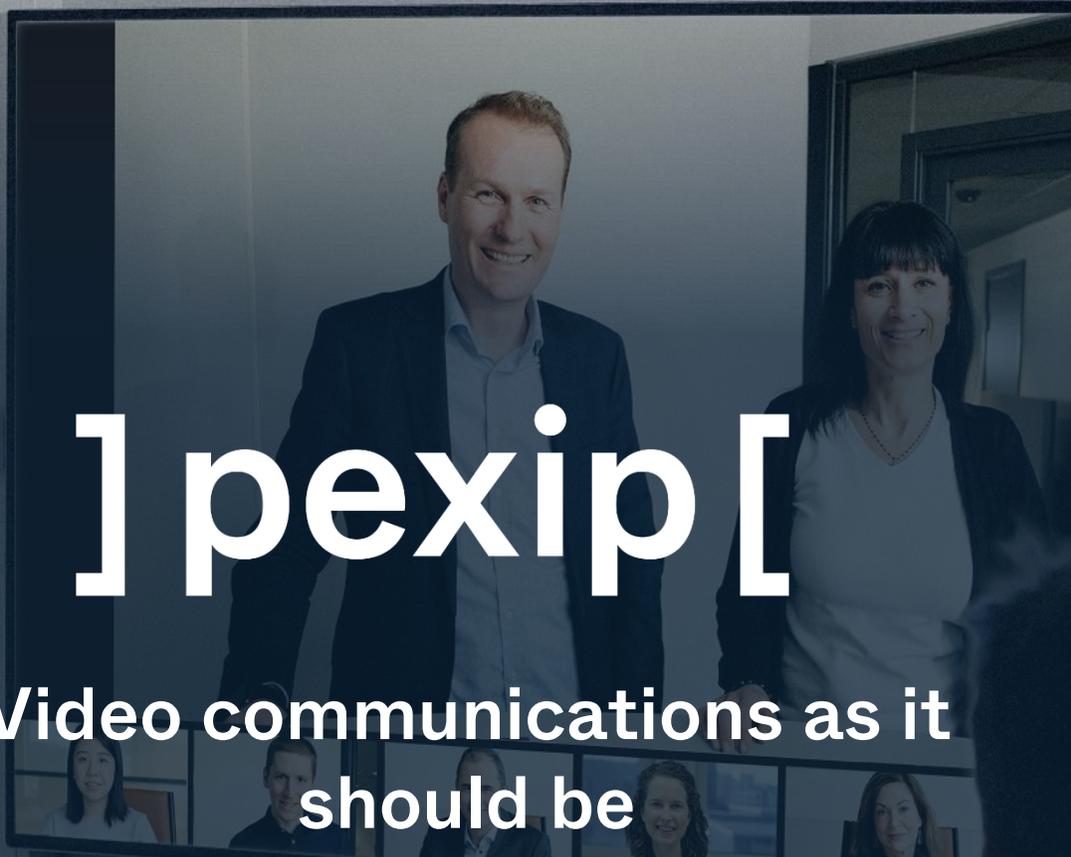
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Meet the world
with video communication as it should be

DNB Nordic TMT and Consumer Conference
Øystein Dahl Hem, CFO and Interim CEO

Sept 1, 2021





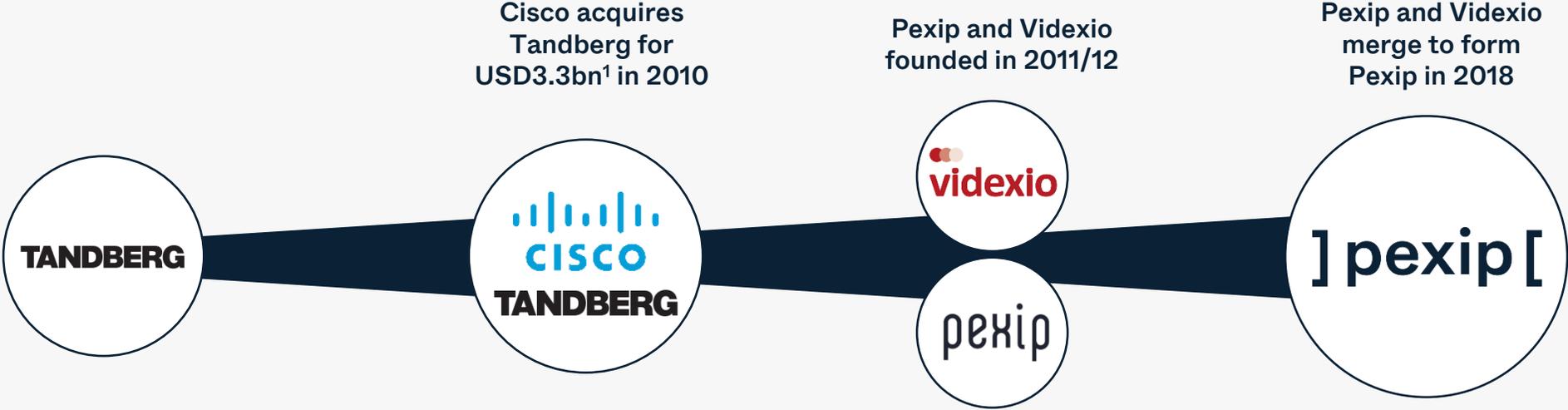
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Video communications as it
should be



- ✓ 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

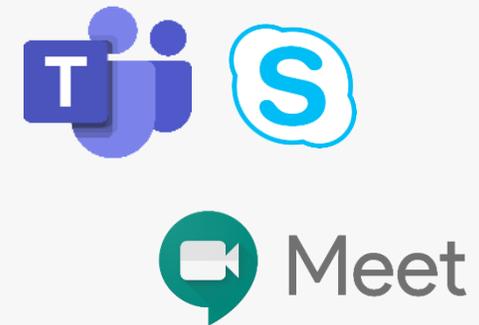
High-quality video meetings with focus on privacy and security



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

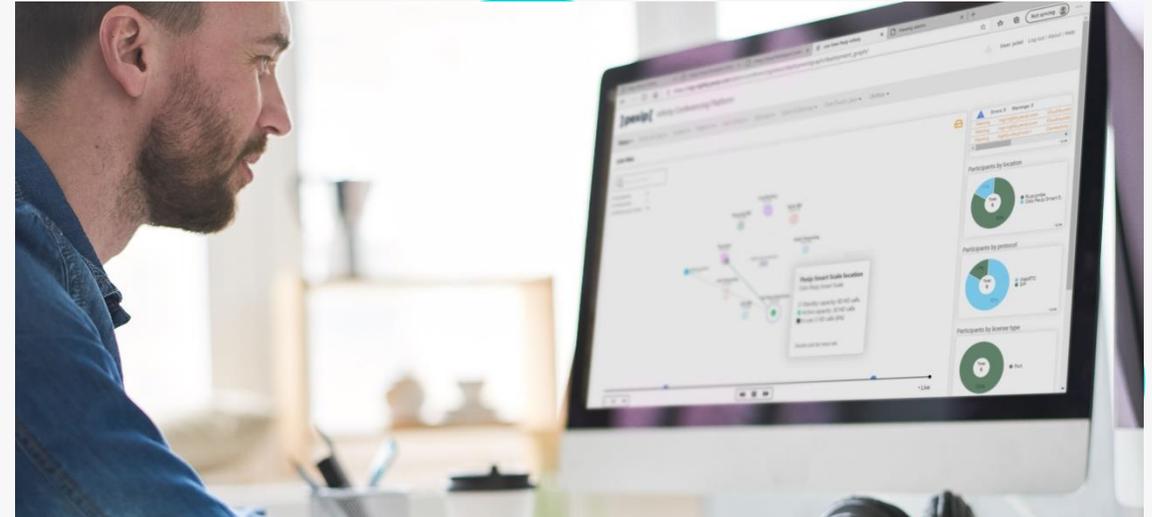
Smart transcoding



- 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



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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



System integrators



Audio / Video specialists



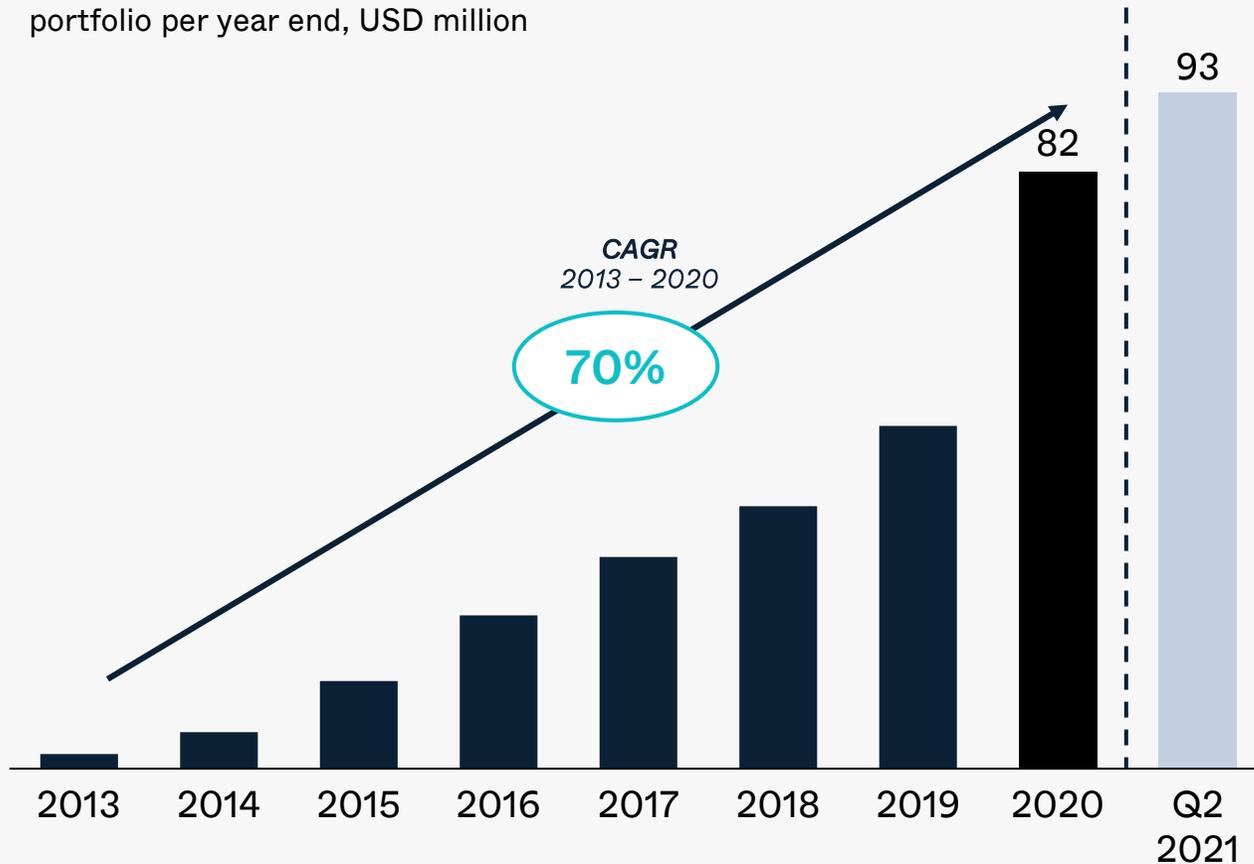
Service providers



Over 15% of Fortune 500 accounts

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

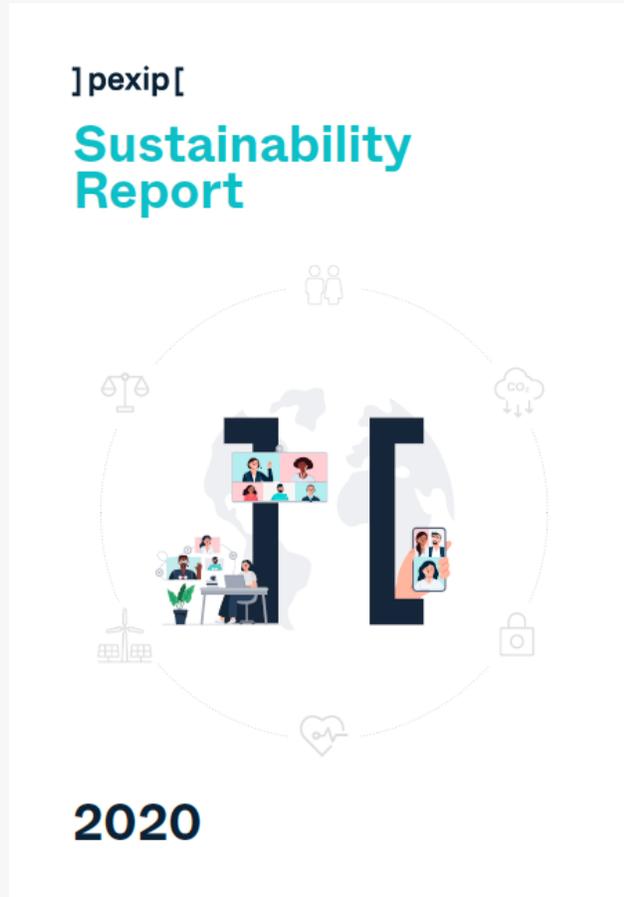
Plan for negative 25-35% EBITDA margin in 2021/2022, neutral to positive EBITDA in 2023

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



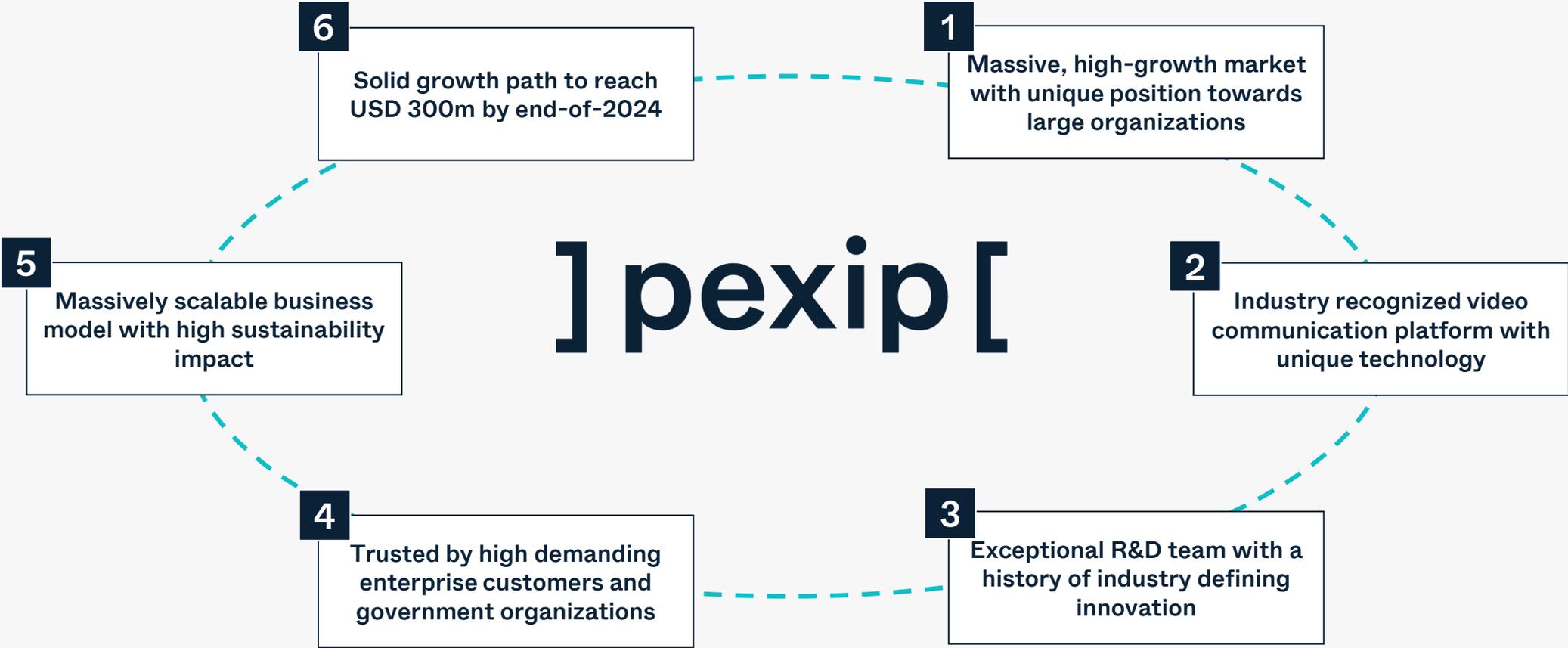
Pexip is proud to submit its first sustainability report

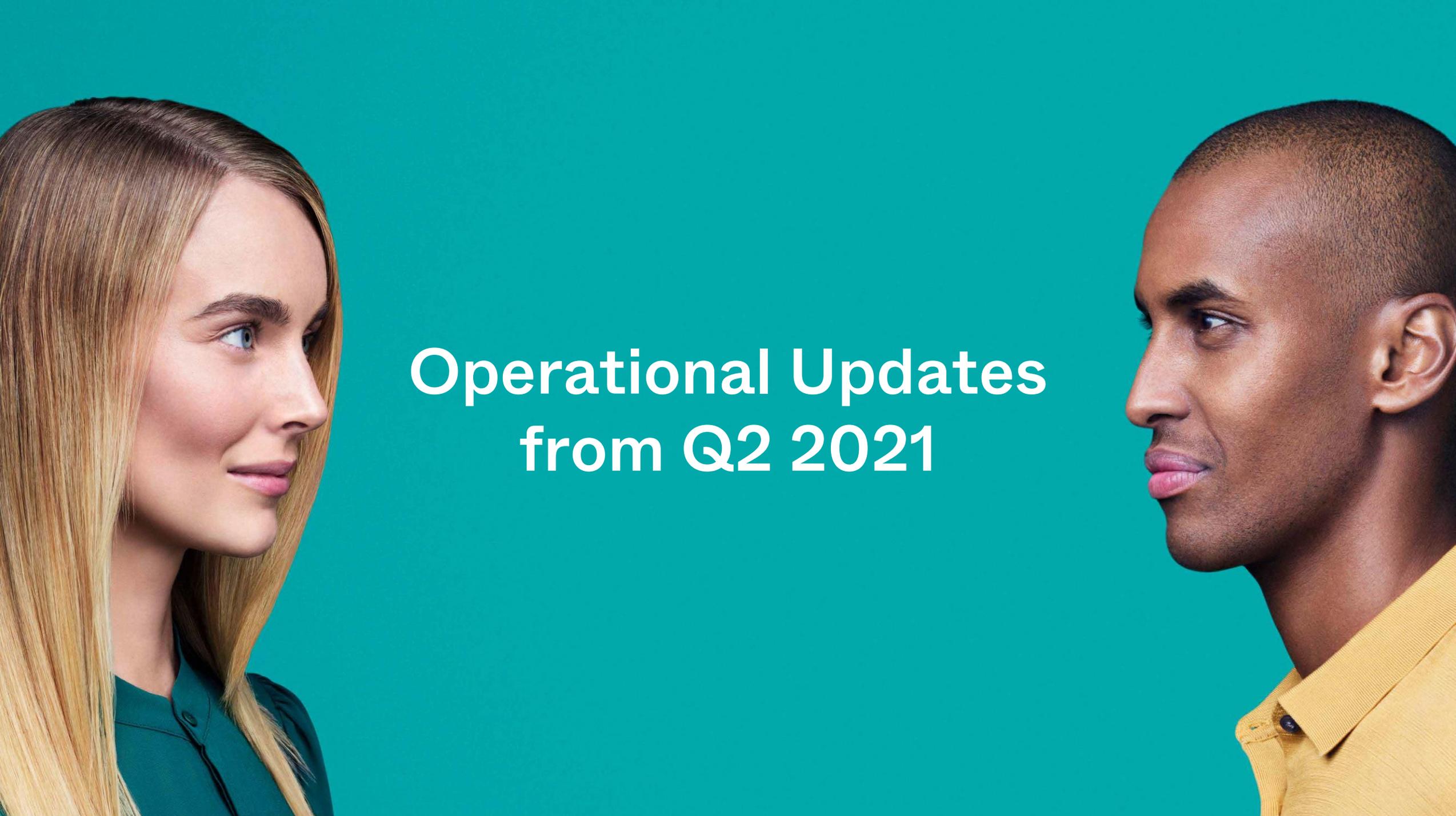
- Pexip has identified material topics using the GRI standards and met the Sustainability Accounting Standards Board (SASB) disclosure requirements for Software and IT Services
- Greenhouse gas emissions and energy use is one of the material topics which is key to both customers and other stakeholders,
 - 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

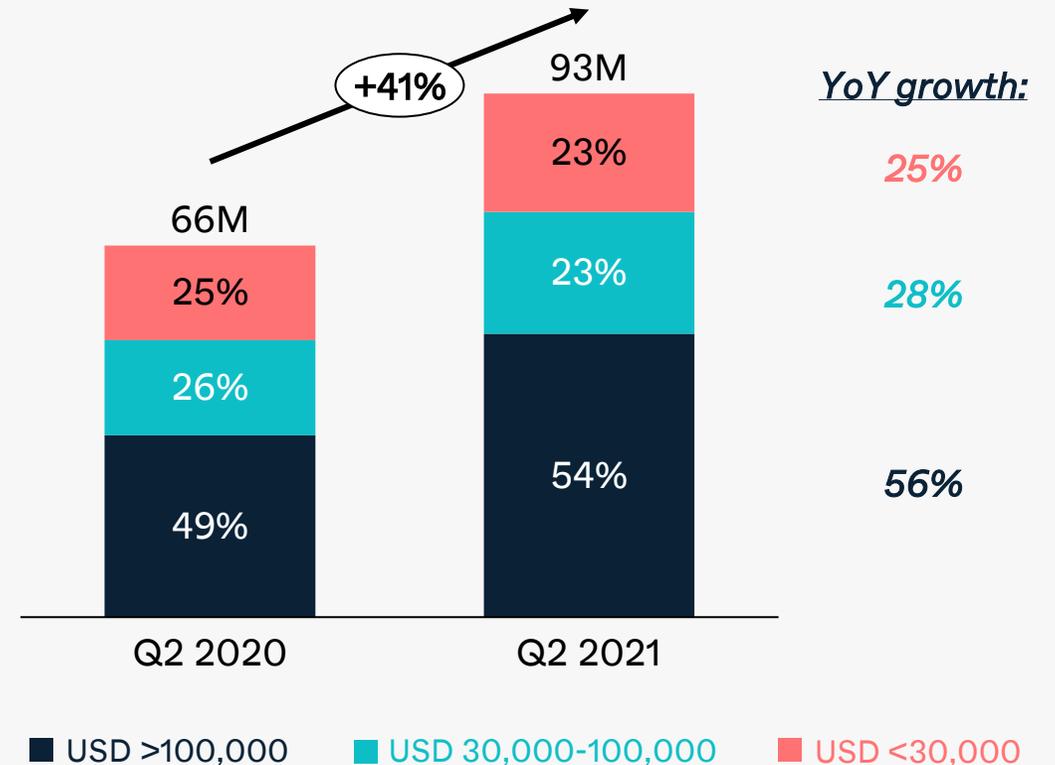


Added 5 new Fortune 500* customers in Q2
Currently ~15% of Fortune 500* as customers

*Fortune 500 and Global 500

Large organizations driving growth

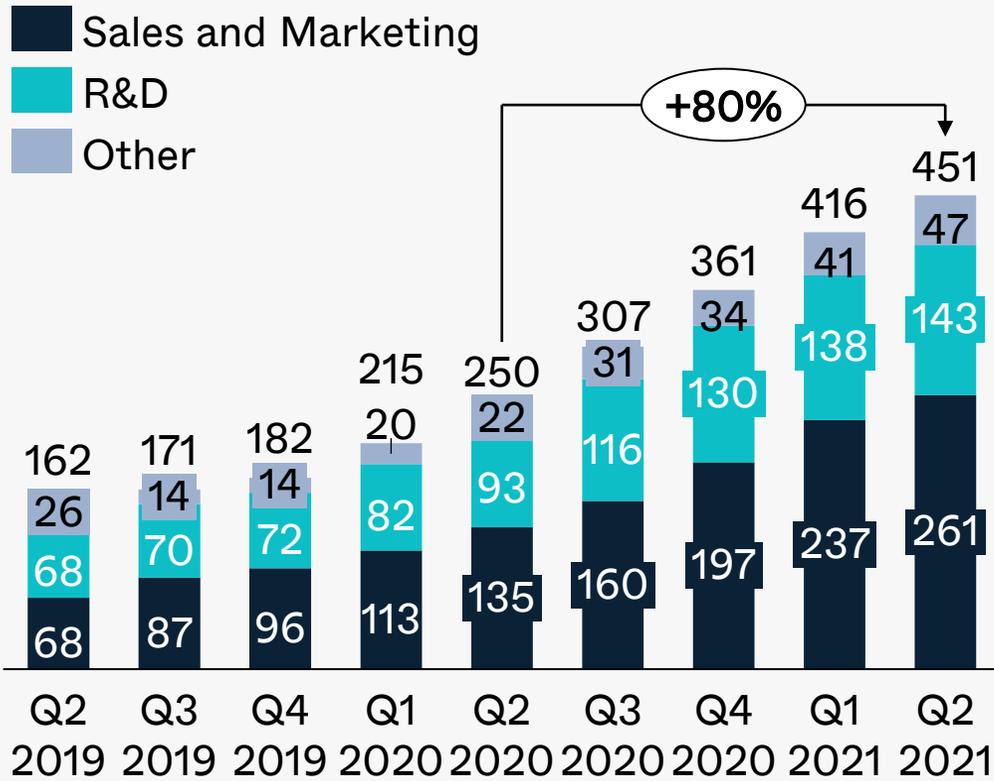
Share of ARR by account size in ARR, USD



Continue to build growth capacity and culture

Scaling the team

Number of employees



Strong team and culture is key for future growth

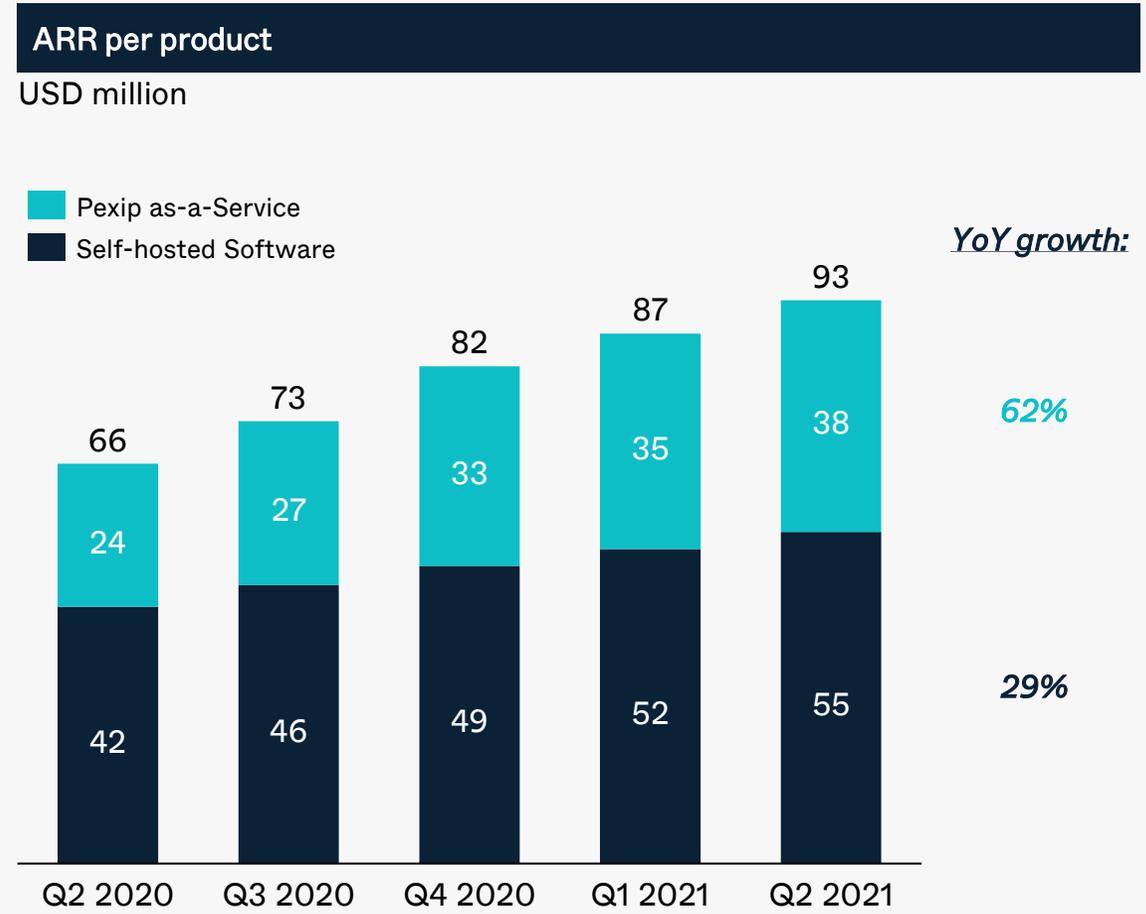
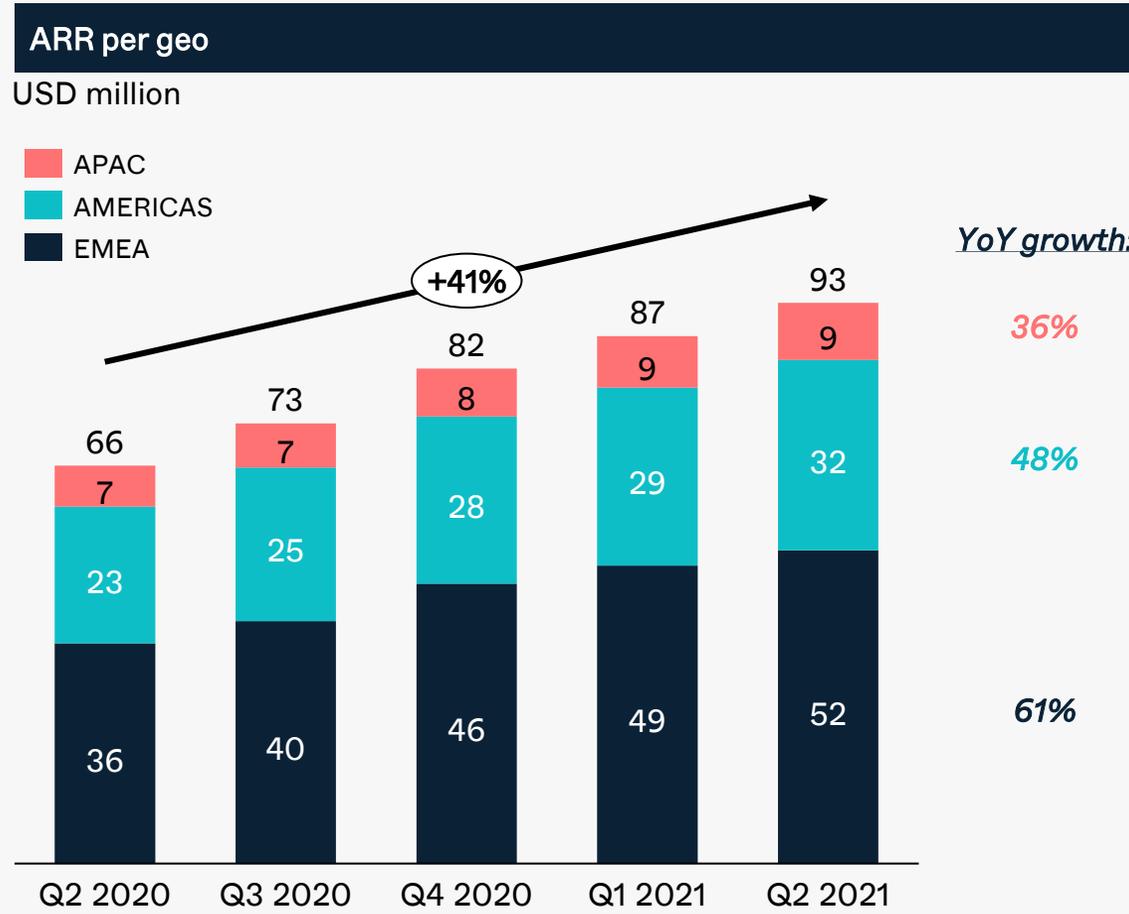
- Plan for 550-600 employees year end 2021
- Approx 100-150 new employees in 2022
- 50-100 new employees in 2023 and 2024
- Investing 60% in sales and marketing, 30% in R&D and 10% in other
- Strengthening the team is a key enabler for building stronger growth capacity



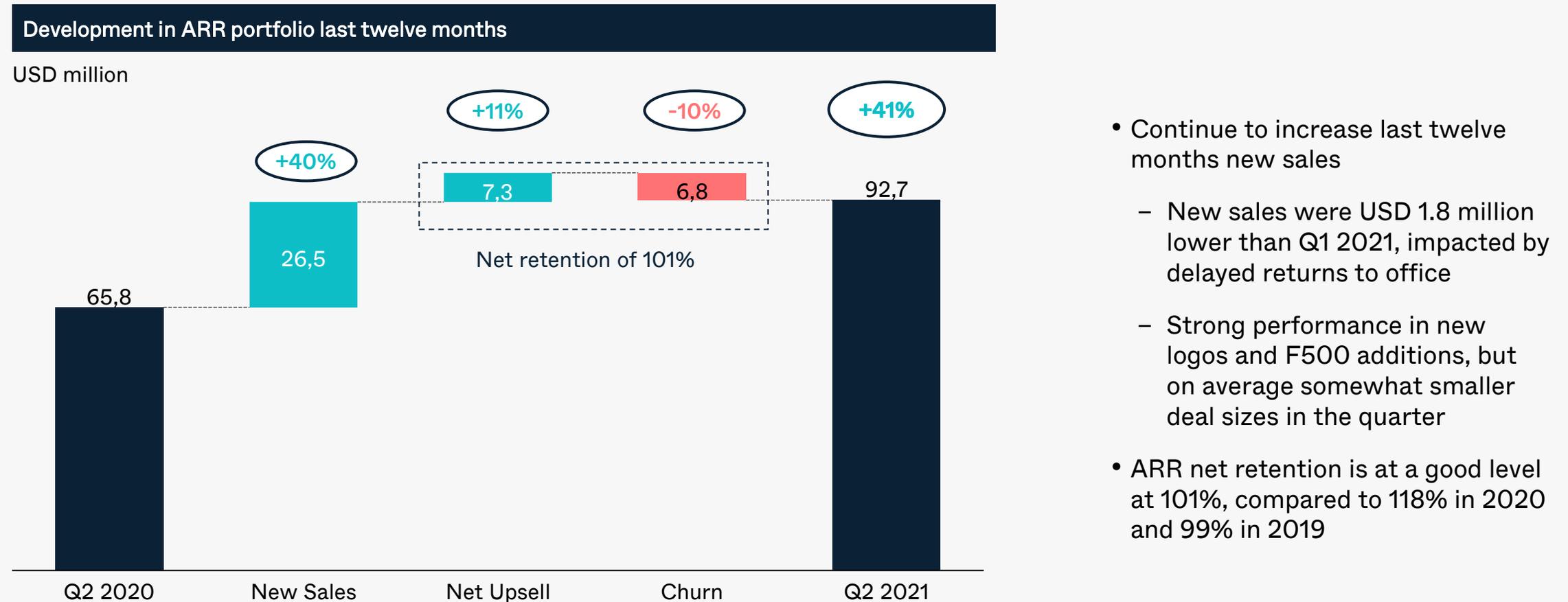
Financial performance



Solid growth contributions from all geographies and product lines



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

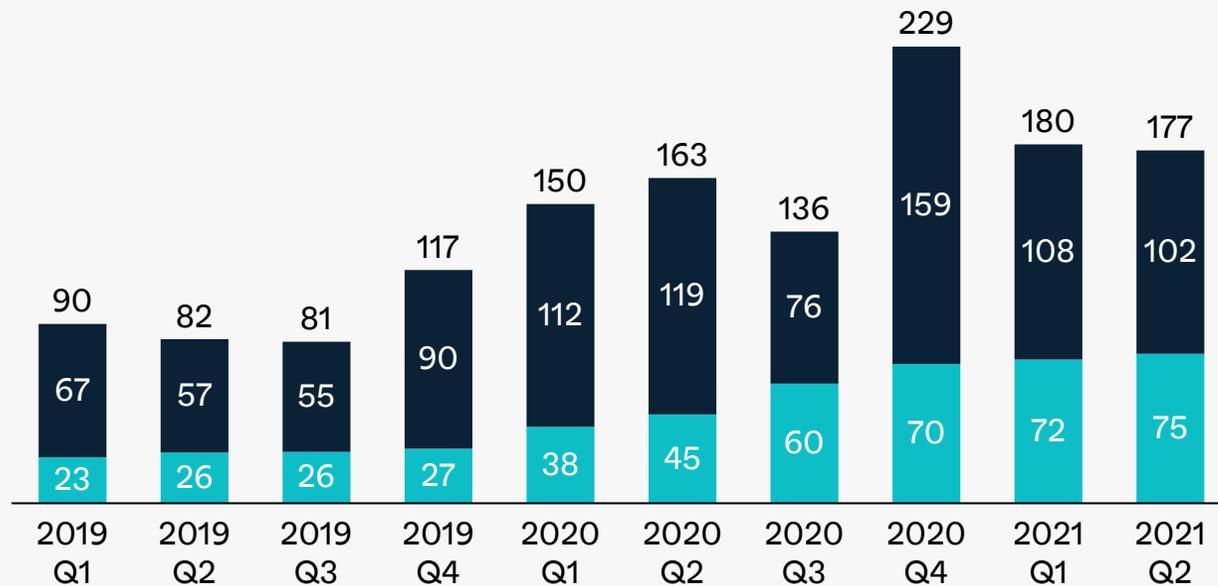


ARR growth driving revenue growth

Quarterly revenue development

NOK million

■ Software
■ Cloud Service



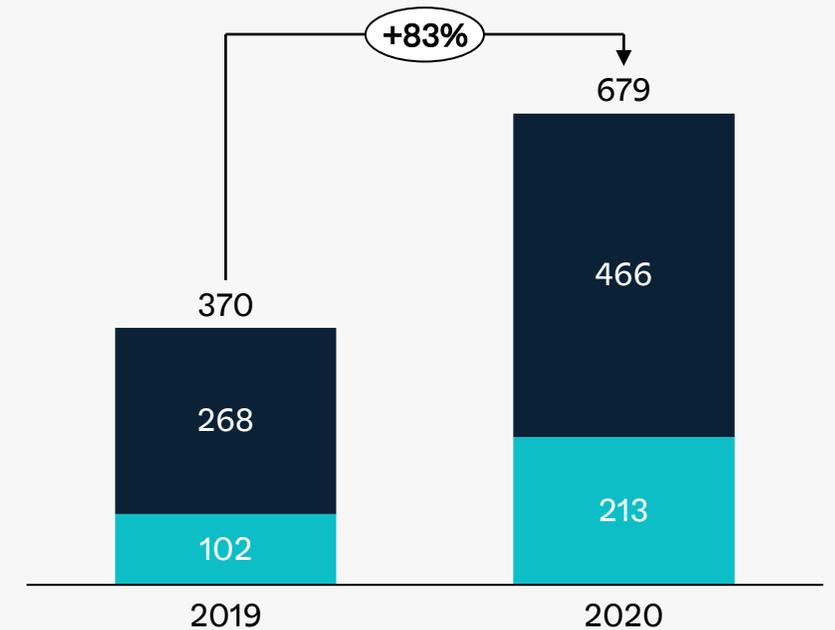
Gross margin, Percent of revenue



Annual revenue development

NOK million

■ Software
■ Cloud Service



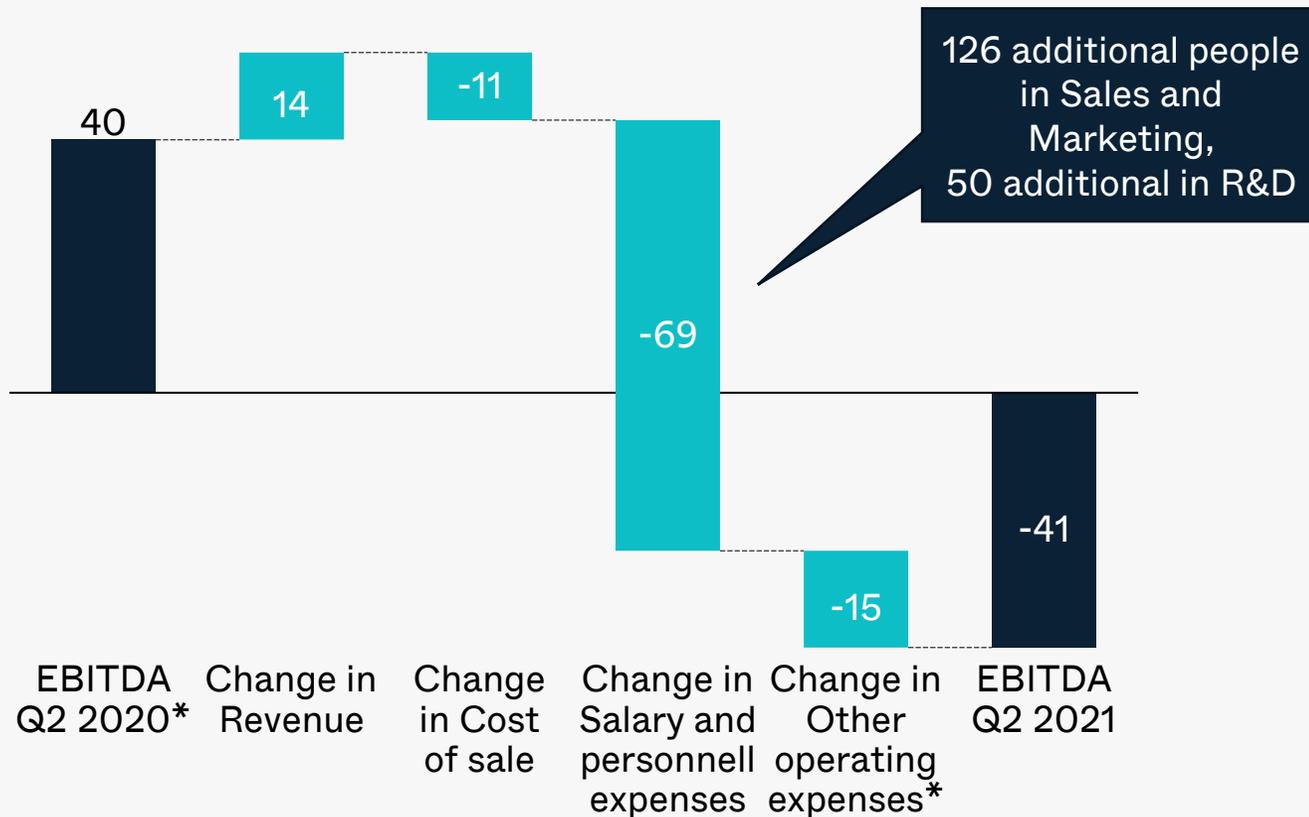
Gross margin, Percent of revenue



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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