

] pexip [

Meet the world
with video communication as it should be

Quarterly Presentation Q1 2020

27 May 2020



Important notice and disclaimer

These materials have been produced by Pexip Holding AS (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 does 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.

Successfully listed on the Oslo Stock Exchange 14th of May 2020

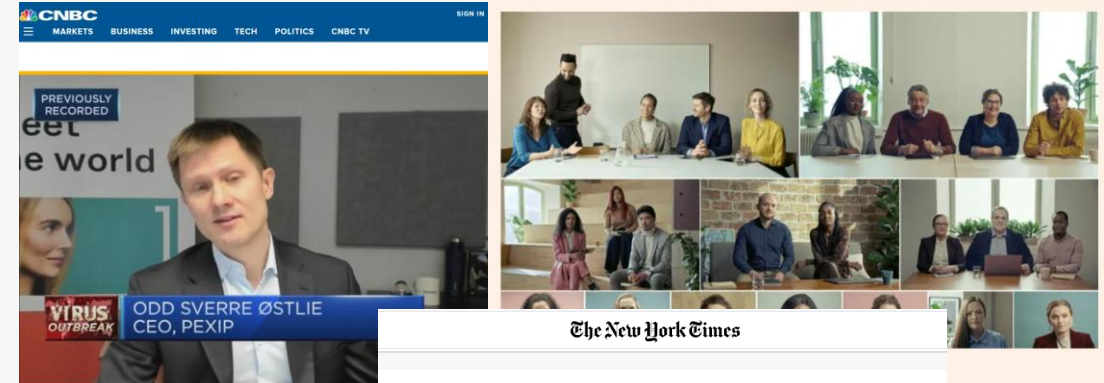


Received significant publicity from fully-virtual IPO

Technology sector + Add to myFT

Norwegian Zoom rival Pexip seeks Scandinavia's biggest tech IPO

Video-conferencing firm's clients include the US government, Amnesty International and Spotify



The New York Times

Seen massive, massive demand due to Covid-19 crisis

Video Conference Company Pexip Surges 54% in IPO Debut

By Reuters

May 14, 2020



OSLO — Shares in Norway's Pexip Holding soared by 54% in early trade on Thursday as the video conferencing company made its stock market debut after an initial public offering (IPO) that was more than 12 times oversubscribed.

The shares rose to 97 Norwegian crowns at 0710 GMT, up from 63 crowns in a sale of new and existing stock that concluded on Tuesday, now valuing the company at about 9.6 billion Norwegian crowns (\$942 million).

Business update

Meet the world with video communication as it should be

100% software and cloud based

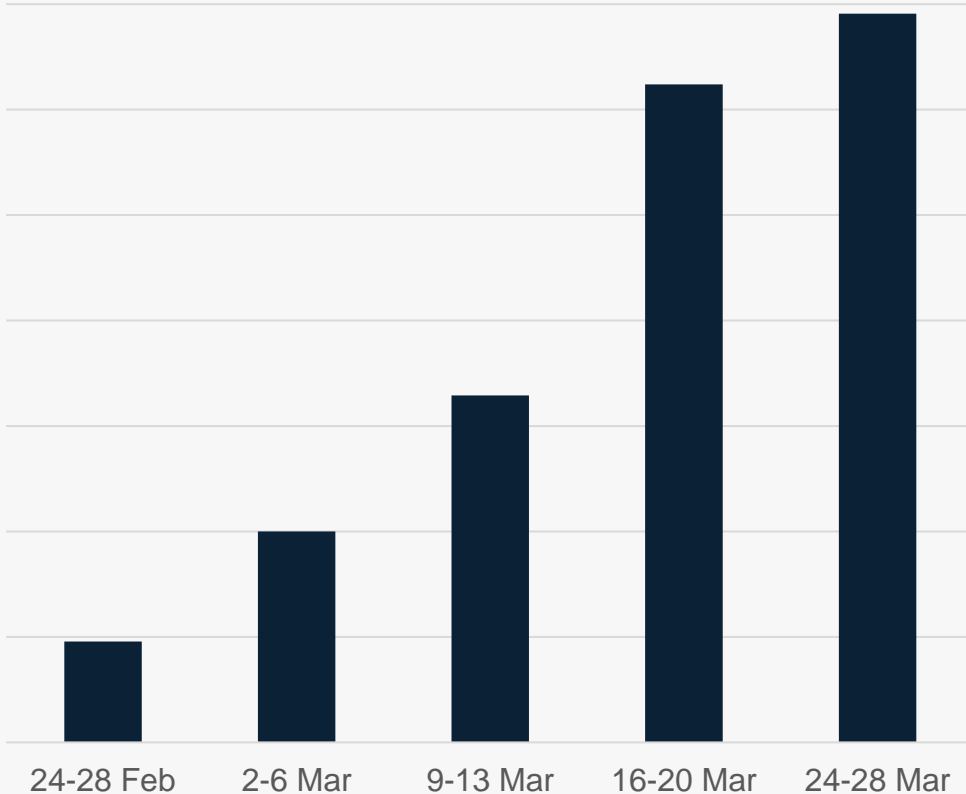


Works everywhere for everyone

- Flexible set-up, easy-to-use and manage
- Connects across multiple technologies
- Integrates with existing workflows
- A preferred provider among enterprises

Impact of Covid-19 on demand and operations

Daily peak traffic on Pexip Service



Existing and new customers increasing usage with 7X
– peak capacity has stabilized at EoMarch levels

Short term priorities and impact

- Help customers with short term needs across Pexip Infinity and Pexip as a Service, with a dedicated focus on our healthcare and government customers
- Keep our people home and safe – most staff working from home over video
- Distribute leads to ensure new customers are quickly enabled with video



Schibsted

Adevinta

Customer example

Overview

- Nordic media-tech company
- 9000 employees
- Customer since April 2019.

The challenge

- Standardize their way of collaborating
- Simplify meeting experiences and improve reliability
- Implemented a global WFH policy with COVID-19

The solution

- Dedicated Infinity in a private cloud solution
- Utilize Pexip's cloud bursting technology
- Branding / Distribution / Streaming

The result

- 13 x utilization during COVID-19
- Increased employee satisfaction

Telehealth is a rapidly growing vertical, and Pexip is a proud partner of leading telehealth providers

Partner example



Overview

Amwell is a leading telehealth platform in the United States and globally. Amwell powers telehealth solutions for over 240 health systems comprised of 2,000 hospitals and 55 health plan partners with over 36,000 employers, covering over 150 million lives.

Responding to COVID-19

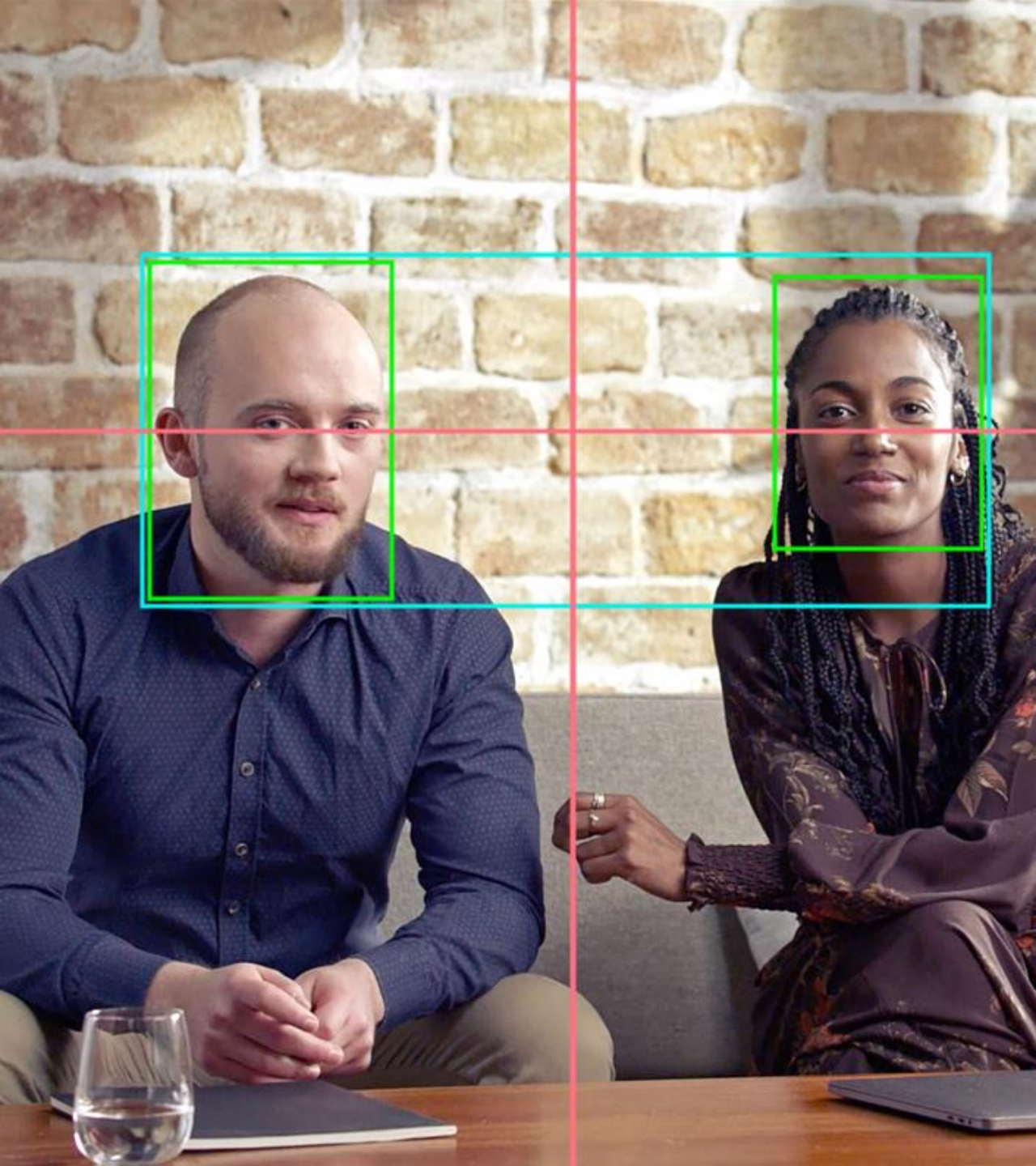
- Sent 700 employees to work from home overnight
- 20X+ spike in telehealth usage in less than 6 weeks
- Onboarded 10,000s of providers in days

How Pexip helped

- Amwell uses PEXIP Infinity as the video engine powering telehealth
- Close partnership on developing key features and APIs necessary to drive telehealth capability

The result

- **Seamless scaling via PEXIP during pandemic**
- Highly customized user experience for apps, web, and devices
- 95% + patient satisfaction
- Delivering millions of telehealth consultations annually



Adaptive Composition released as Tech Preview in Q1 2020

- Powered by AI & machine learning
- Real time video processing
- Ensure everyone is seen
- Conditioned to visual communications
- Give back time to all our users
- Reduce anxiety surrounding video

Sales results and financials

Long-term goals

Revenue growth

ARR of USD 300m by 2025

Long-term profitability

+25% EBITDA margin by 2025

Market recognition

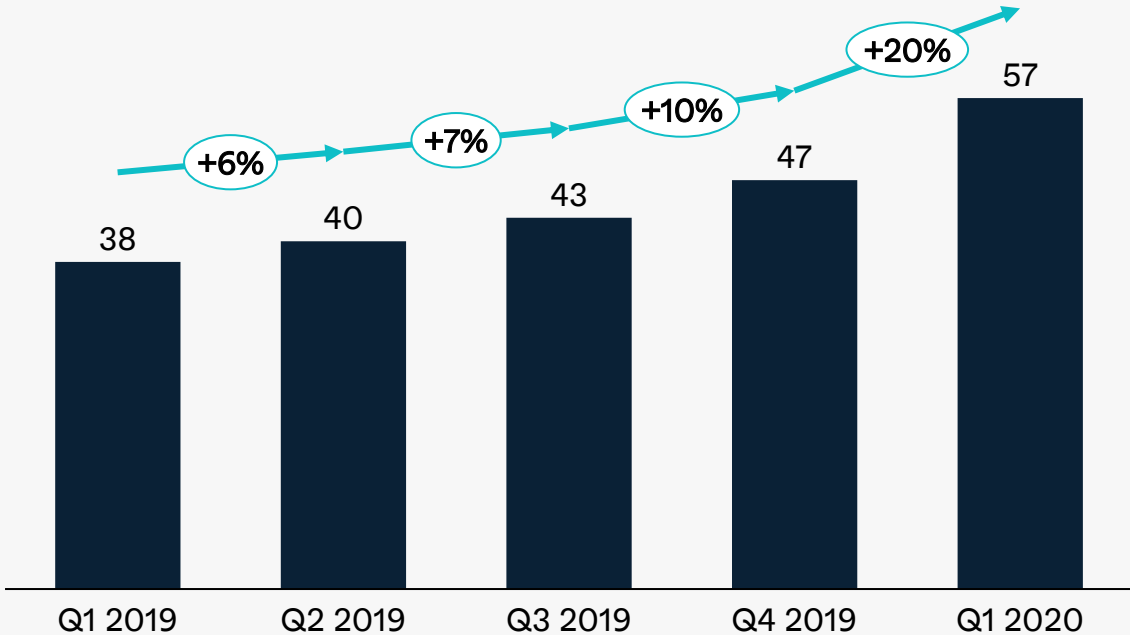
Recognized leader position in the Meeting Solutions market within 3-4 years

First quarter sales highlights (1/2)

Strong development in ARR with ~50% growth YoY driven by extraordinary Q1 growth

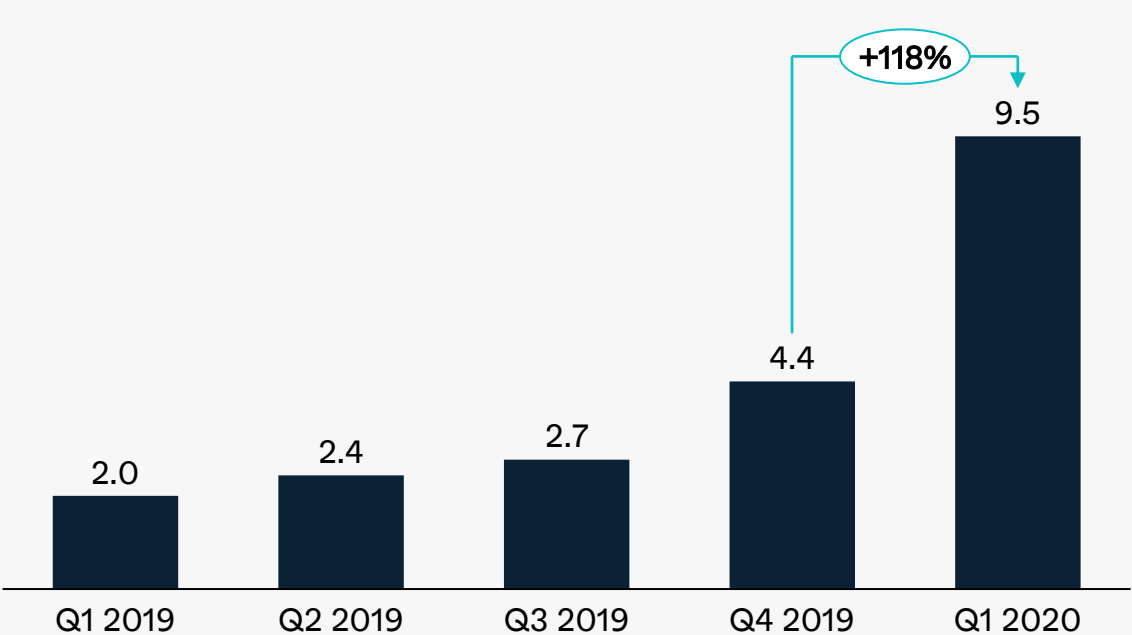
Contracted Annual Recurring Revenue (ARR) development Q1 2019 – Q1 2020

USDm



Q-o-Q growth in ARR Q1 2019 – Q1 2020

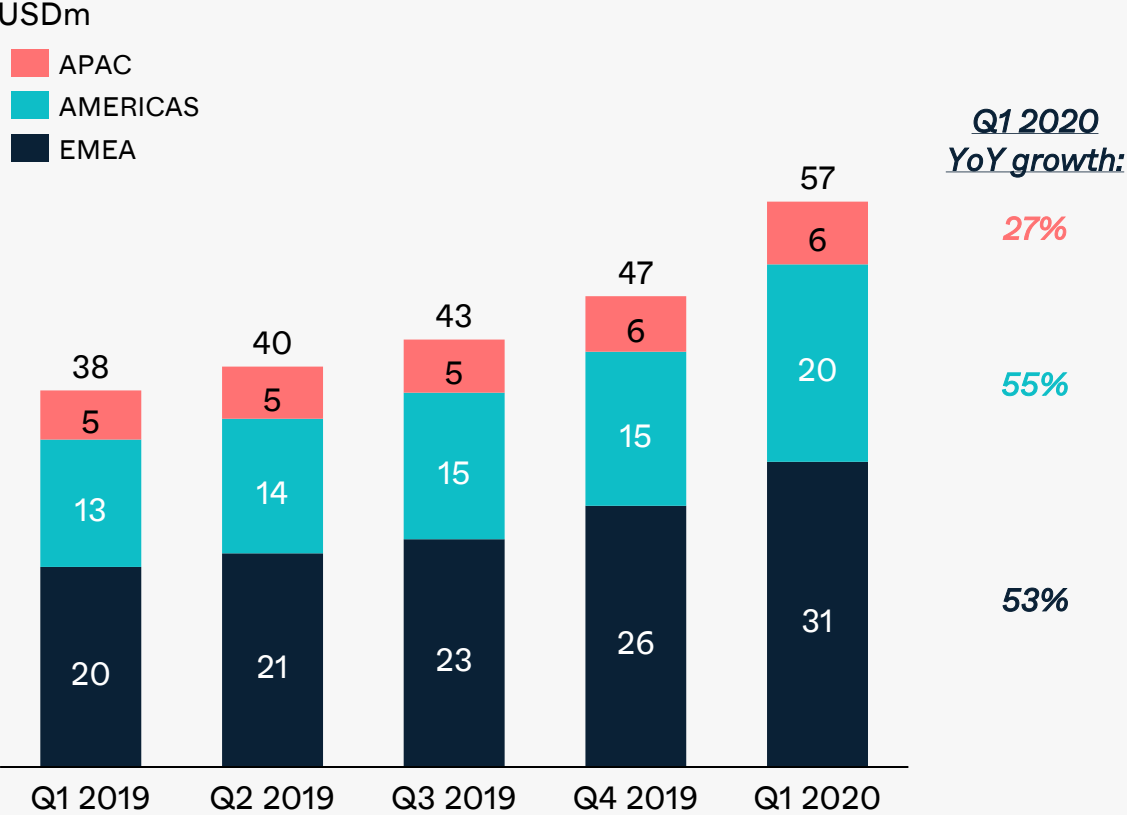
USDm



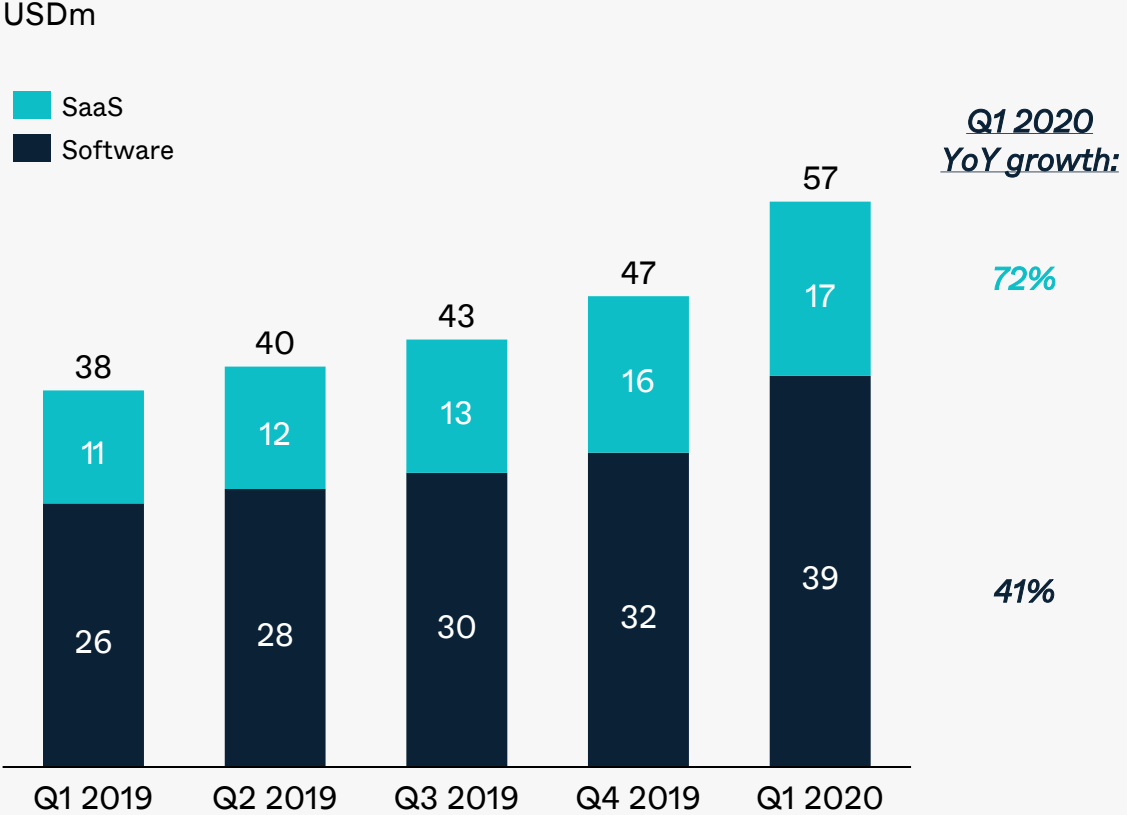
First quarter sales highlights (2/2)

Strong development across both products and geographies

ARR per geo Q1 2019 – Q1 2020



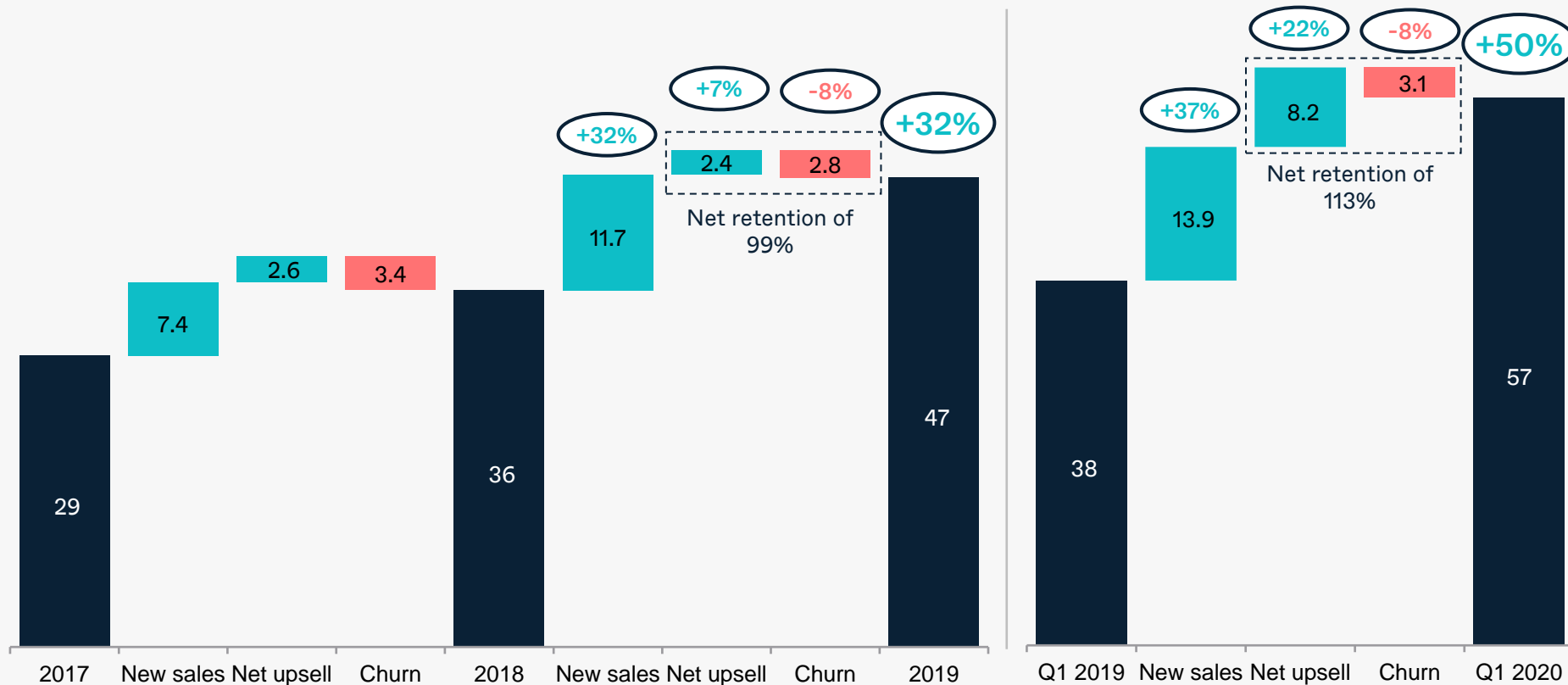
ARR per product Q1 2019 – Q1 2020



Significant improvement in net upsell in Q1 2020

Development in ARR portfolio

Annual recurring revenue, USDm

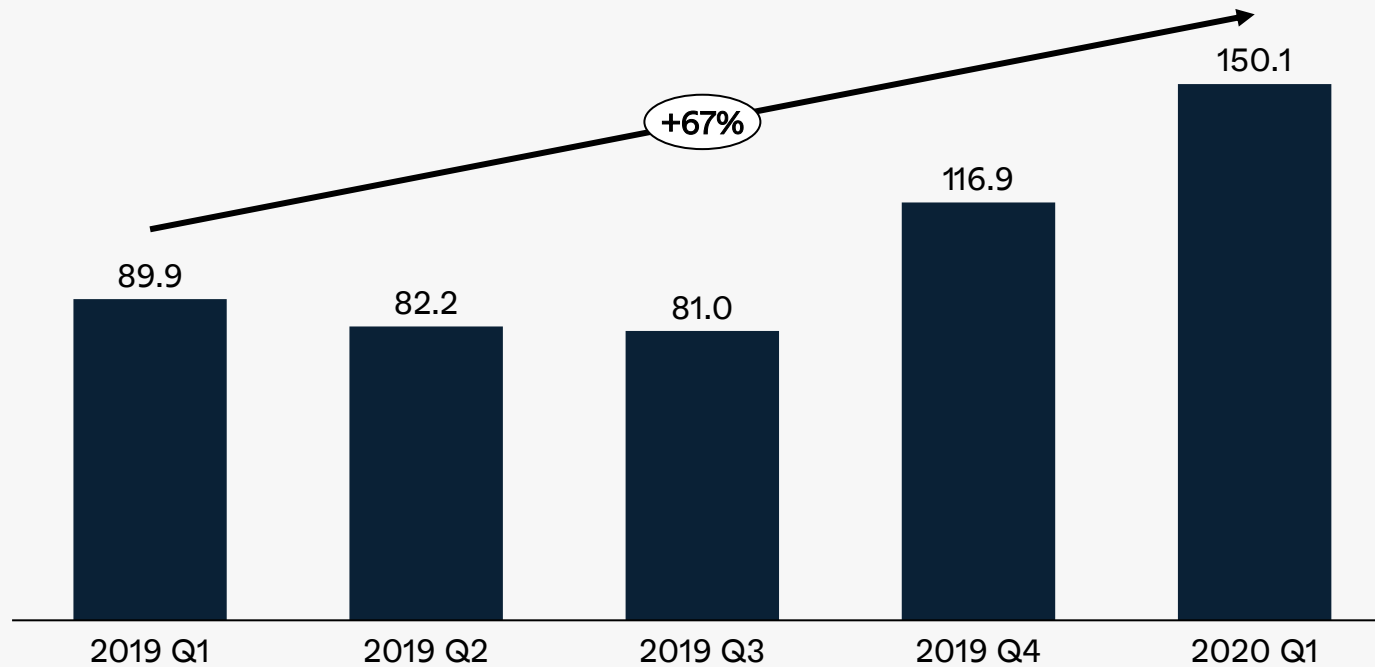


- Increased demand from Covid-19 main driver for Q1 increase in LTM Net Retention
 - Estimate USD 4-5 million in Covid-19 impact in additional ARR in Q1
- One large partner contract in Q1 2020 represents USD 2 million in ARR.
- New sales saw limited impact from Covid-19 in Q1 2020

Revenue and gross margin development

Quarterly revenue development Q1 2019 – Q1 2020

NOKm



Gross margin, Percent of revenue



Q1 2020 revenues breakdown per geo and segment

NOKm	EMEA	Americas	Apac	Total
Service	22.8	13.2	2.4	38.3
Software	59.7	37.0	15.1	111.7
Total	82.5	50.1	17.5	150.1

Comments

Operating revenues - software

- Strong sales in Q1 2020 due to a combination of sales delivered in January after Q4 closing as well as an impact of Covid-19 upsell towards the end of the quarter
- Historic seasonality with lower revenue in Q2/Q3 due to lower volume of annual contract renewals in Q2 and Q3 (majority on 12 month prepaid contracts).
- Software revenue comprising mainly of Infinity software licence subscriptions, which are recognized at time of delivery

Operating revenues – service/SaaS

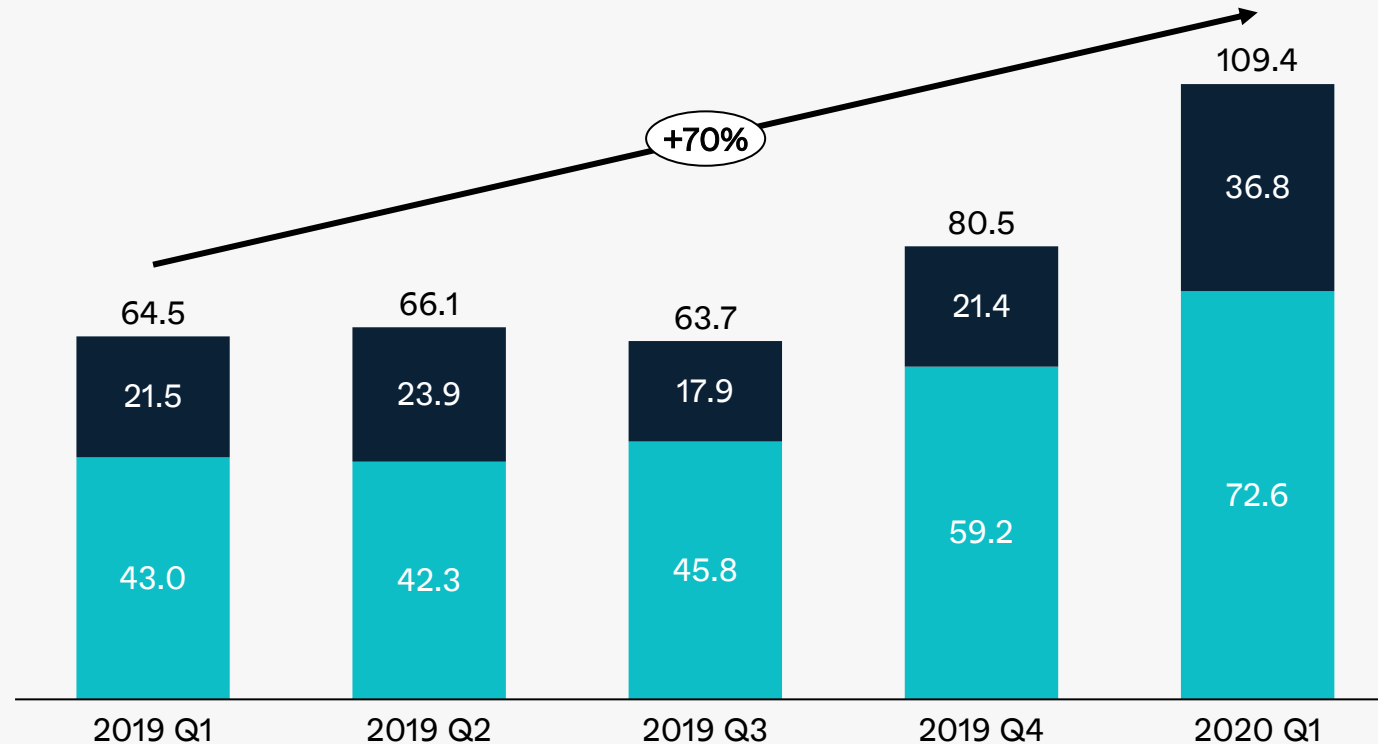
- Growth in Q1 2020 due to strong sales across a number of accounts
- Service revenues are recognized over the lifetime of the subscription contract

Operating expenses

Quarterly OPEX development Q1 2019 – Q1 2020

NOKm

■ Other operating expenses
■ Salary and personnel expenses



Comments

Other Operating expenses

- Have increased investments in marketing in order to capture increased need for video collaboration technology
- Increased spend on external services related to IPO process and related expenses

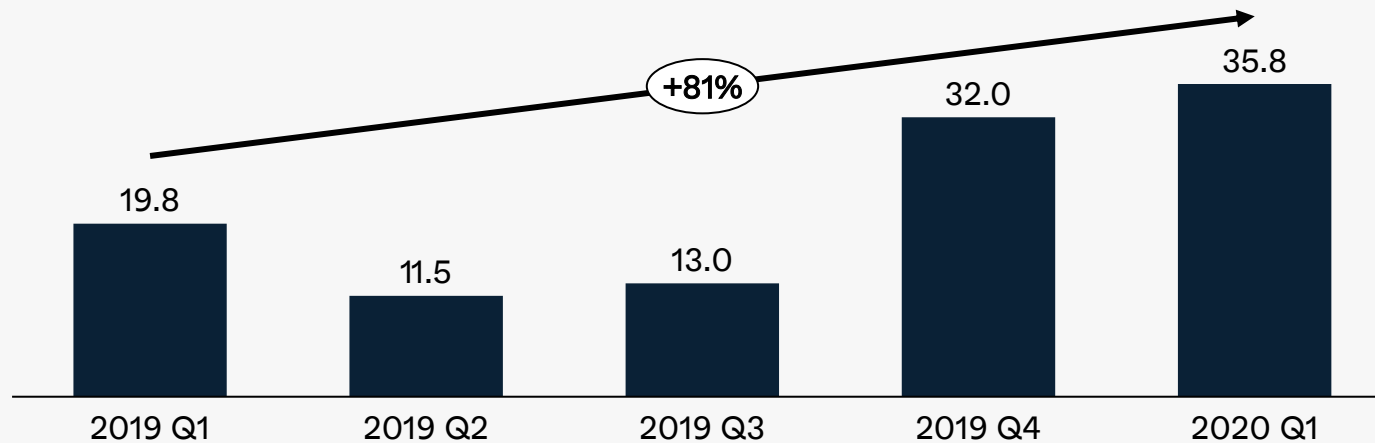
Salary and personnel expenses

- Increased headcount throughout 2019 and in Q1 2020 leading to higher employee expenses
 - Headcount increased from 158 at the end of Q1 2019 and 182 at the end of 2019 to 215 at the end of Q1 2020
- Cost per employee somewhat impacted by currency as majority of employees are outside Norway.

EBITDA

Quarterly EBITDA development Q1 2019 – Q1 2020

NOKm



EBITDA margin, Percent of revenue



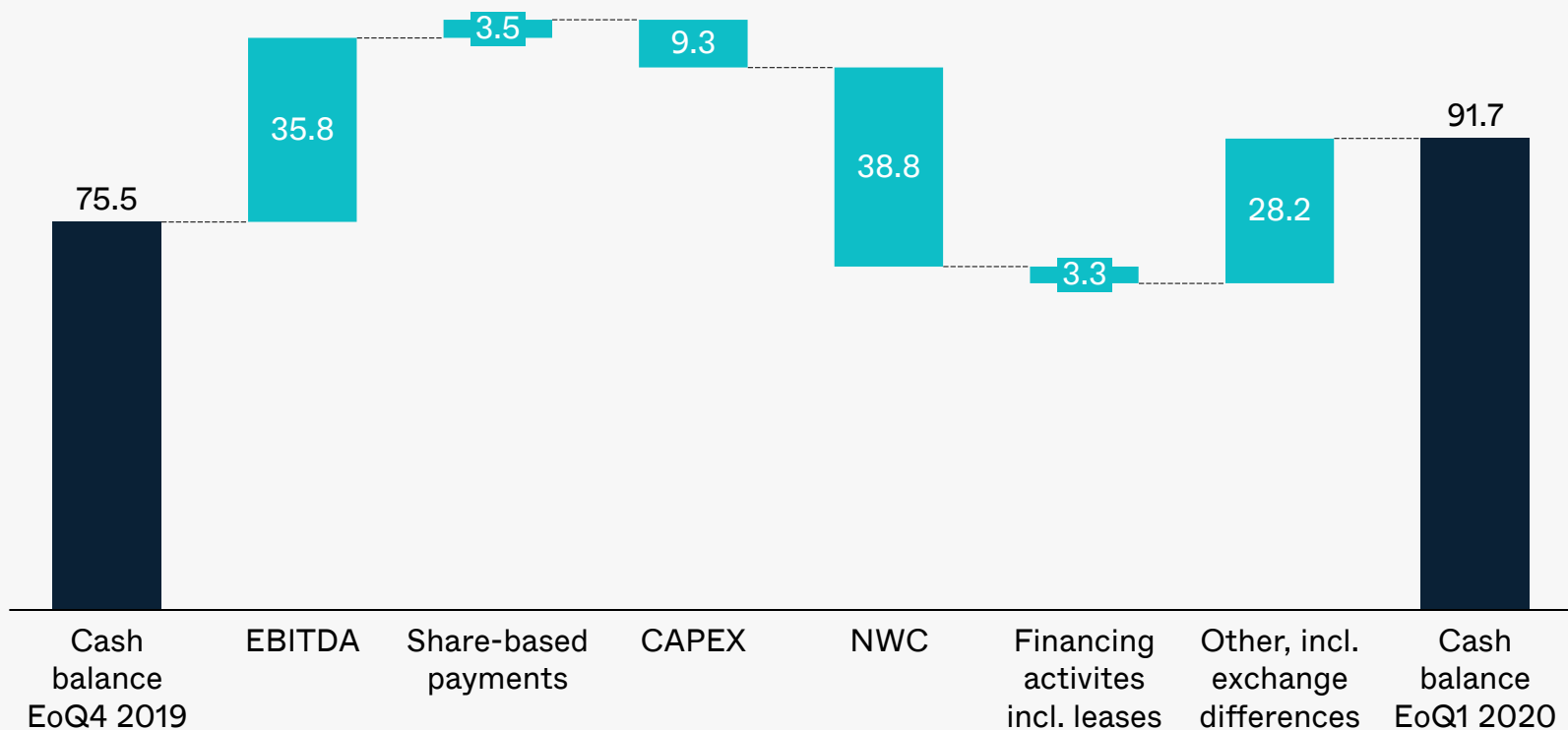
Comments

- EBITDA positively impacted by high revenue in the quarter
- Expect EBITDA to decline going forward as OPEX investments in Sales and Marketing, as well as R&D ramp up following the capital raise in May

Cash flow bridge

Cash flow bridge Q1 2020

NOKm



Comments

- CAPEX was mainly related to capitalization of own software development
- Increase in NWC and Trade receivables due to strong sales towards the end of Q1 2020
- Significant impact from currency exchange differences impacting cash flow in Q1
- Repayment of debt and principal lease payments of NOK 3.3 million

Pexip Holding ASA - consolidated financial information

Income statement Q1 2020 – Q1 2019

	First quarter		Year
(NOK 1.000)	2020	2019	2019
Revenue	150,052	89,865	369,954
Cost of sale	4,880	5,538	18,779
Salary and personnel expenses	72,553	43,007	190,234
Other operating expenses	36,826	21,508	84,611
EBITDA	35,793	19,811	76,330
Depreciation and amortization	10,675	11,830	44,470
Operating profit or loss	25,118	7,981	31,860
Financial income	38,446	562	14,897
Financial expenses	-13,689	-1,831	-30,093
Financial income/(expenses) - net	24,757	-1,269	-15,196
Profit or loss before income tax	49,875	6,711	16,664
Income tax expense	12,161	1,257	4,427
Profit or loss for the year	37,714	5,454	12,237
Profit or loss is attributable to:			
Owners of Pexip Holding ASA	37,714	5,454	12,237

Comments to other elements

- Depreciation and amortization in line with 2019
- High financial income related to currency. Significant currency impact also on financial expenses with NOK 6.9 million, in addition to NOK 5.2 million attributed to the fair value adjustment of an outstanding option

Summary

Long-term goals

Revenue growth

ARR of USD 300m by 2025

Long-term profitability

+25% EBITDA margin by 2025

Market recognition

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

Upcoming dates

Update on contracted
Annual Recurring Revenue

By July 10th

Q2 2020 quarterly
presentation

August 12th

] pexip [

Q&A

