

]pexip[

Quarterly Presentation Q4 2024

February 13, 2025

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.

Software only specialist video conferencing player

Serving large enterprises and public sector organizations



Strong financial performance



Unique partnerships with the technology leaders in our industry



¹ Excluding other gains and losses
² Cash flow excluding financing items

Q4 2024 highlights



- Continued improved ARR, revenue and EBITDA growth
- Closed 2024 in the upper range of our initial outlook
- Strong growth in Secure & Custom



- Closed first Pexip Private AI sale
- Launched Zoom ISV partnership and continued good momentum on Connect for Zoom Rooms

+3.5m
MUSD 113.1 EoQ4

ARR
Q-o-Q

88.2m
MNOK 207 FY 2024

Adj. EBITDA¹
Q4 2024

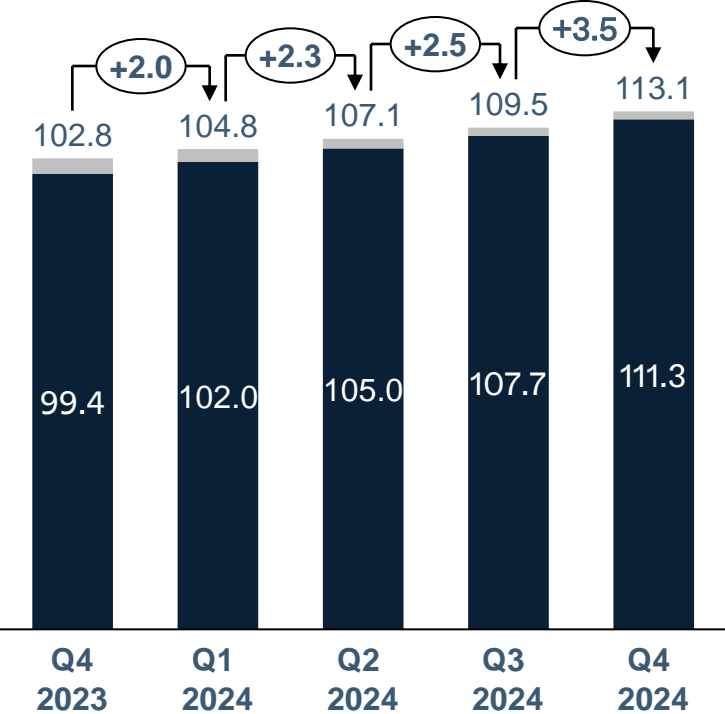
21.1m
MNOK 197 FY 2024

Free cash flow
Q4 2024

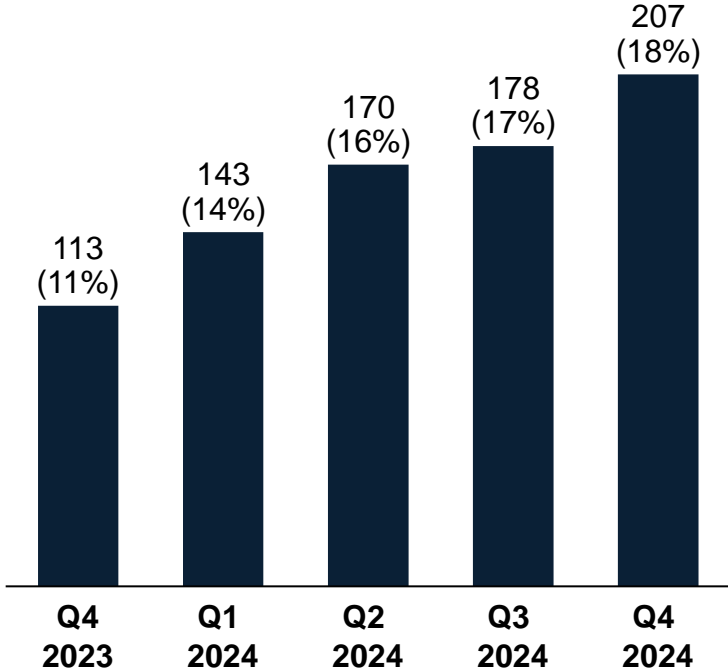
1) Excluding Other gains and losses, e.g., restructuring costs

Continued growth and further improved profitability

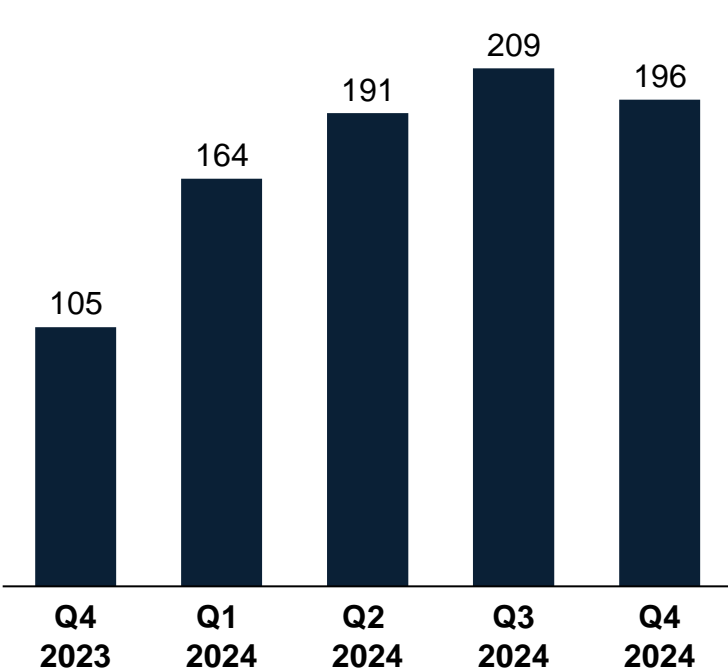
Total ARR
USDm



Adjusted EBITDA¹
NOKm, Last twelve months



Free Cash flow²
NOKm, Last twelve months



Legacy
Underlying ARR

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

Pexip's two business areas

Pexip Secure & Custom Spaces

Video meetings that are self-hosted on-premises or in a private cloud



When complete privacy and control over data is required



Pexip Connected Spaces

Video meeting room interoperability



When several video technologies need to work seamlessly together



Our key market beliefs

SECURE AND CUSTOM SPACES



1. Some meetings are more private than others

- All video meetings are not the same and there is a **need for private solutions** instead of or in addition to e.g. Teams.
- **AI will massively accelerate** this trend as customers need to control their data.

SECURE AND CUSTOM SPACES



2. Growing demand for custom video workflows

- In client and citizen engagement, video will replace voice and physical in-branch meetings, creating a need for **custom, private solutions**.
- Video is increasing becoming part of workflows, replacing both voice-only and physical meetings.

CONNECTED SPACES



2. Video interoperability is increasingly important

- The use of **video communication continues to grow**, and in particular through **video room devices** such as Microsoft Teams Rooms, Zoom Rooms.
- The market has consolidated on **several large providers**, which all have **strong long-term positions**

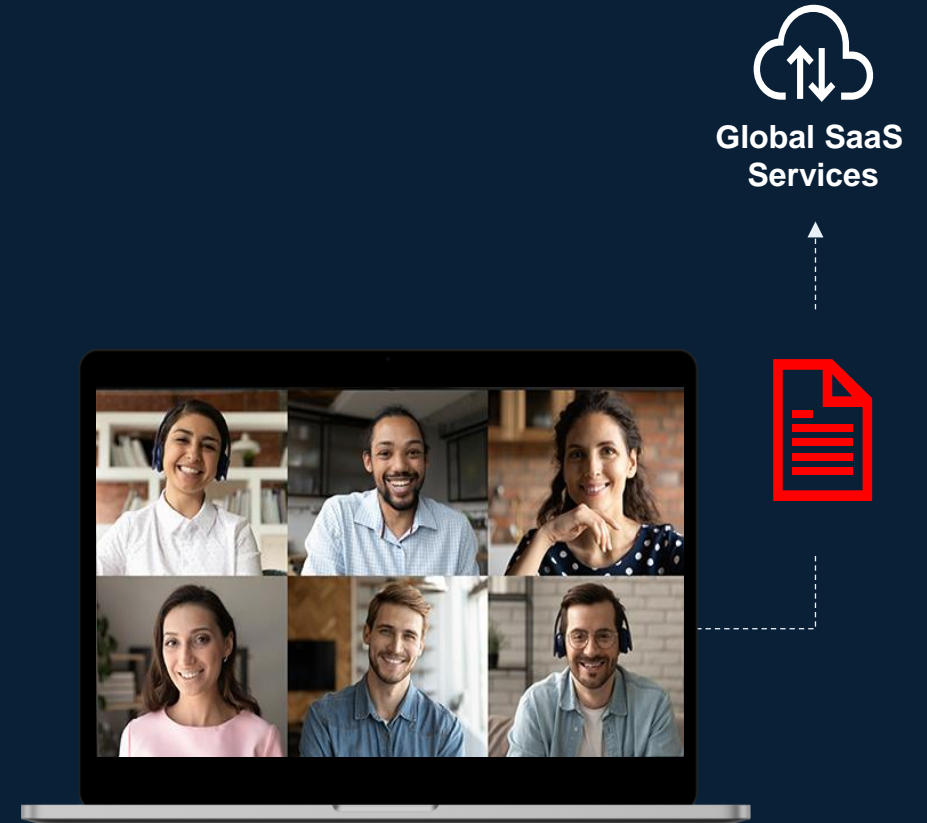
AI productivity tools in video meetings create new compliance challenges

Every video meeting can become a document

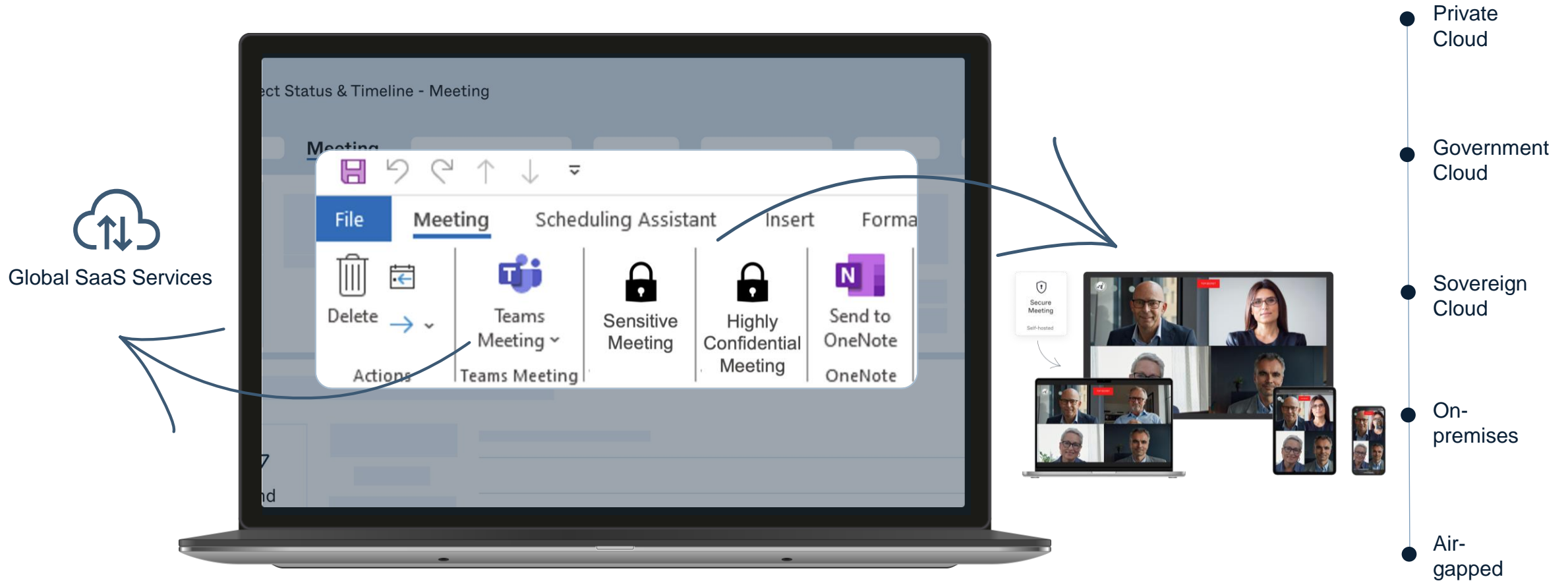
- Who has access?
- Where is it stored?
- When is it deleted?
- What is the document classification?

Are all meetings the same?

- Different types of video meetings may require different solutions in the same way as location is carefully selected for physical meetings



Complementary video services cater to specific customers' security & privacy requirements



Closed first major sale of Private AI for Secure Meetings



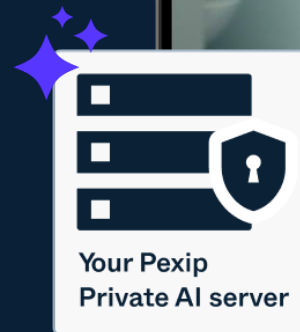
Private deployment with complete data control



Customer-specific language libraries



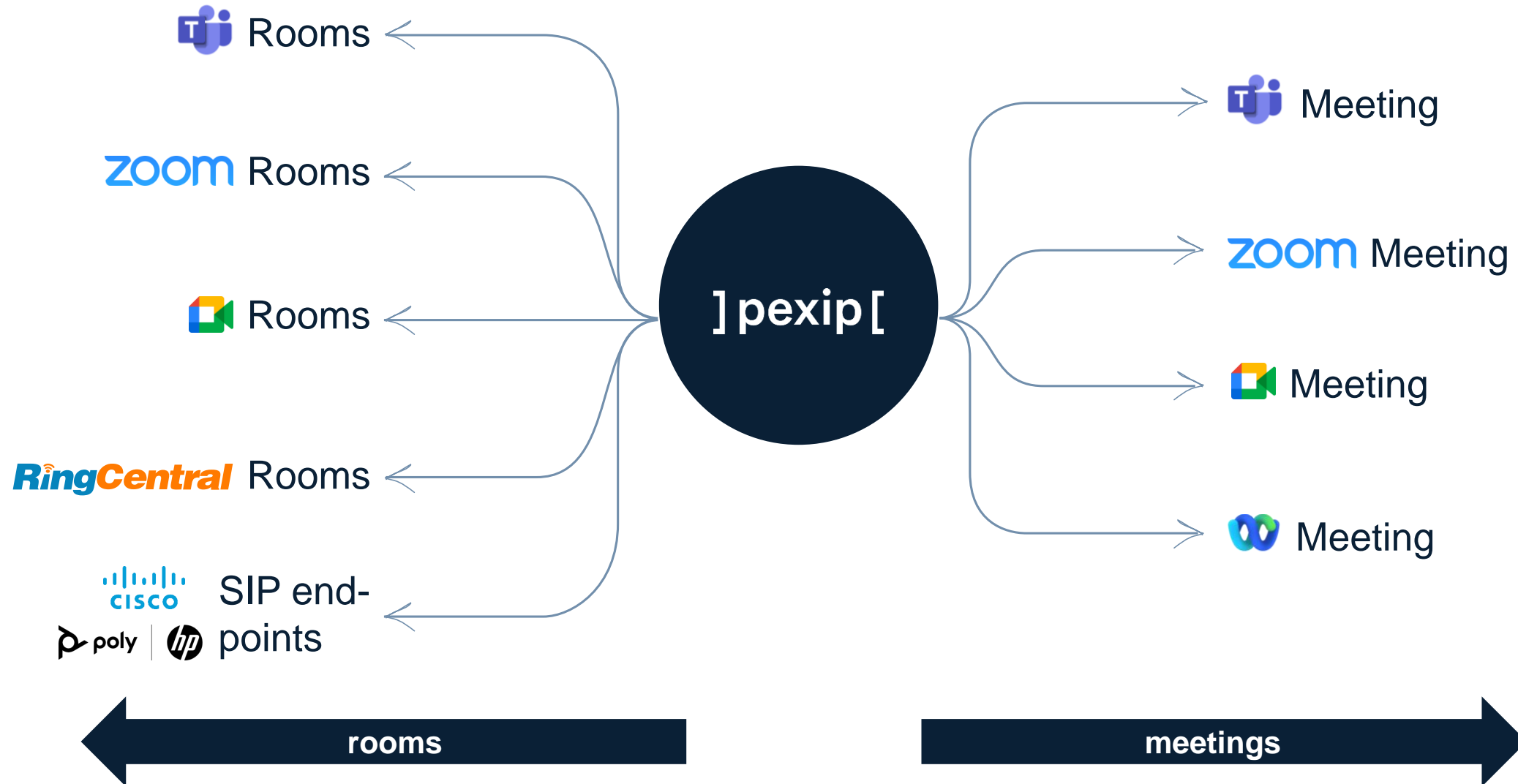
Built on NVIDIA AI models



As you can see, my speech is being displayed as captions in this video meeting.

Dr. Riaz

Our vision is to connect any meeting room to any meeting



Launching Zoom ISV partnership

- Pexip joined Zoom's ISV program in December 2024
- This enables Zoom customers to buy Pexip Connect for Zoom Rooms from Zoom
- Will increase Pexip reach towards Zoom's customer base and simplify buying journey for customers
- First orders already received in January 2025



Sales update

Secure and Custom Spaces



+3.9m

ARR change
Q-o-Q USD



44.9m

ARR USD
End of Q4 2024



24%

Y-o-Y growth
Q4 2024



Secure Meetings continue to be the main growth driver, and is now over 50% of Secure & Custom



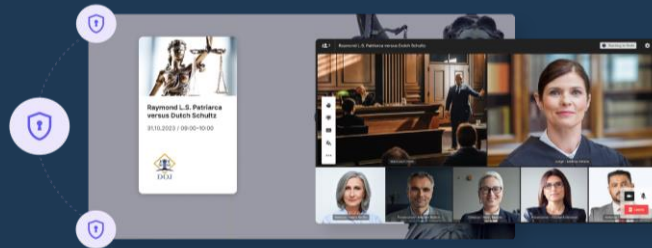
Closed first Private AI closed captions sale



Great traction in Defense vertical – 70% growth year-on-year

Good traction for vertical solutions driving 20%+ growth in Secure & Custom

Justice



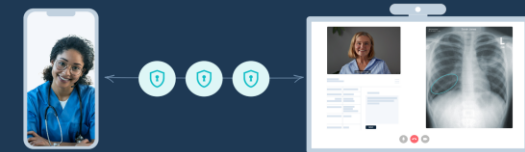
- Used at scale by some of the largest and most complex justice systems globally
- Won 5 new justice systems in 2024

Defense



- Used by several major defence forces and alliances
- 70% ARR growth in this segment in 2024

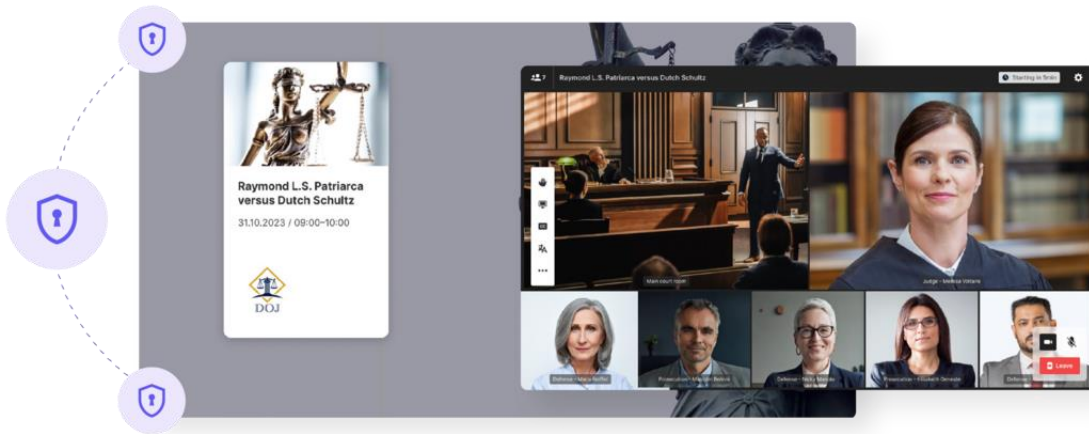
Healthcare



- Used by some of the largest telemedicine providers globally
- First AI customer

Justice use-case: Ontario Ministry of Justice

The Ontario Ministry of Justice is the **largest justice system** in Canada, and one of the largest in North America.



SELF-HOSTED



PRODUCT

PEXIP SECURE MEETINGS

Use case:

- Secure & Custom Meetings and Courtroom solution
- More phases to come as they will expand and continue to build out seamless workflows everywhere

Key winning USPs

- Modern-selfhosted solution
- The customized UX and layouts
- Integrated workflows
- Infrastructure and device agnostic solution

Defense use-case: Large Defense Organization

- 8000+ employees
- Global operations
- Operates across multiple technologies and domains



PRODUCT

PEXIP SECURE MEETINGS

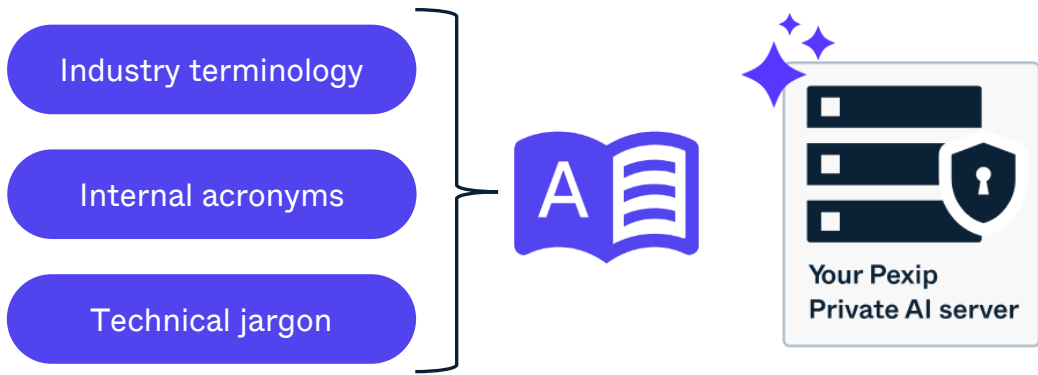
Use case:

- Secure Meetings on-premises and in isolated instances + Customs capability for Scheduling
- Needed to upgrade to a modern meeting solution for the future

Key winning USPs

- Core agnostic infrastructure that works independently of vendors, standards, apps, or devices and facilitates seamless connections between systems and devices for high-quality communication
- Ease of deployment
- Professional services with deep video engineering expertise

Private AI use-case: Large Health Organization



PRODUCT

PEXIP SECURE MEETINGS

Use case:

- Private AI captions for Secure Meetings

Key winning USPs

- Complete data control. All of customer's secure meeting media and AI data is processed on their private servers with absolutely no 3rd party access.

This includes customers' use of AIMS private customization of the ASR language models' dictionaries.

Connected Spaces

-0.4m

ARR change
Q-o-Q USD

66.4m

ARR USD
End of Q4 2024

5%

Y-o-Y growth
Q4 2024



Continued strong momentum with new Connect for Zoom Rooms product with another major win in Financial Services



Closed two new Fortune 500 accounts on Connect for Teams



Teams Rooms

Improved pipeline following launch of Connect for MTR

Customer use-case: Native room solutions

PRODUCT

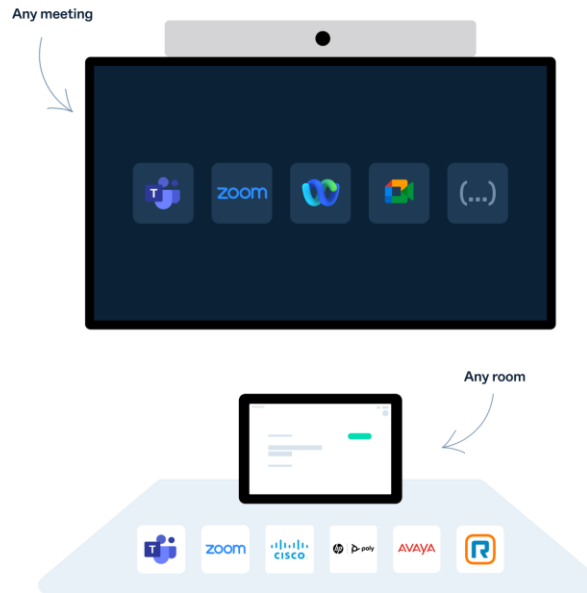
CONNECT FOR ZOOM ROOMS

Use case

- Enable +1,000 rooms with Pexip Connect for Zoom Rooms to join Teams meetings with a high-quality experience.

Key winning USPs

- Significantly improved user experience Support for in-room sharing



PRODUCT

CONNECT FOR TEAMS ROOMS

Use case

- Enable 1000+ rooms with Pexip Connect for Teams Rooms to join any meeting.

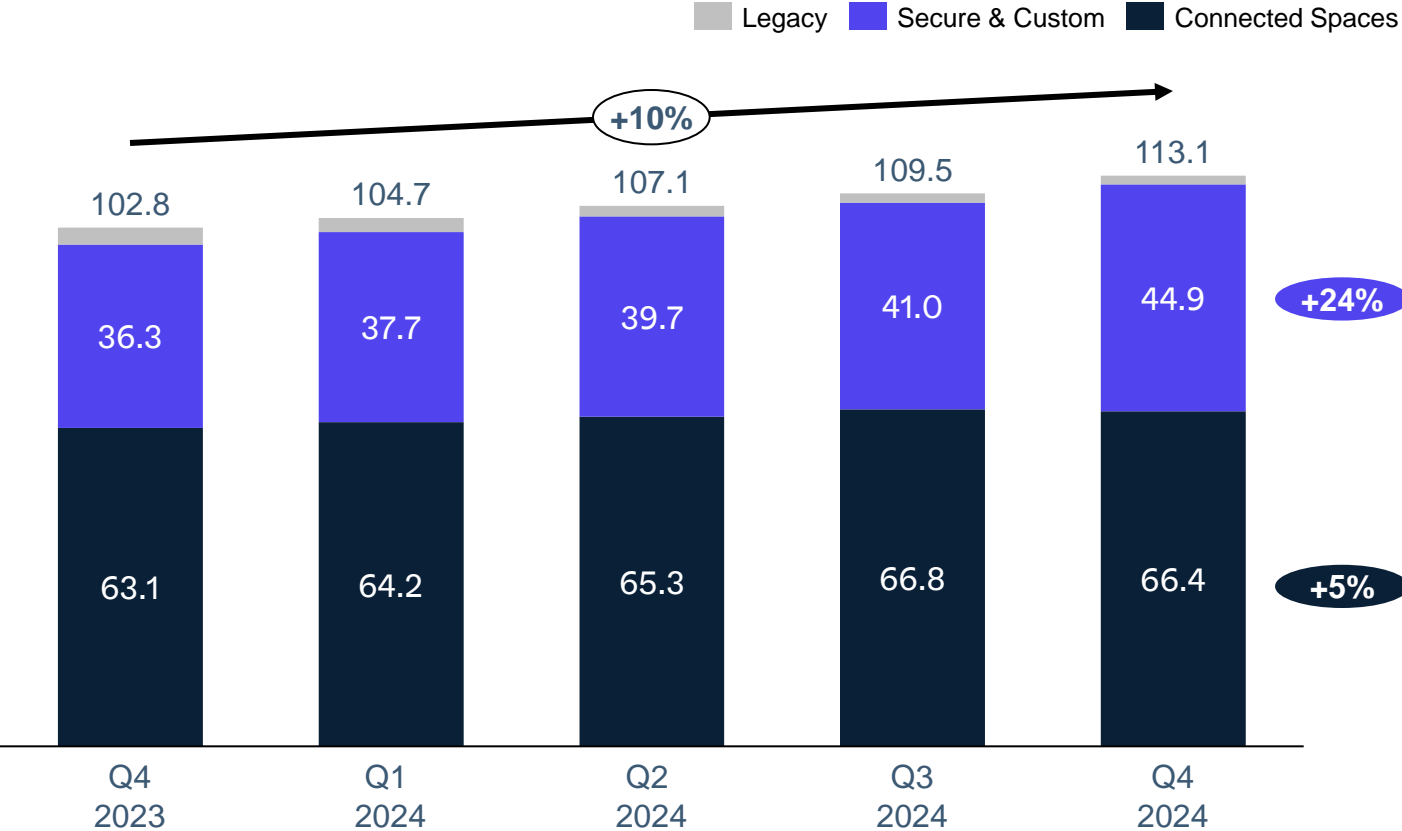
Key winning USPs

- Unmatched experience with dual screen support and local content sharing.

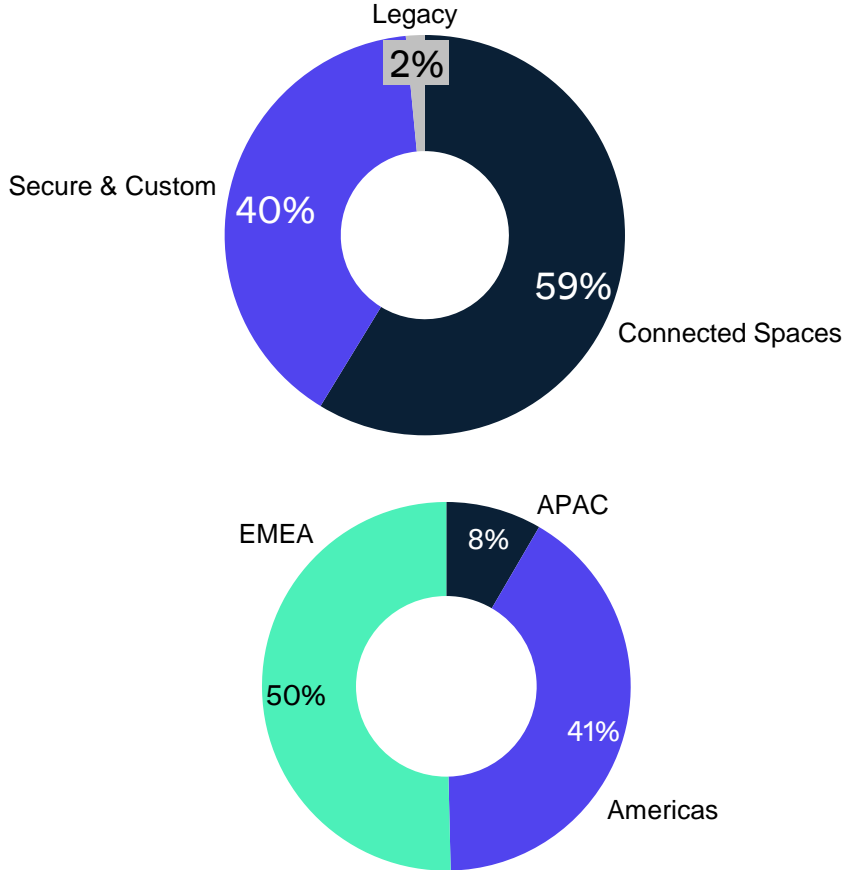
Financial update

Subscription-based revenue model with total ARR base at USD 113m in Q4 2024

Total ARR USDm



ARR split USDm

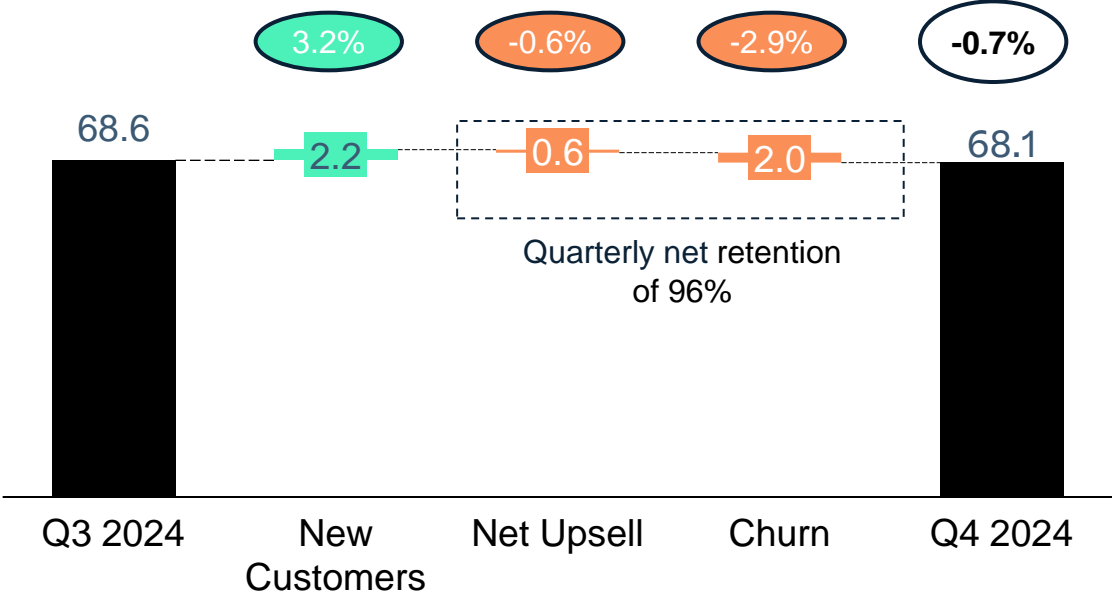


Booked Annual Recurring Revenue (ARR) development. Note: Will incorporate legacy in Connected Spaces from 2025

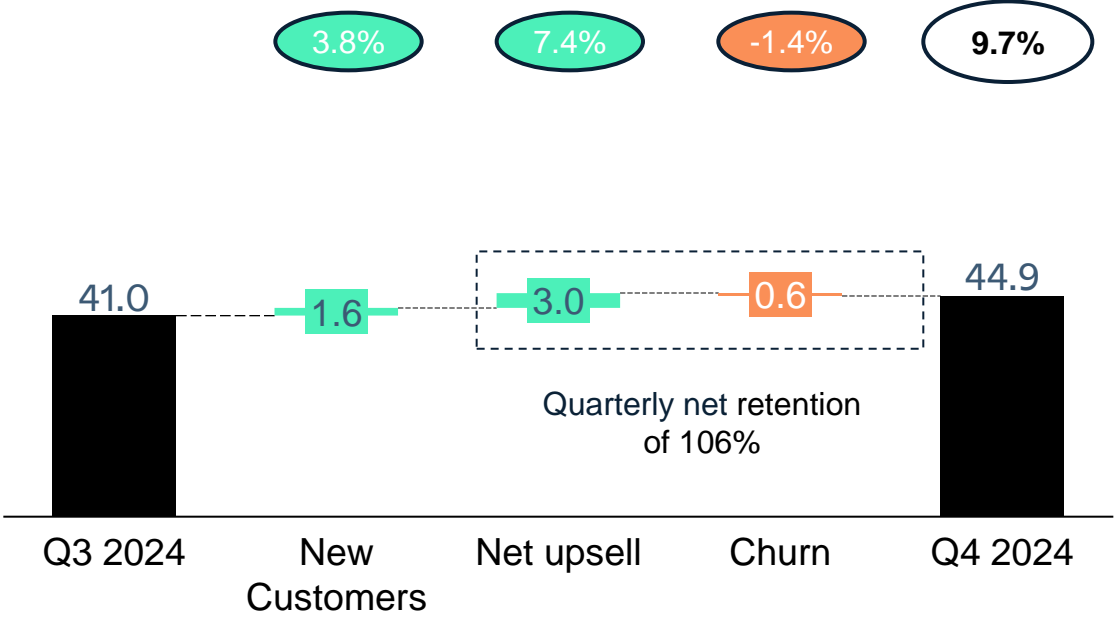
Strong growth in Secure & Custom

USD million, quarter-over-quarter

Connected spaces and legacy



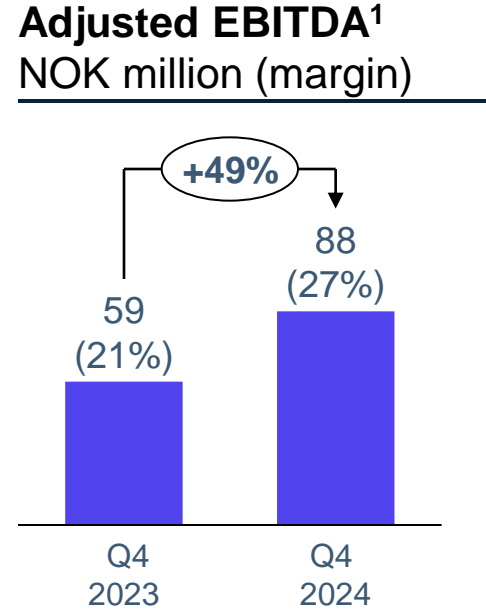
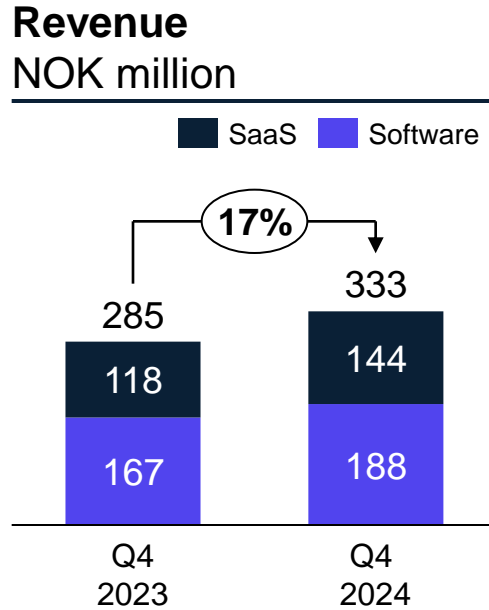
Secure and Custom



- USD 3.5 million in net growth in Q4 2024 compared to USD 3.0 million in Q4 2023, with the difference mainly resulting from a USD 0.5 million lower churn
- Strong performance in Secure and Custom from stronger net upsell as well as stronger new sales

17% revenue growth and 49% EBITDA growth

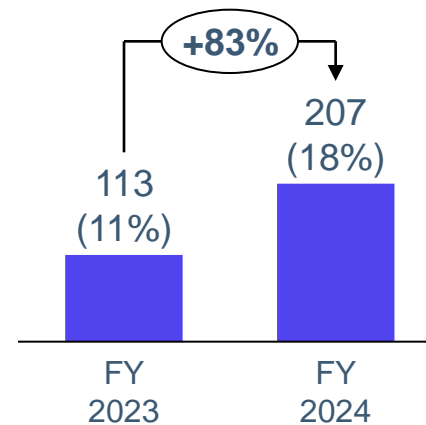
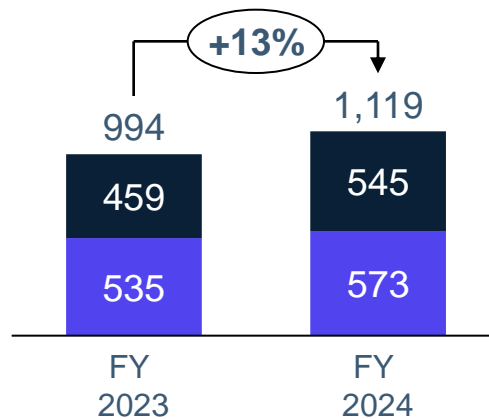
Quarterly



- Quarterly revenue increase of 17% y-o-y
 - Strong growth of 23% on Software as a Service, increase of 12% on Software
 - Estimated revenue currency benefit of NOK 7 million due to beneficial USD/NOK exchange rate

- EBITDA¹ increased with NOK 29 million

Full year

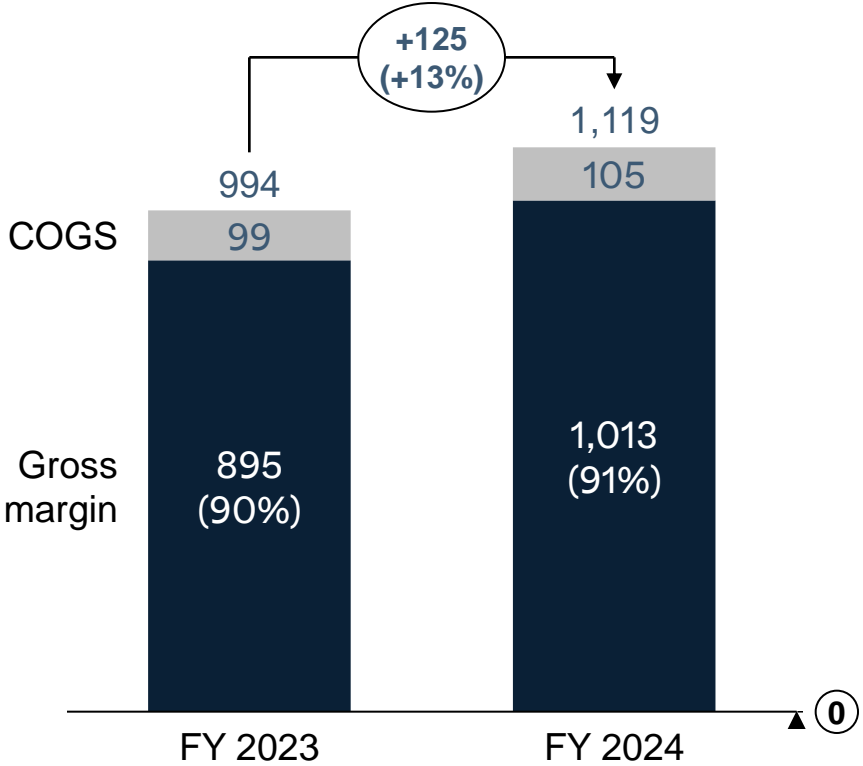


- 13% revenue growth for the full year of 2024, 3 p.p. above underlying ARR growth
- NOK 93 million growth in EBITDA¹, 18% adjusted EBITDA¹ margin

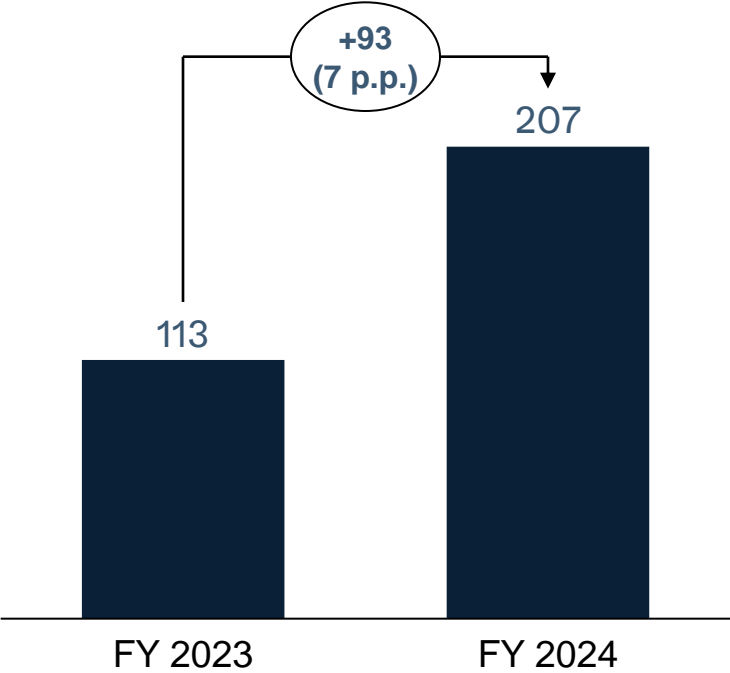
1) EBITDA adjusted for Other gains and losses

High conversion of revenue growth to EBITDA in 2024

Revenue and gross margin
NOK million



EBITDA excl. other gains and losses
NOK million

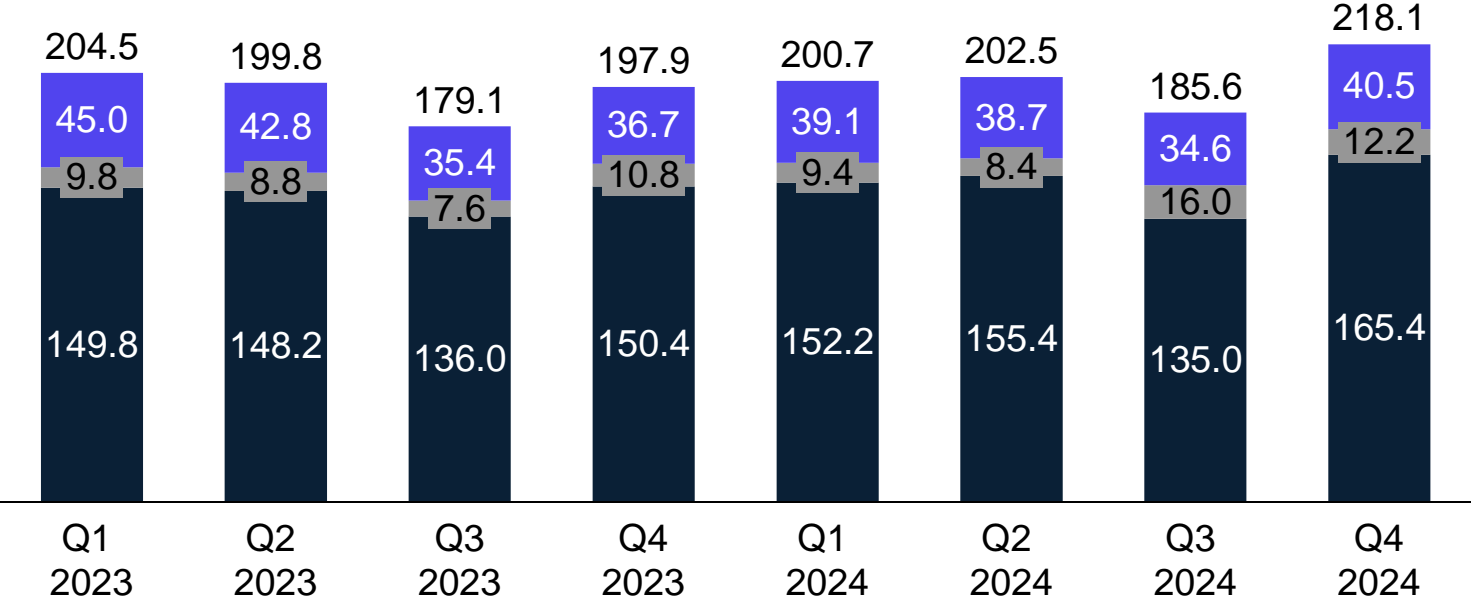


Converted 74% of revenue growth to EBITDA growth

Increase in operating expenses year-on-year tied to variable compensation and lower capitalization

Quarterly OPEX development

NOK million



■ Other operating expenses
 ■ Salary and personnel expenses
■ Share option related costs

Salary and personnel expenses

- NOK 15 million increase y-o-y, driven by
 - NOK 11 million higher variable salary impacted by end-of-year true-up on 2024 results
 - NOK 4 million lower capitalization of own R&D

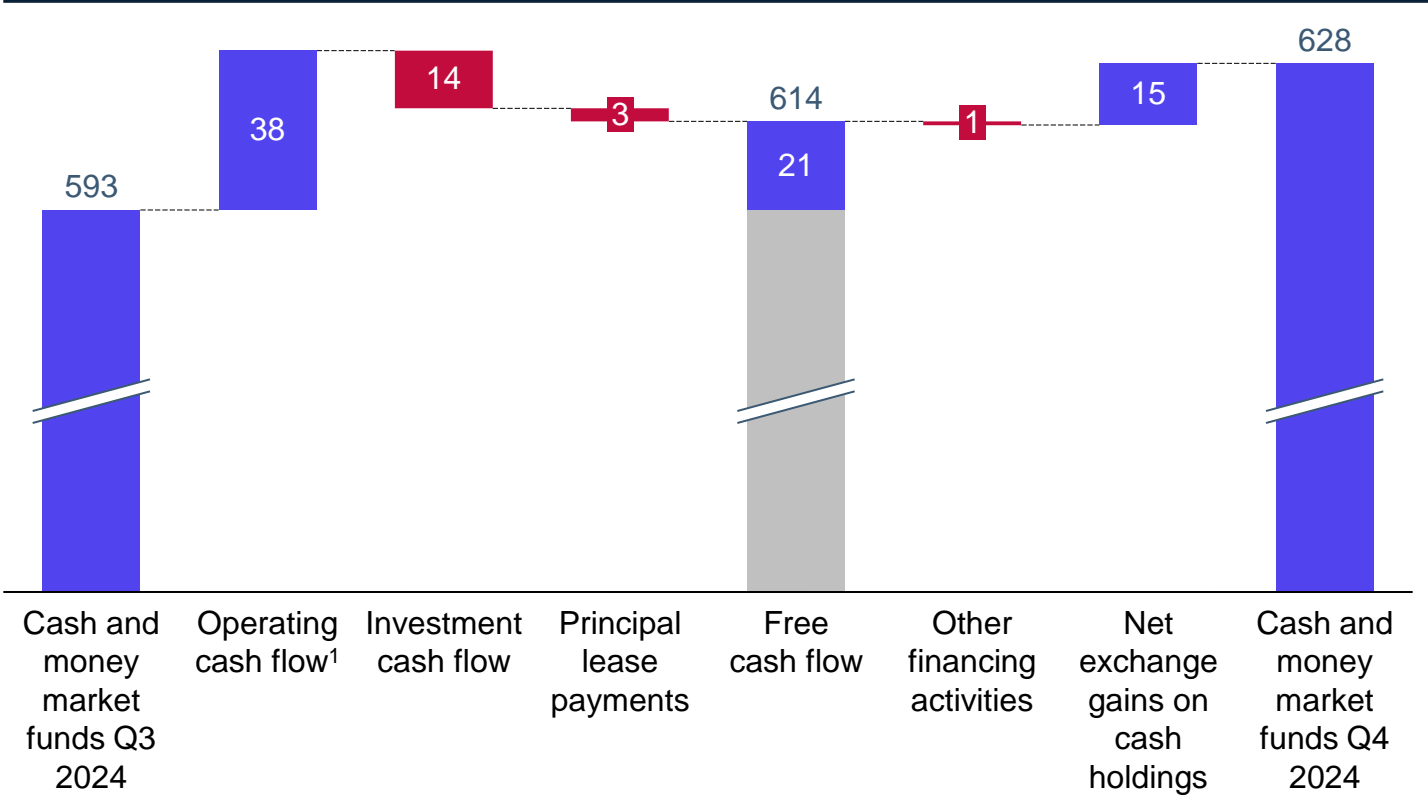
Other Operating expenses

- NOK 4 million higher costs across marketing and computers and software

NOK 21 million in free cash flow in Q4

Cash flow bridge Q4 2024

NOK million



- Positive Operating Cash Flow despite seasonal build-up of working capital – Q4 is a strong invoicing quarter, leading to a large increase in trade receivables that are due in Q1 2025
- NOK 14 million investment cash flow (+1 million y-o-y), in part related to fittings of a new UK office
- NOK 15 million in net exchange gains on foreign currency

¹ Includes fair value adjustments on money market funds
 Note: Free cash flow defined as the sum of operating cash flow, investment cash flow and lease payments

Q4 2024 Financial results

Profit and loss

NOK million

	Q4 2024	Q4 2023	Y-o-Y
Revenue	333	285	47
Cost of goods sold	26	28	-2
Gross Profit	306	257	49
Salary and personnel exp.	178	161	16
Other operating exp.	40	37	4
Adjusted EBITDA	88	59	29
Other gains and losses	3	5	-2
EBITDA	85	55	29
D&A and impairment	23	100	-82
EBIT	62	-45	107
Net financials	20	0	20
Profit/loss before income tax	82	-45	127

- 17% increase in year-on-year revenue
- Reduced COGS despite revenue increase from underlying efficiency improvements
- EBITDA excluding other gains and losses of NOK 88 million, NOK 29 million higher than in Q4 2023
- NOK 3 million in other gains and losses from restructuring
- Reduction in D&A and impairment in Q4 2024 mainly due to one-off impairment in Q4 2023.
- Improvement in net financials from foreign exchange difference gains and NOK 2 million increase in interest income
- NOK 127 million improvement in profit before tax

FY 2024 Financial results

Profit and loss

NOK million

	FY 2024	FY 2023	Y-o-Y
Revenue	1119	994	125
Cost of goods sold	105	99	6
Gross Profit	1013	895	119
Salary and personnel exp.	654	621	33
Other operating exp.	153	160	-7
Adjusted EBITDA	207	113	93
Other gains and losses	16	11	5
EBITDA	191	102	88
D&A and impairment	81	199	-118
EBIT	110	-97	206
Net financials	55	33	22
Profit/loss before income tax	164	-64	228

- 13% increase in year-on-year revenue
- 1 p.p. improvement in gross margin from cloud service operational efficiencies
- EBITDA excluding other gains and losses of NOK 207 million, NOK 93 million higher than in 2023
- NOK 16 million in other gains and losses from cost reductions
- Reduction in D&A in 2024 mainly due to one-off impairment of goodwill in 2023
- NOK 228 million improvement in profit before tax

Outlook and targets

Outlook

- Continued positive market outlook across the business areas driven by market trends
 - Need for private video meeting platforms
 - Custom video work-flows are growing
 - Interoperability increasingly important
- Our unique technology, strong market position and industry partnerships put Pexip in an excellent place to capitalize on these market trends
- End Q1 2025 ARR expected 114-117 USD millions

Near-term targets

Consistently deliver:

- Above 10% ARR growth
- Above 20% EBITDA¹ margin

Long-term ambition

Deliver Rule of 40 performance across ARR growth and EBITDA margin

1) Excluding other gains and losses

Will recommend a NOK 2.5 per share dividend to AGM in April 2025

Capital distribution policy

- Distribute 50-100% of free cash flow generated to shareholders as a dividend, with the concrete recommendation to be presented and approved by the AGM

2024 dividend recommendation of NOK 2.5 per share, up from NOK 1.1 for 2023

- NOK 2.0 dividend per share as an ordinary dividend (~95% of combined 2024 free cash flow + exchange rate gains)
- In addition, an extraordinary dividend of NOK 0.5 per share to be paid together with the ordinary dividend
- The dividend will be structured as a repayment of paid-in capital

Upcoming dates

2024 Annual Report

🕒 March 27th, 2025

Annual General Meeting

🕒 April 25th, 2025

Q1 2025 Quarterly Presentation

🕒 May 7th, 2025



Q&A

[Investor.pexip.com](https://investor.pexip.com)

BACKUP

Summary of key figures

KPI	Unit	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Y-o-y	Q-o-Q
ARR								
Connected Spaces	MUSD	63.1	64.2	65.3	66.8	66.4	3.3	-0.3
Secure & Custom	MUSD	36.3	37.7	39.7	41.0	44.9	8.6	4.0
Legacy	MUSD	3.3	2.8	2.1	1.8	1.7	-1.6	-0.1
Total	MUSD	102.8	104.8	107.1	109.5	113.1	10.3	3.5
P&L								
Revenue	MNOK	285.2	292.0	265.6	228.5	332.5	47.4	104.0
Cost of Goods Sold	MNOK	-28.1	-27.1	-27.1	-24.8	-26.2	1.9	-1.4
Gross profit	MNOK	257.0	264.9	238.5	203.7	306.3	49.3	102.6
Salary and personnel expenses	MNOK	-161.2	-161.4	-163.8	-151.0	-177.7	-16.5	-26.7
Other OPEX	MNOK	-36.7	-39.1	-38.7	-34.6	-40.5	-3.8	-5.9
Adj. EBITDA	MNOK	59.2	64.4	36.0	18.1	88.2	29.0	70.1
Other gains and losses	MNOK	-4.5	-6.7	-3.0	-3.4	-2.7	1.8	0.7
EBITDA	MNOK	54.6	57.7	33.0	14.6	85.4	30.8	70.8
D&A and impairment	MNOK	-100.0	-19.8	-19.6	-18.6	-23.3	76.7	-4.6
EBIT	MNOK	-45.4	37.9	13.4	-4.0	62.2	107.5	66.2
Net Financials	MNOK	0.4	22.5	-1.0	13.0	20.1	19.7	7.1
Tax	MNOK	-13.6	-15.0	-5.4	-3.2	-22.6	-9.0	-19.4
Net profits	MNOK	-58.6	45.4	7.0	5.8	59.7	118.2	53.9
Cash and cash flow								
Operating cash flow	MNOK	50.4	112.3	78.9	22.2	38.0	-12.4	15.8
Investing cash flow	MNOK	(12.5)	(8.7)	(7.2)	(11.1)	(13.8)	-1.3	-2.7
Principal lease payments	MNOK	(4.8)	(3.0)	(4.0)	(3.3)	(3.1)	1.7	0.2
Free cash flow	MNOK	33.1	100.5	67.7	7.8	21.1	-12.0	13.4
Cash position	MNOK	522.7	628.1	586.5	593.2	628.2	105.5	34.9

Comments Q4 2024

ARR

- Delta ARR Q3 of 3.5 MUSD, driven by good growth in Secure & Custom across new and existing customers (+24% y-o-y)
- Annual ARR growth of 10% p.a. (12% excl legacy)

Revenues

- Growth in quarterly revenues of MNOK 47 (+17%), driven by both software and software-as-a-service
- Seasonally strong software revenues in Q4

COGS

- Reduction in COGS despite Software-as-a-Service revenue and traffic growth from operating efficiencies

Opex

- Main driver of y-o-y increase is an increase in end-of-year variable pay achievements, as well as a reduction in capitalization of own R&D
- Other OPEX somewhat up across marketing and software cost

Cash and money market funds

- Cash balance closing MNOK 105.5 above 2023
- Slight reduction in operating cash flow y-o-y due to seasonal working capital build-up

Note: Operating cash flow includes fair value adjustments of money market funds to be consistent with other interest income.
Cash position includes money market funds.