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Meet the world
with video communication as it should be

Xtrainvestor

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Speaker



Øystein Hem
CFO and Interim CEO

Speaker



Åsmund Fodstad
President Global Sales and APAC

Moderator



Mirza Koristovic
Director Investor Relations



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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

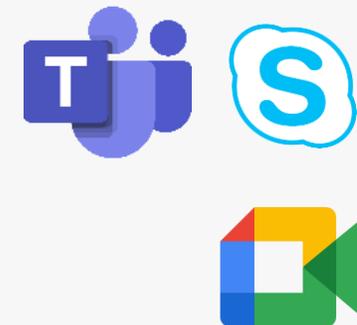
High-quality video meetings with focus on privacy and security



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



Easily integrate
with existing
systems



Customize for
deep integrations



High quality video
meetings



Flexible software
deployment

Pexip's differentiated customer offering is underpinned by unique technology

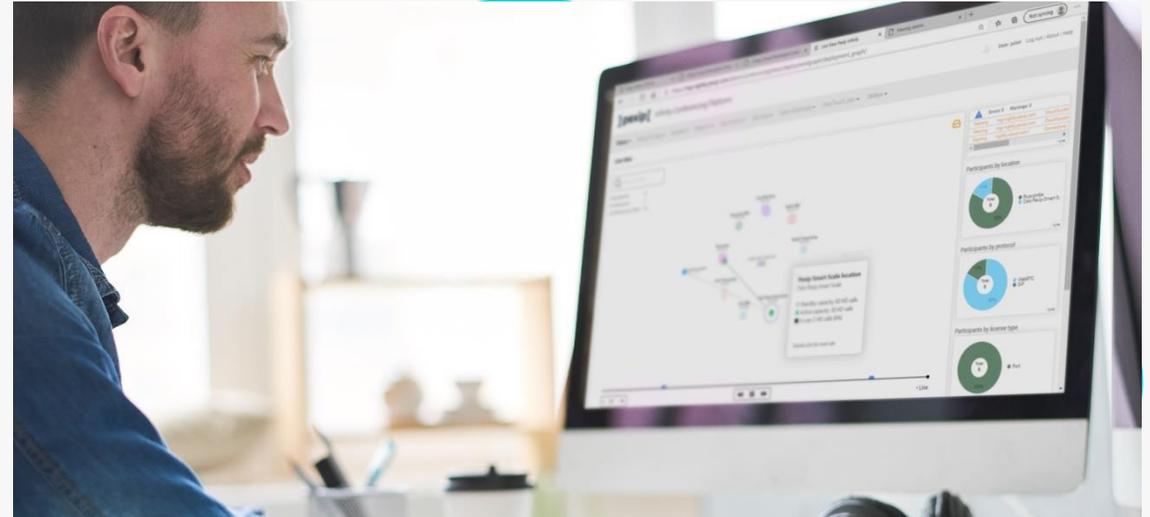
Smart transcoding



- 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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- The new normal will be hybrid working
- Organizations will re-evaluate their video solutions
- Pexip's technology is uniquely positioned to meet these new customer needs

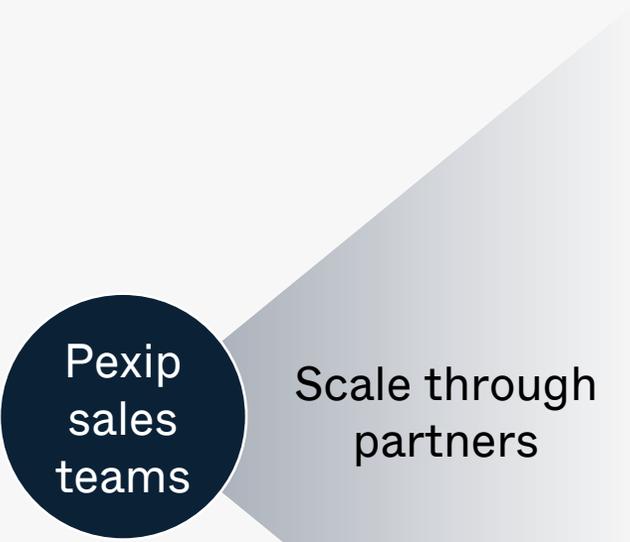


Small huddle rooms



Working from home

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



Sales and go-to-market teams comprise more than 200 employees

System integrators



Audio / Video specialists



Service providers



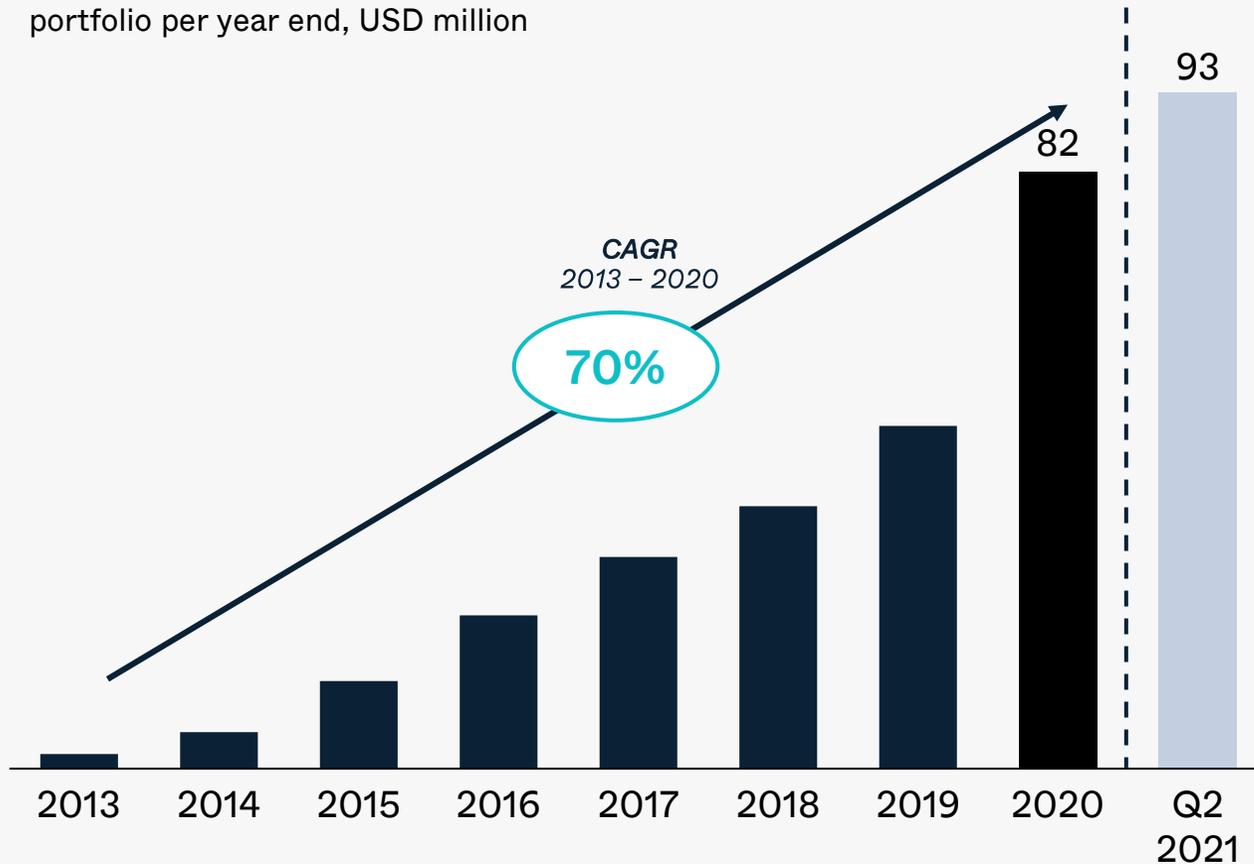
Targeting Large Organizations



Over 15% of Fortune 500 accounts

Addressing a global market with a recurring revenue business model

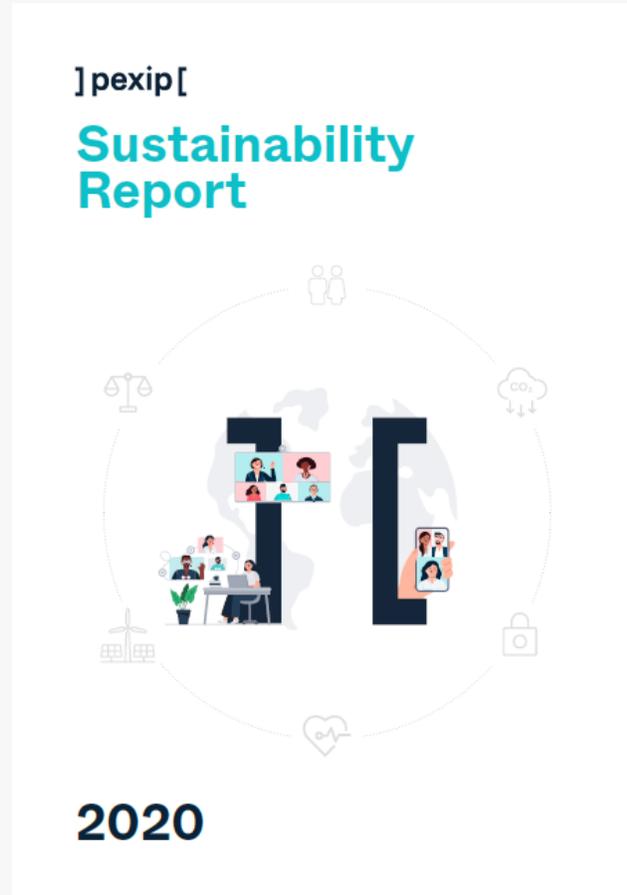
Booked Annual Recurring Revenue (“ARR”) portfolio per year end, USD million



- Users in ~190 countries
- Over 300 partners in 70+ countries
- Over 450 employees in 20+ countries
- ~97% of revenue from subscriptions

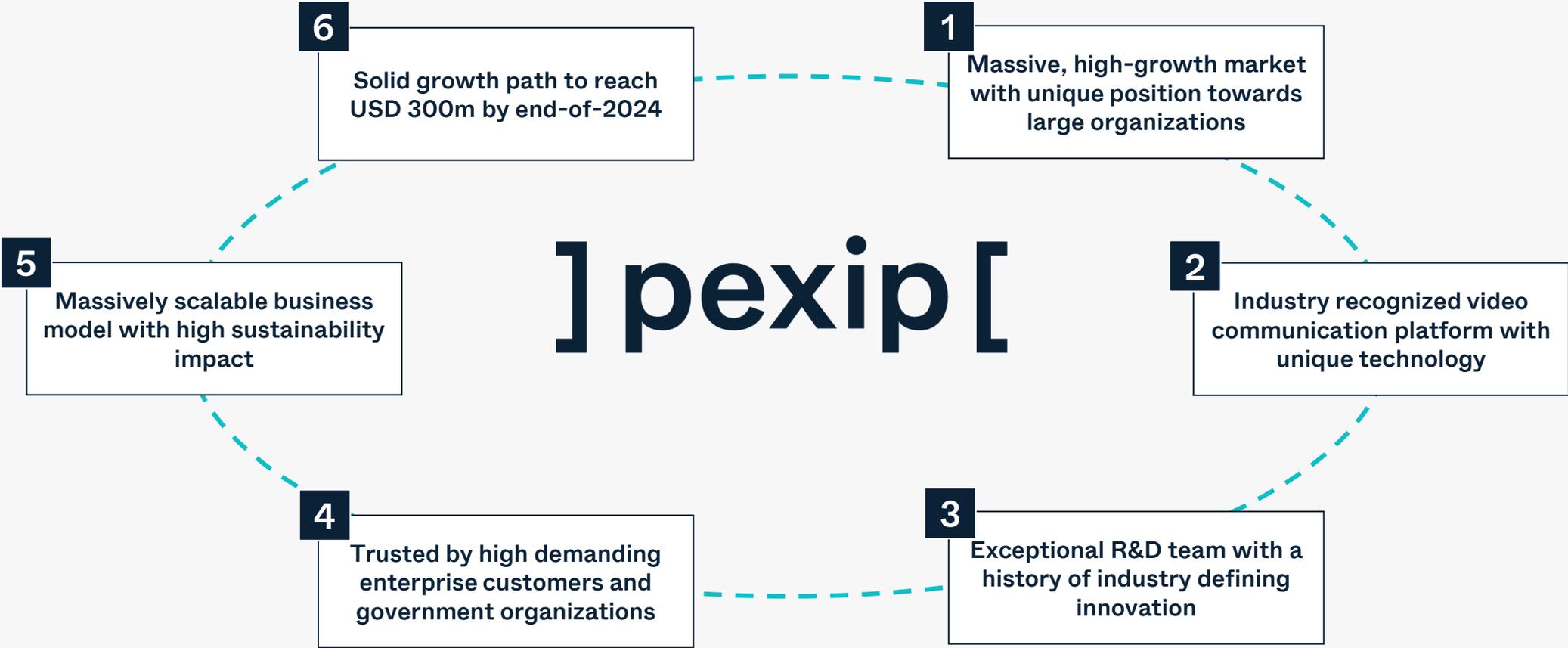
	EMEA	Americas	APAC
Share of ARR	56%	34%	10%

Clear commitment to ESG



- Pexip contributes directly to reducing impact on the environment by helping customers to reduce travel
- Pexip has achieved carbon neutrality and is committed to the Paris agreement
- 2020 Sustainability Report: <https://investor.pexip.com/reports-and-presentations>

Solid growth path to long-term value creation





Recent Operational Updates

Market impact on Pexip's main use cases - exemplified with recent customer wins

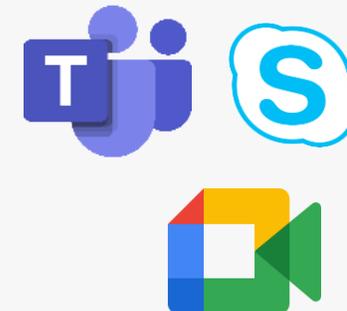
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Pexip continues to win the trust of new large enterprises and public organizations

Selected by a range of large organizations

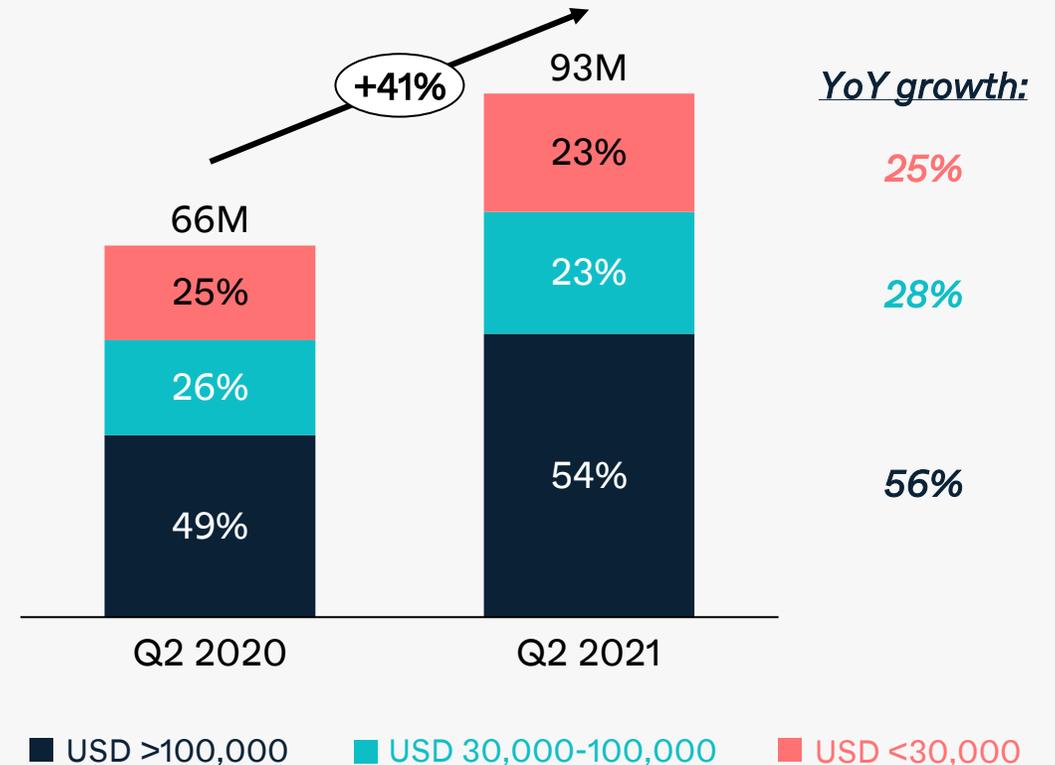
Selected customer wins in Q2 2021



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

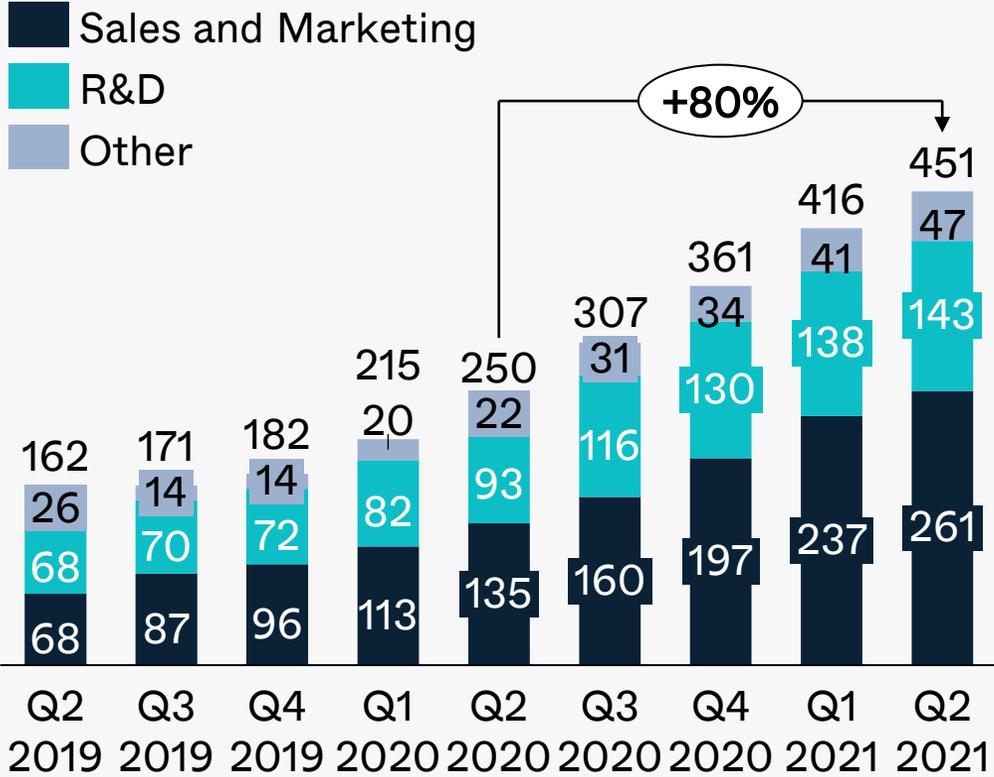


*Fortune 500 and Global 500

Continue to build growth capacity and culture

Scaling the team

Number of employees

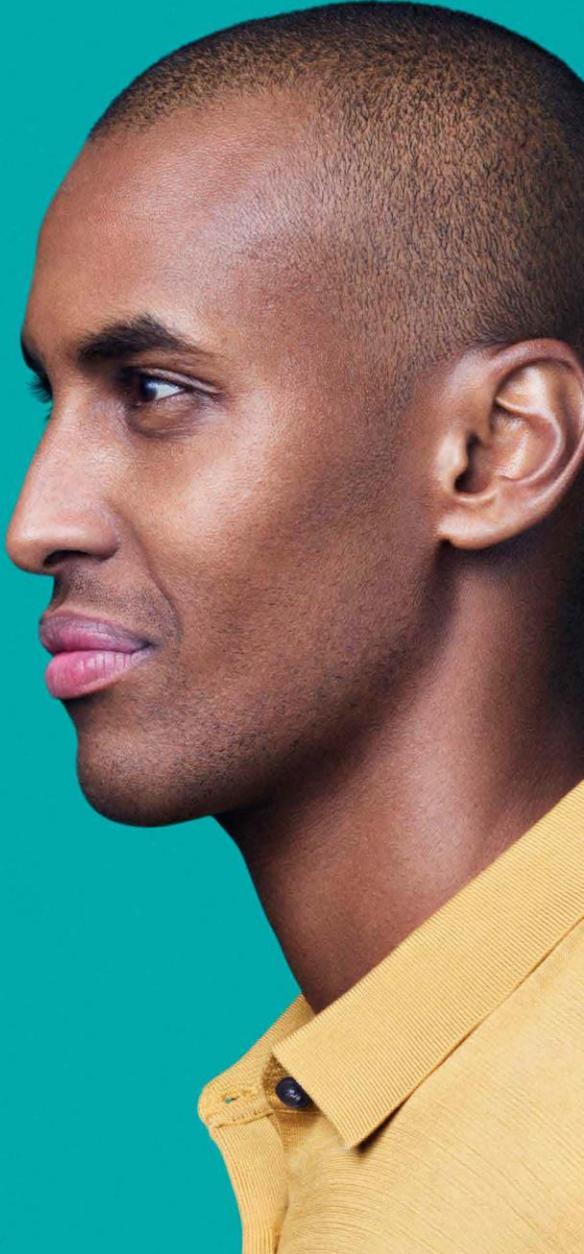


Strong team and culture is key for future growth

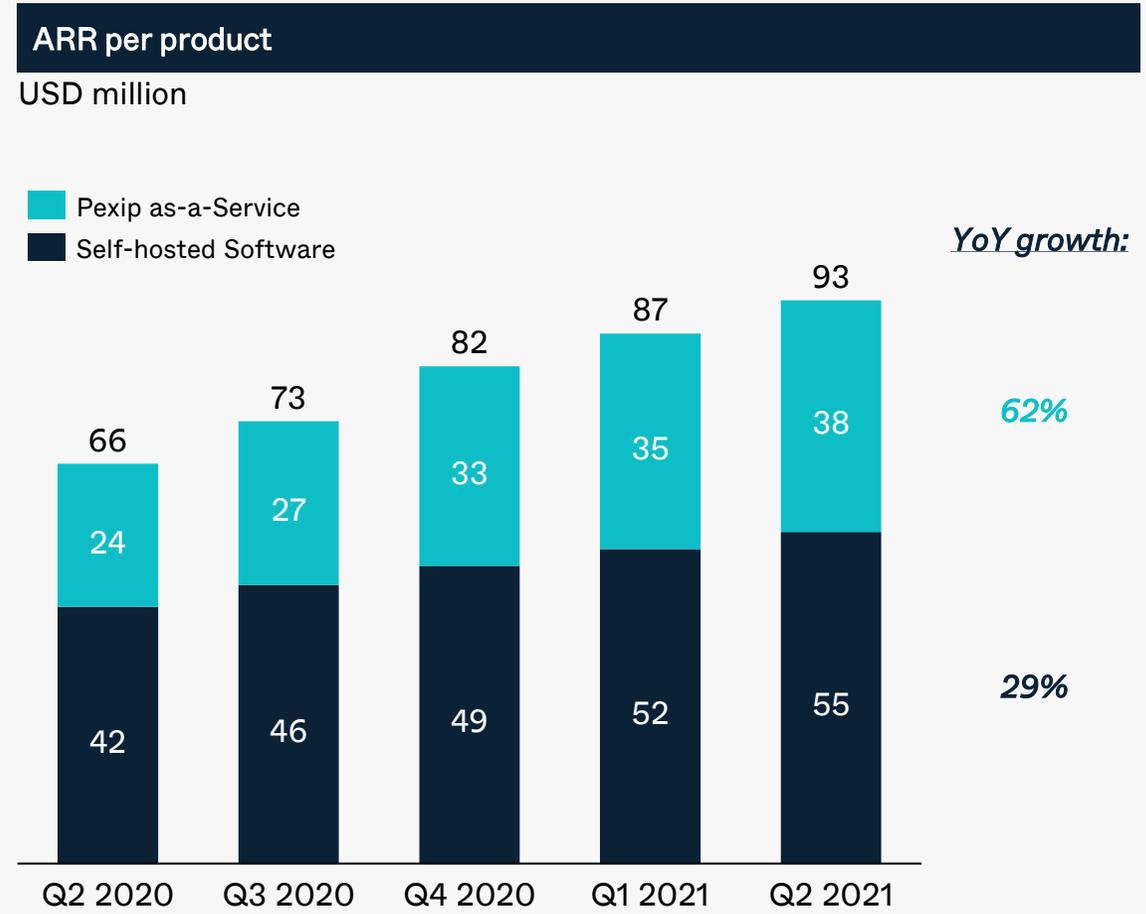
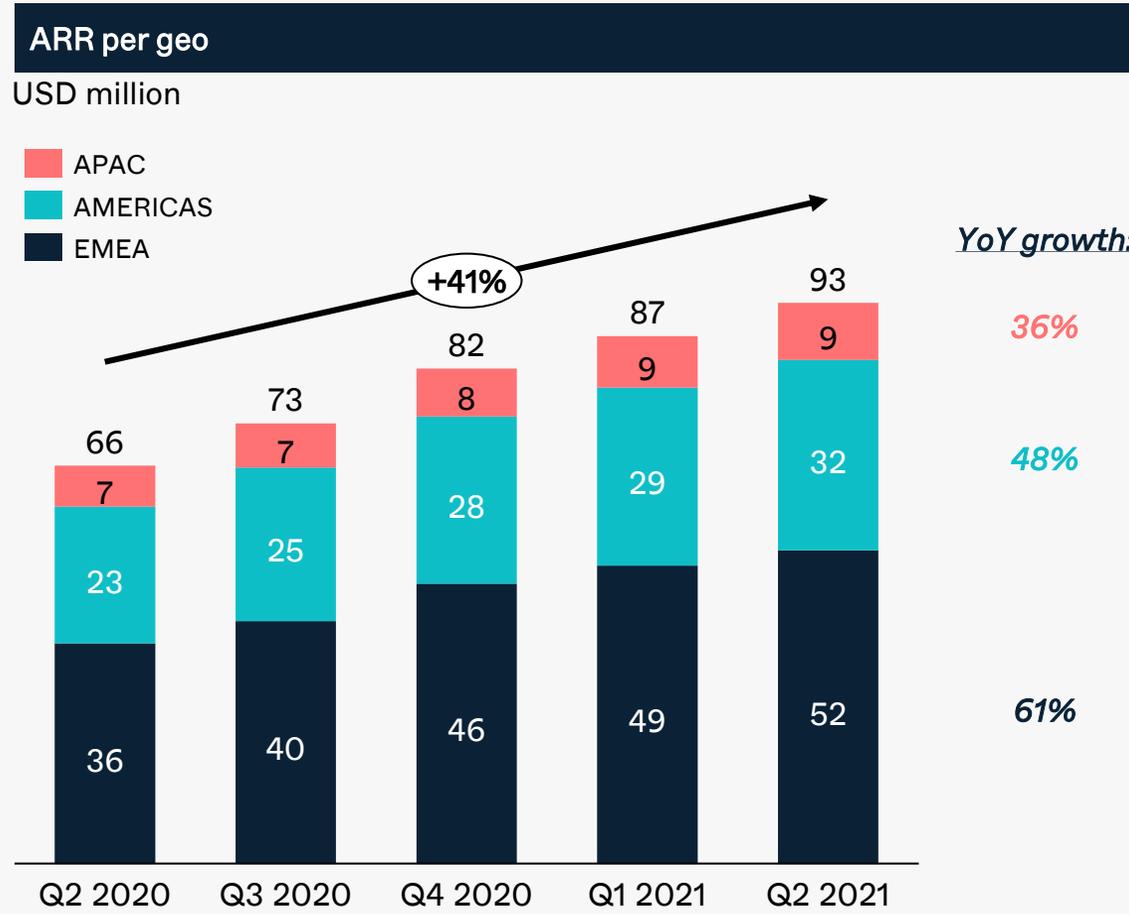
- Plan for 550-600 employees year end 2021
- Approx 100-150 new employees in 2022
- 50-100 new employees in 2023 and 2024
- Investing 60% in sales and marketing, 30% in R&D and 10% in other
- Strengthening the team is a key enabler for building stronger growth capacity



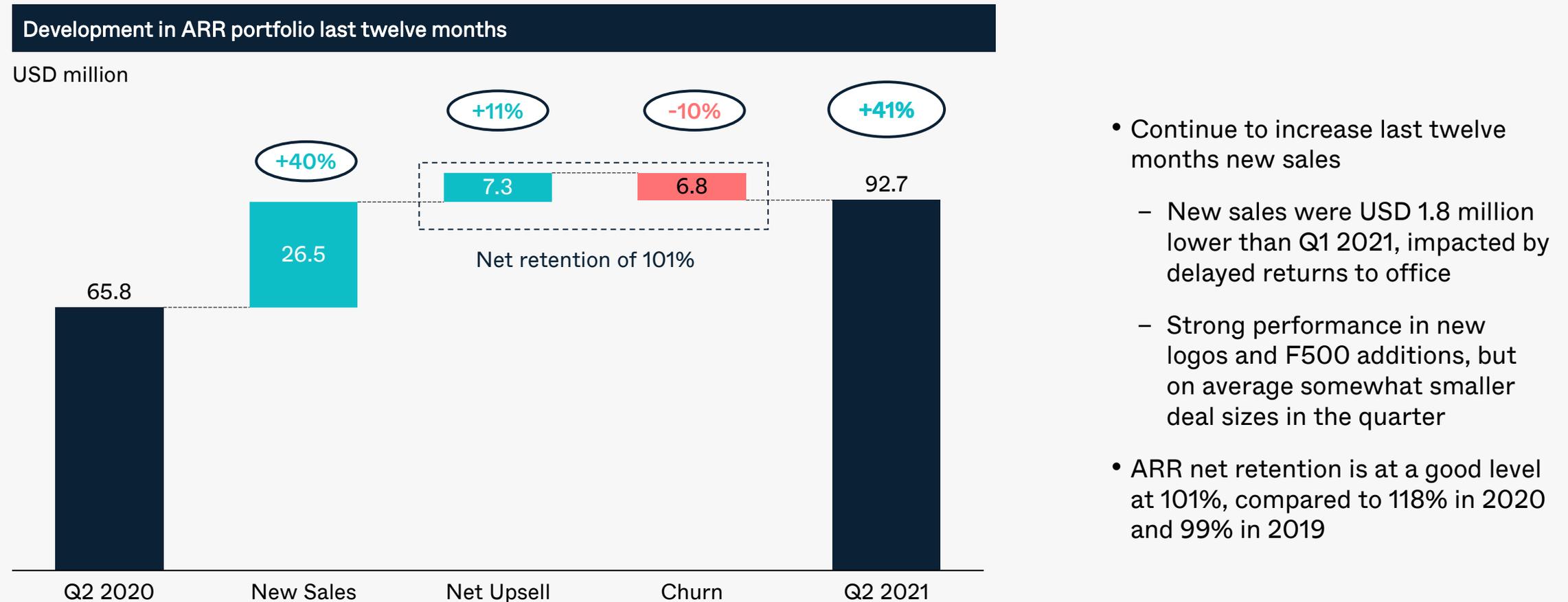
Financial performance



Solid growth contributions from all geographies and product lines



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



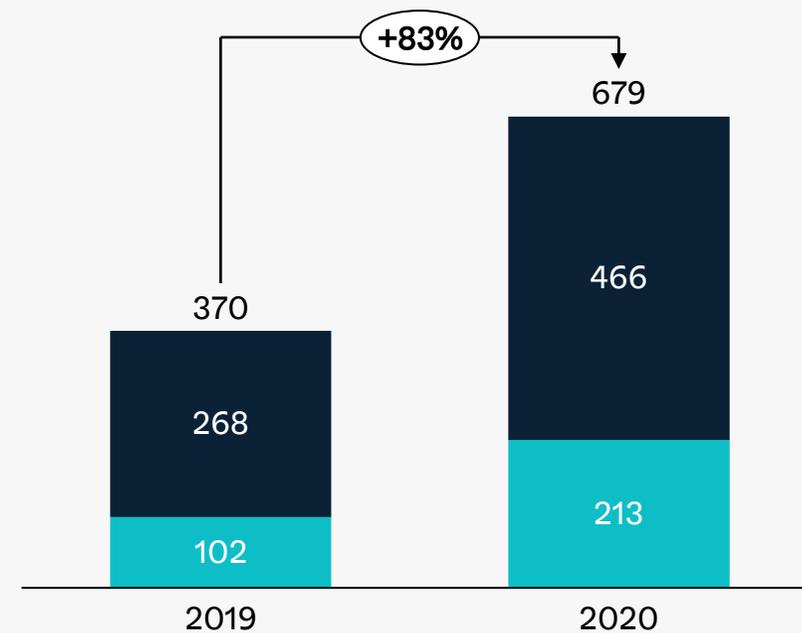
Gross margin, Percent of revenue



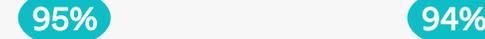
Annual revenue development

NOK million

■ Software
■ Cloud Service



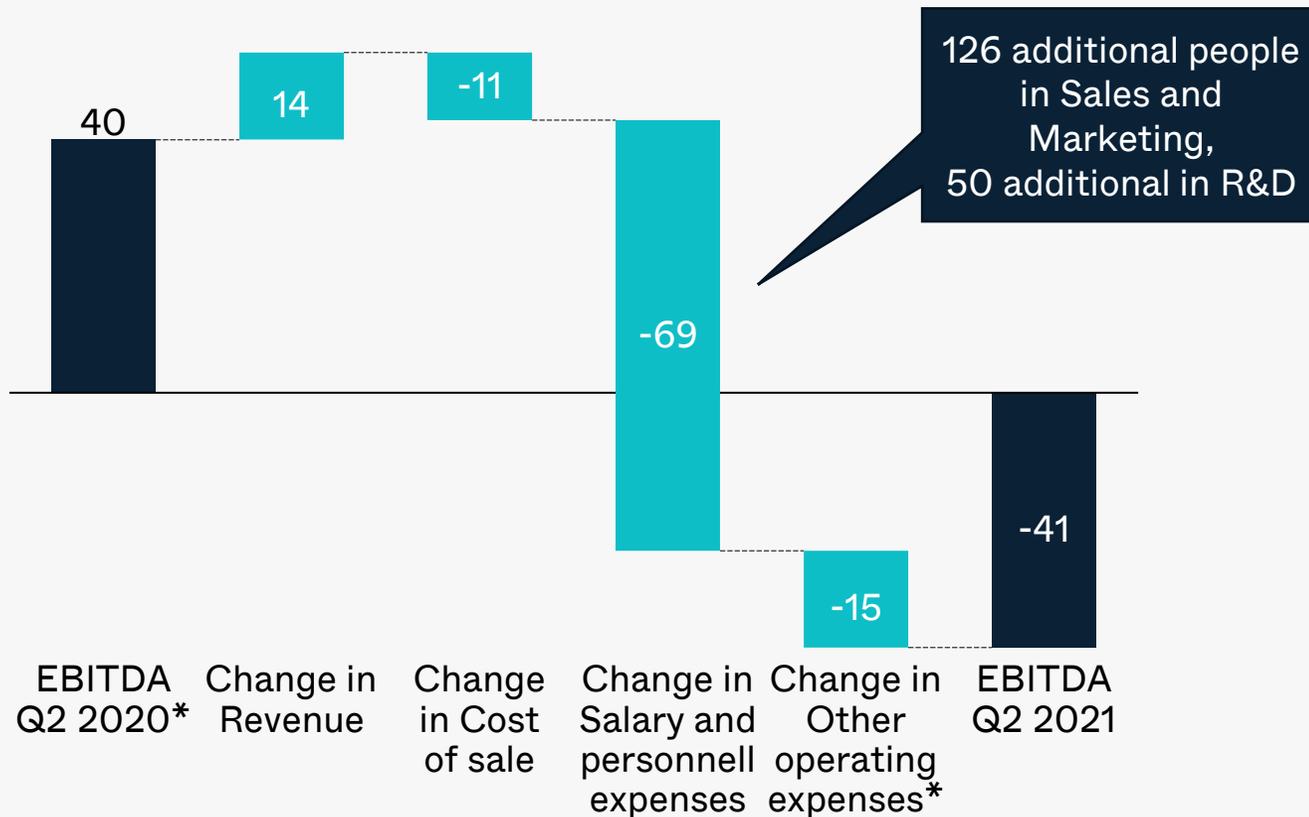
Gross margin, Percent of revenue



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

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



Outlook

- **Positive outlook for video communication**
- **Will continue to execute on growth plan**
- **Expect to reach long-term target of USD 300 million in ARR by end-of-2024**

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Q&A

