



Meet the world  
with video communication as it should be

Pareto Securities  
Virtual TechITService Conference  
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20 April 2021





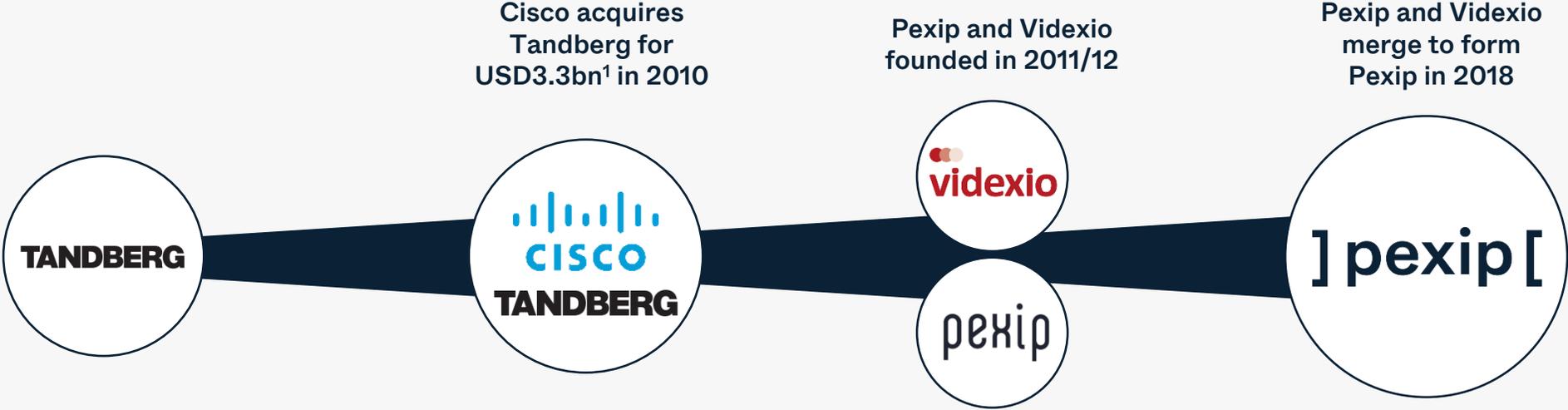
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Video communications as it  
should be



- ✓ A better way to meet with business-quality audio/video
- ✓ Securely join from anywhere across multiple technologies
- ✓ Customize the platform to meet the unique needs for the organization and IT
- ✓ Full control of data privacy and sovereignty, and compliance with data security standards

# 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

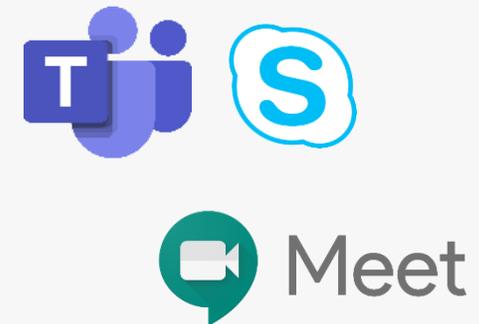
High-quality video meetings with focus on privacy and security



Vertical market applications and integrations



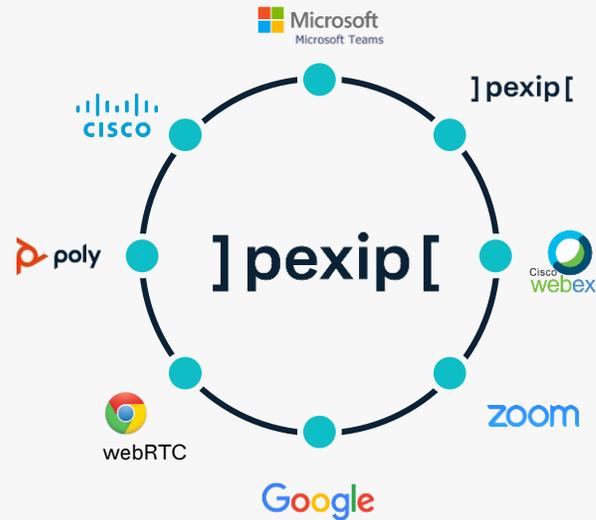
Expanding access to Microsoft Teams and Google Meet



# Pexip's unique technology - advantages

## Smart transcoding

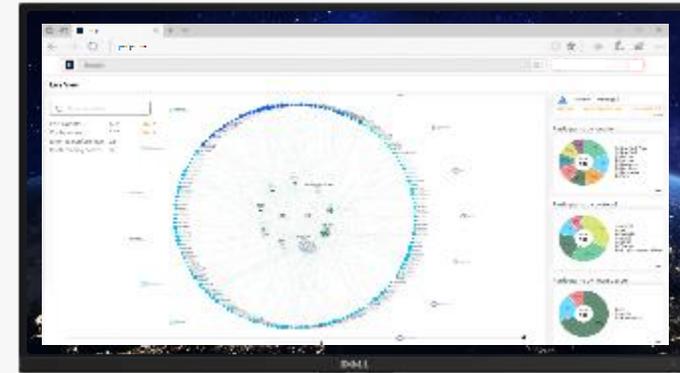
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- Proprietary real time media engine
- Unique interoperability
- Unique AI capabilities in the cloud

## Cloud agnostic

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Pexip live view dashboard for IT administrator

- Proprietary technology that 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

# Pexip ideally positioned for enterprises' reality as organizations return to the office

Conference rooms



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The new normal will be hybrid working

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



Small huddle rooms



Working from home

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



System integrators



Audio / Video specialists



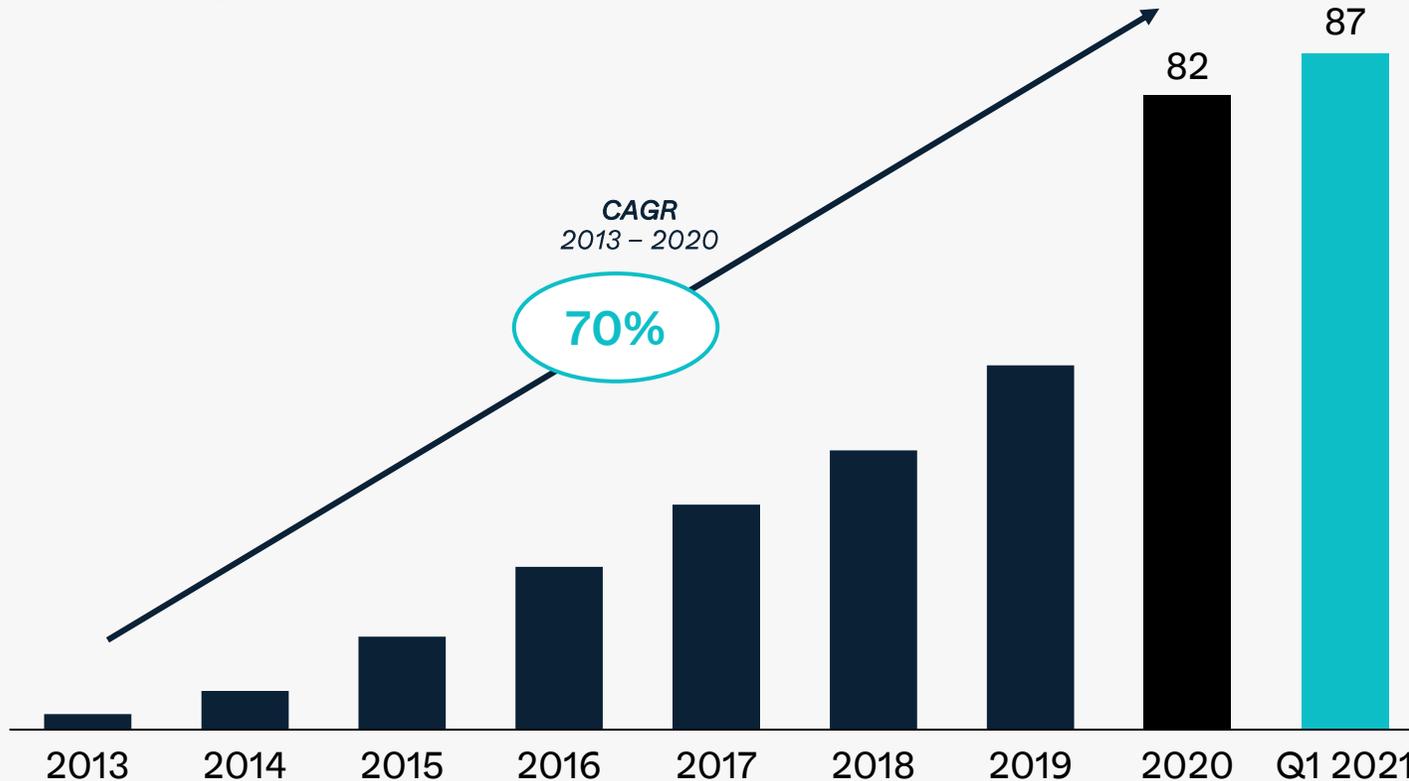
Service providers



Over 15% of Fortune 500 accounts

# Addressing a global market with a recurring revenue business model

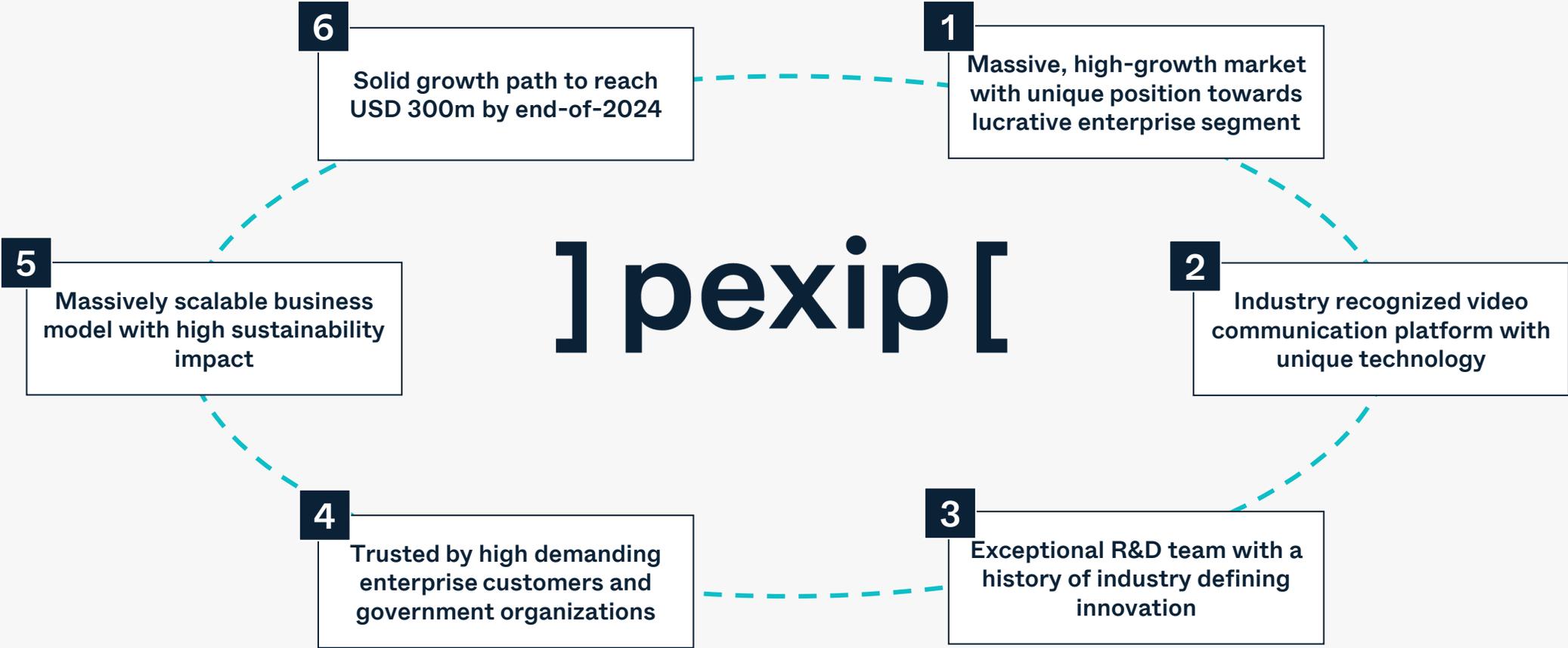
Booked Annual Recurring Revenue (“ARR”) portfolio per year end, USD million



- Users in ~190 countries
- Over 300 partners in 70+ countries
- Over 400 employees in 20+ countries
- ~97% of revenue from subscriptions

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

# Solid growth path to long-term value creation



# 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

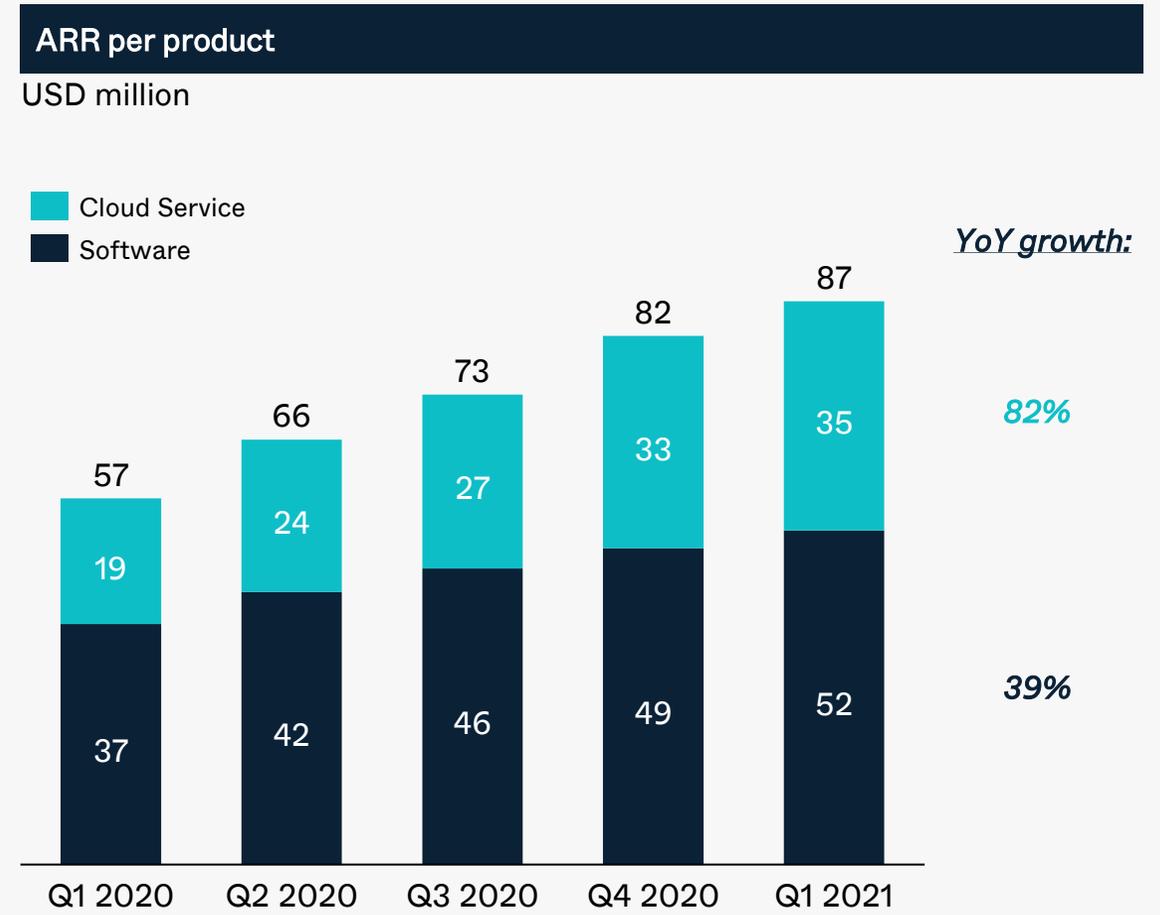
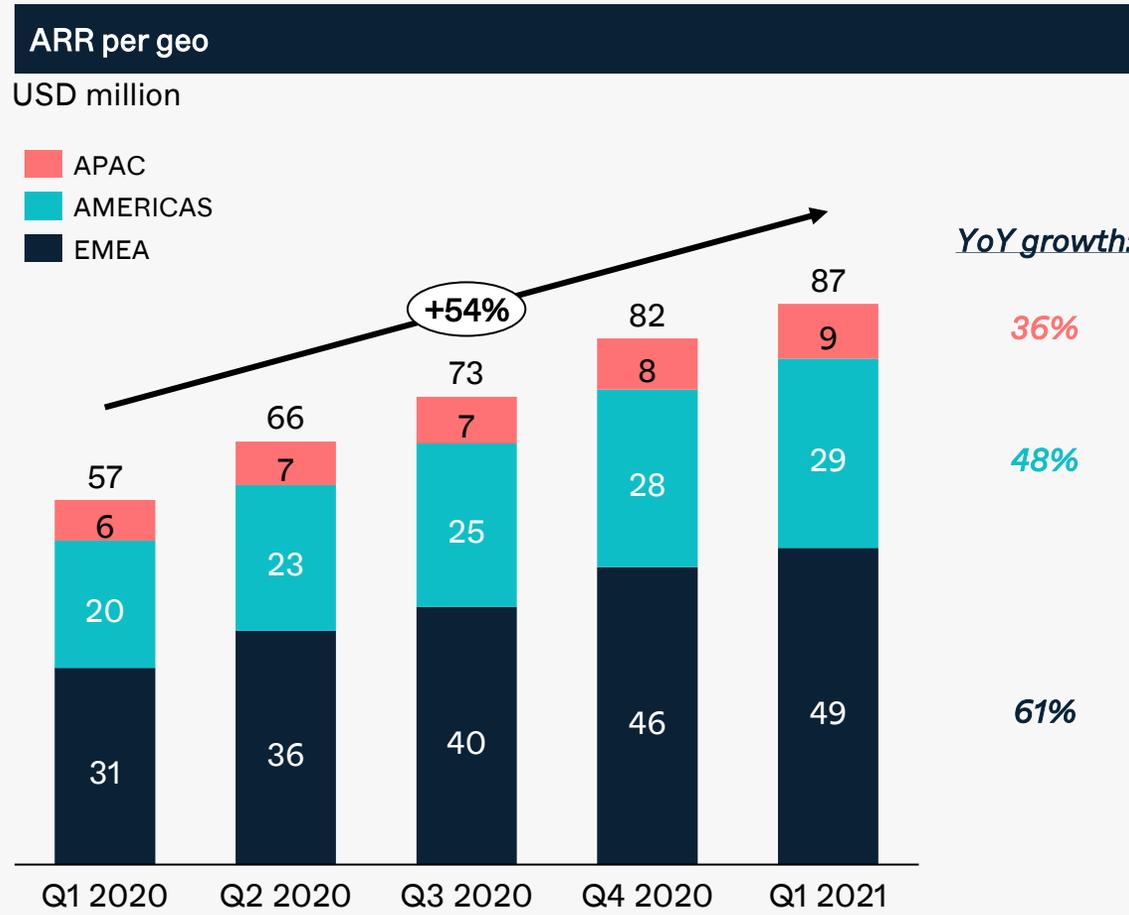
Recognized leader position in the Meeting Solutions market within 3-4 years



# Financial performance



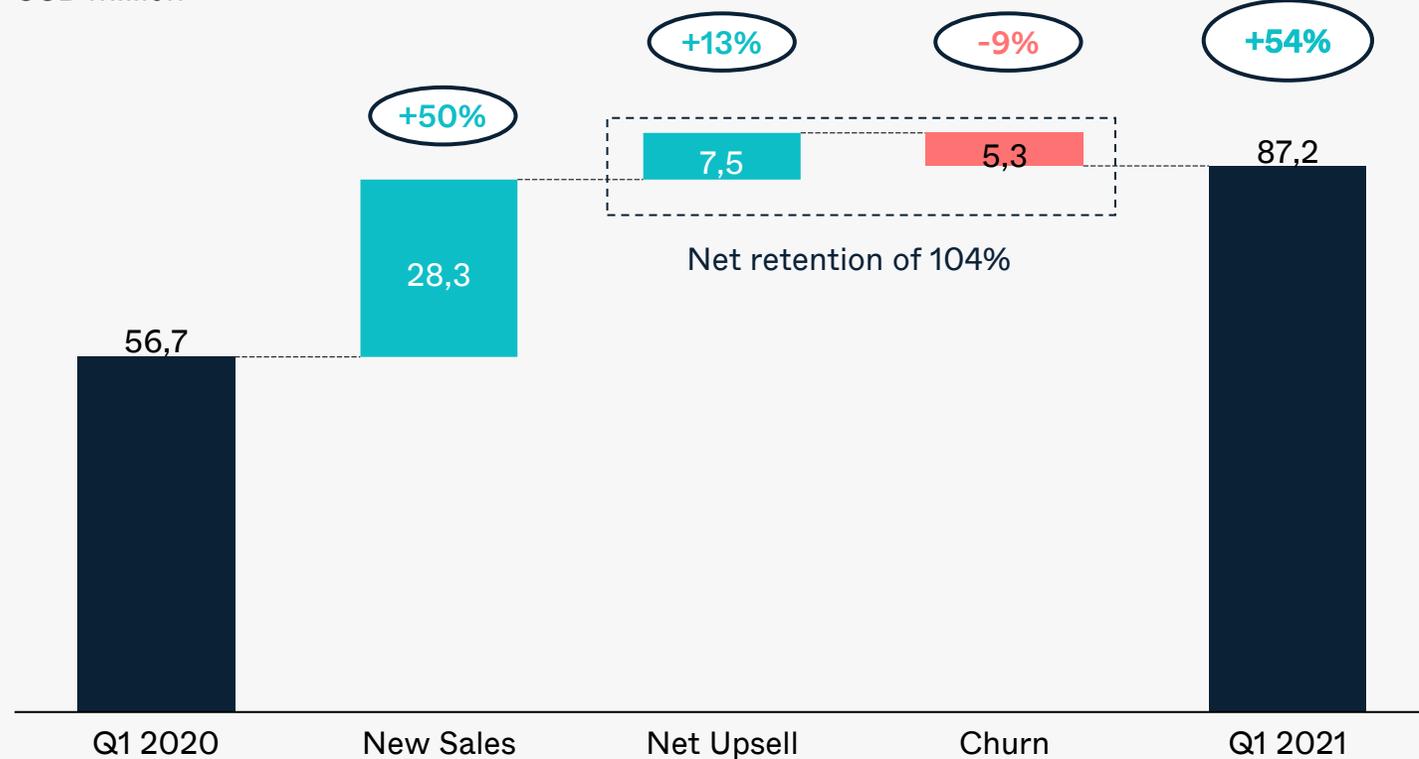
# Pexip delivered 54% growth with strong contributions from all geographies and product lines



# New sales is the main driver for ARR growth with 50% in the last twelve months

## Development in ARR portfolio last twelve months

USD million

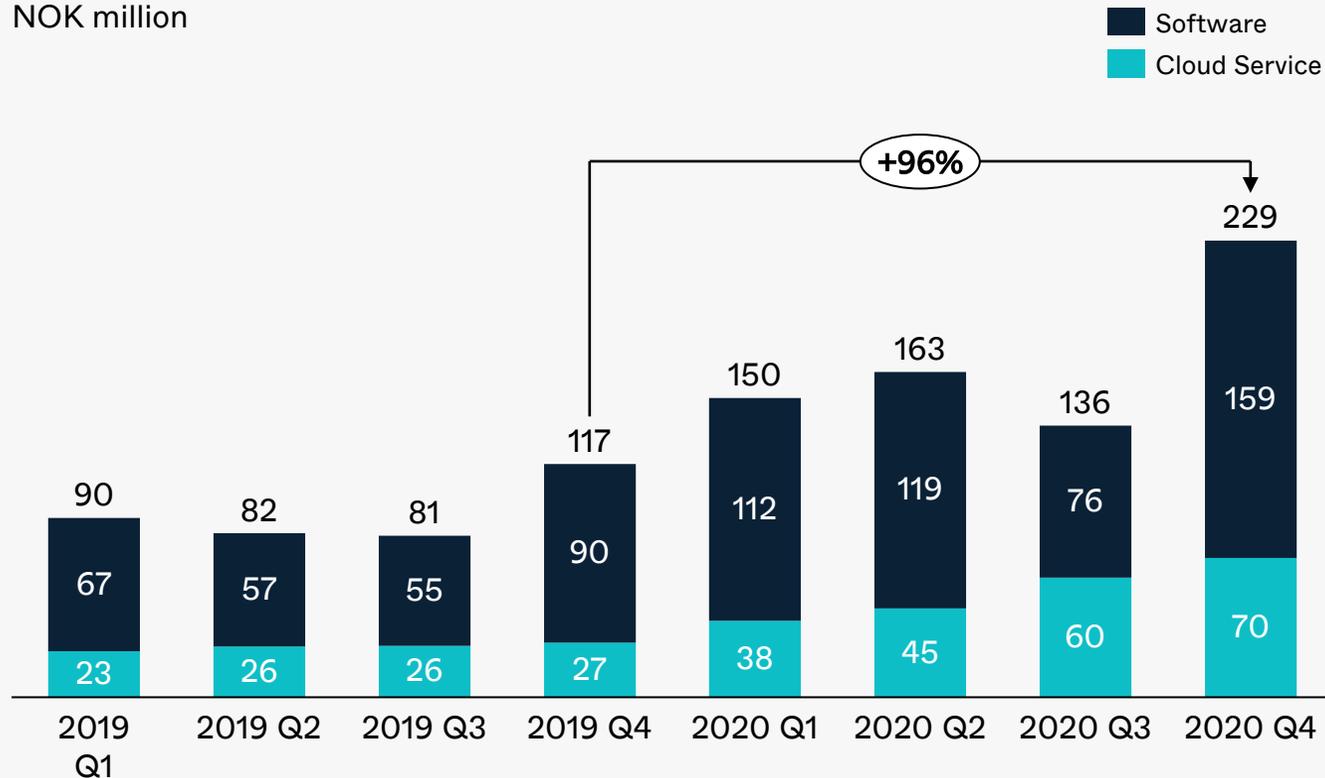


- Continue to increase last twelve months new sales
  - New sales increased with USD 2.3 million compared to Q1 2021 excluding a one-off USD 2 million partner deal in Q1 2020

# ARR growth driving revenue growth

## Quarterly revenue development

NOK million

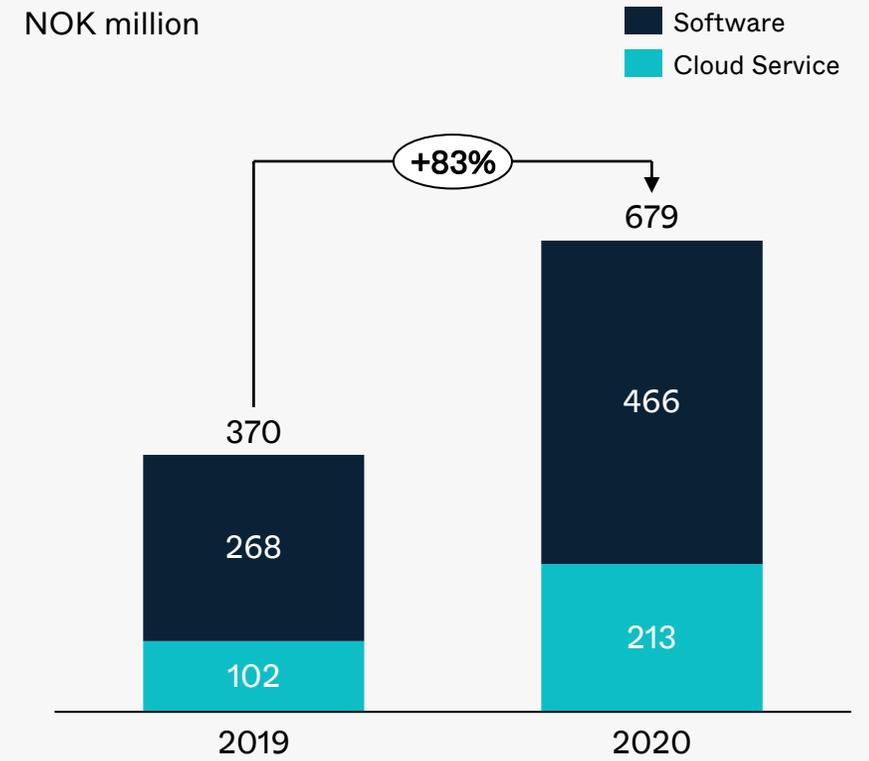


Gross margin, Percent of revenue

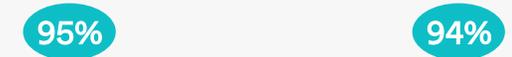


## Annual revenue development

NOK million



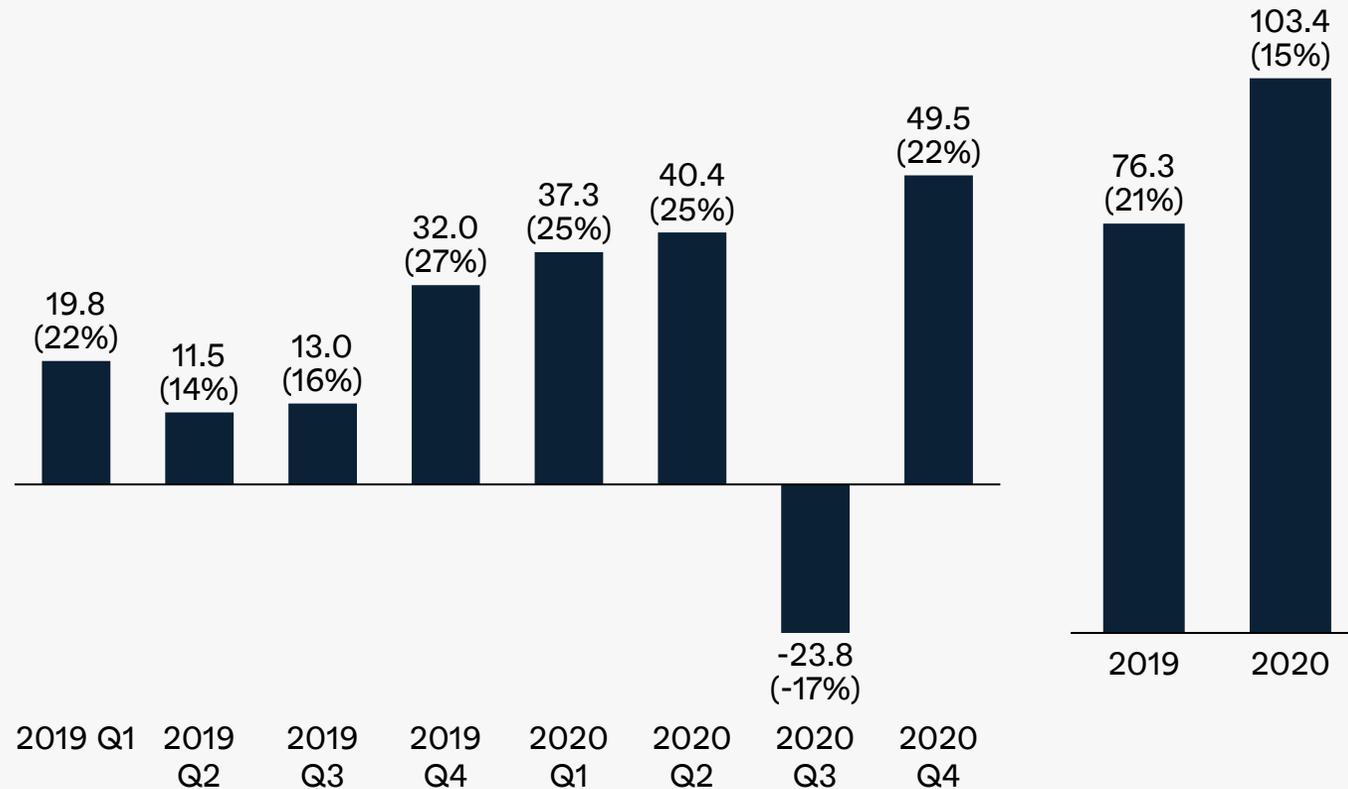
Gross margin, Percent of revenue



# Solid EBITDA in 2020 from strong sales

## Quarterly Adjusted<sup>1</sup> EBITDA development

NOK million, (Percent of revenue)



## Comments

- Q4 2020 reported EBITDA of NOK 49.5 million
- FY 2020 reported EBITDA of NOK 55.6 million
- FY 2020 adjusted EBITDA of NOK 103 million, or 15% margin
  - Adjusted for NOK 47.7 million in IPO transaction costs in Q1 and Q2 2020
- Increase in 2020 EBITDA due to higher sales, while reduction in EBITDA-margin is due to planned acceleration investments in Sales and R&D capacity in line with strategy
- For Q4 2020, strong revenue from the Software area is the main driver of the increase in EBITDA

<sup>1</sup> Less of IPO transaction costs in Q1 and Q2 2020



# Outlook

## **Positive outlook for video communication**

- Majority of enterprises shifting to a hybrid workforce
- Organizations looking to embed video into their workflows towards customers
- Pexip's technology is uniquely positioned to meet these new customer needs

## **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
- Deploy up to 70% of raised capital during the next three years

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

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Q&A

