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Pexip

Video Meeting Software Solutions

Company Presentation, Pareto TechSaaS
November 28, 2024

Presenting from Pexip



Trond K Johannessen
CEO

Software only specialist video conferencing player

Strong financial performance

110m

ARR
USD EoQ3

10%

ARR growth
Y-o-y

90%

Gross margin
LTM margin

+9p.p

EBITDA expansion
LTM margin improvement

20%

Free cash flow²
LTM margin

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

Serving large enterprises and public sector organizations

VA



U.S. Department
of Veterans Affairs



Ministry
of Justice



U.S. AIR FORCE

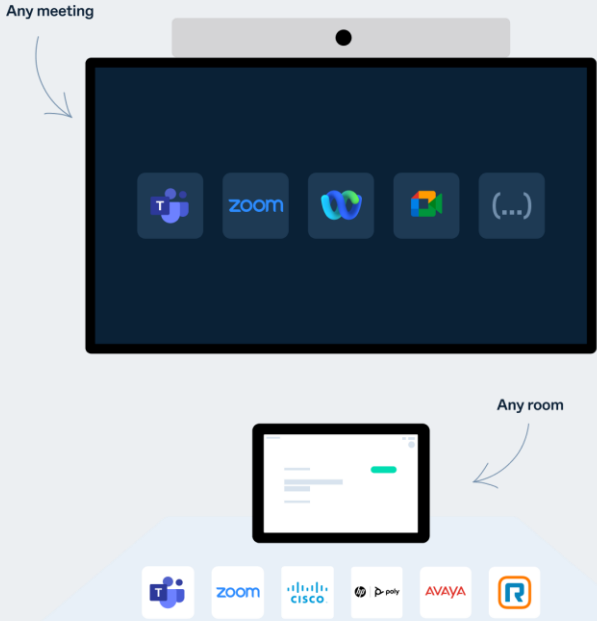


Unique partnerships with the technology leaders in our industry



Pexip's two business areas

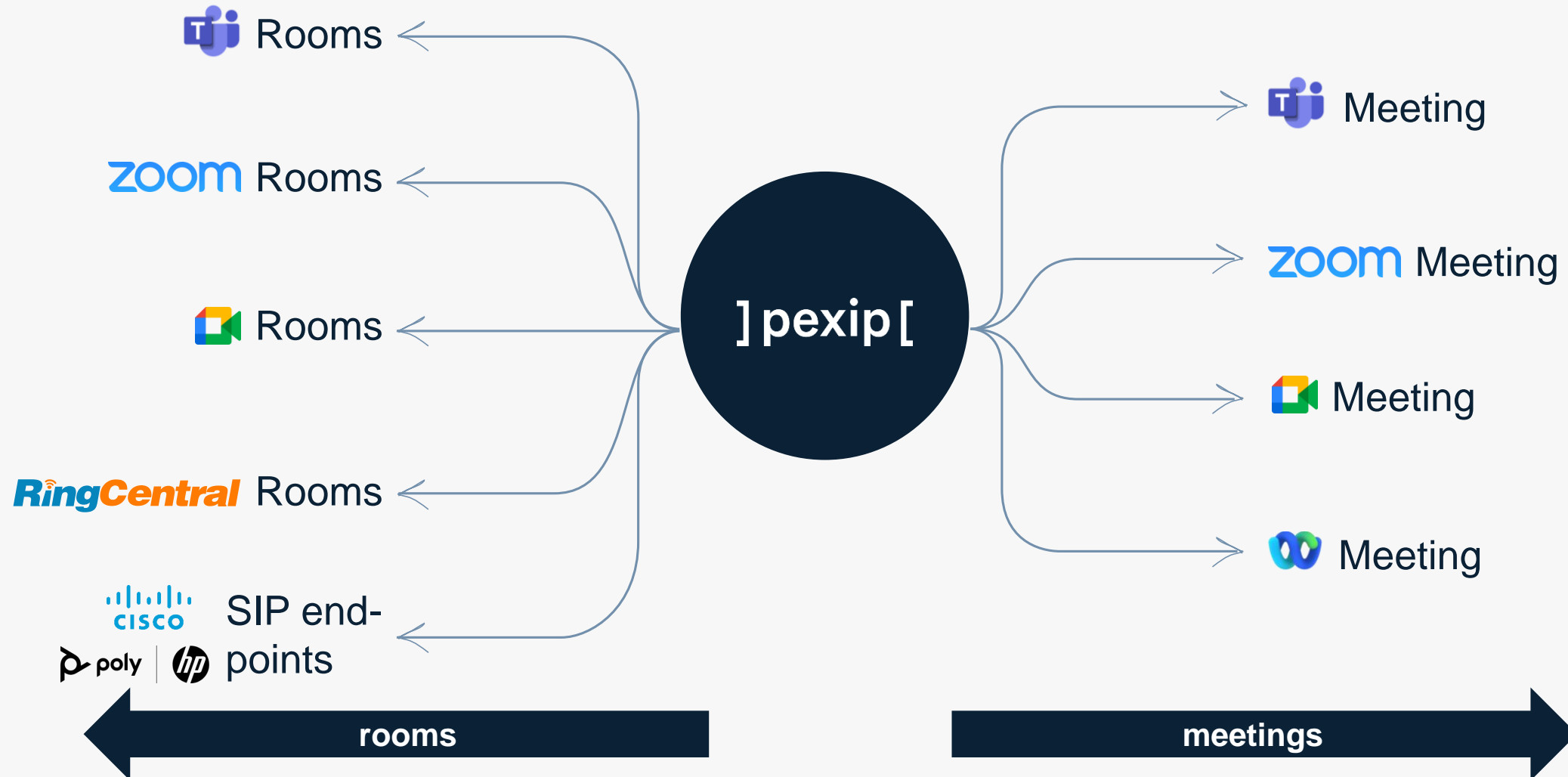
Pexip Connected Spaces Video meeting room interoperability



Pexip Secure & Custom Spaces Video meetings that are self-hosted on-premises or in a private cloud



Our vision is to connect any meeting room to any video meeting



Pexip has a strong market position in a growing market

Video device growth expected to drive TAM growth



+15%
2022-2027

Video endpoints
sold p.a.
Y-o-Y



3 billion TAM

Pexip with leading Technology Solutions



Partnerships underline market position



1 Frost & Sullivan, 2022-2027, McKinsey

2 Assuming USD 50 per month average revenue per room system and 5 million room systems
Company estimates

HSBC is a typical Pexip customer



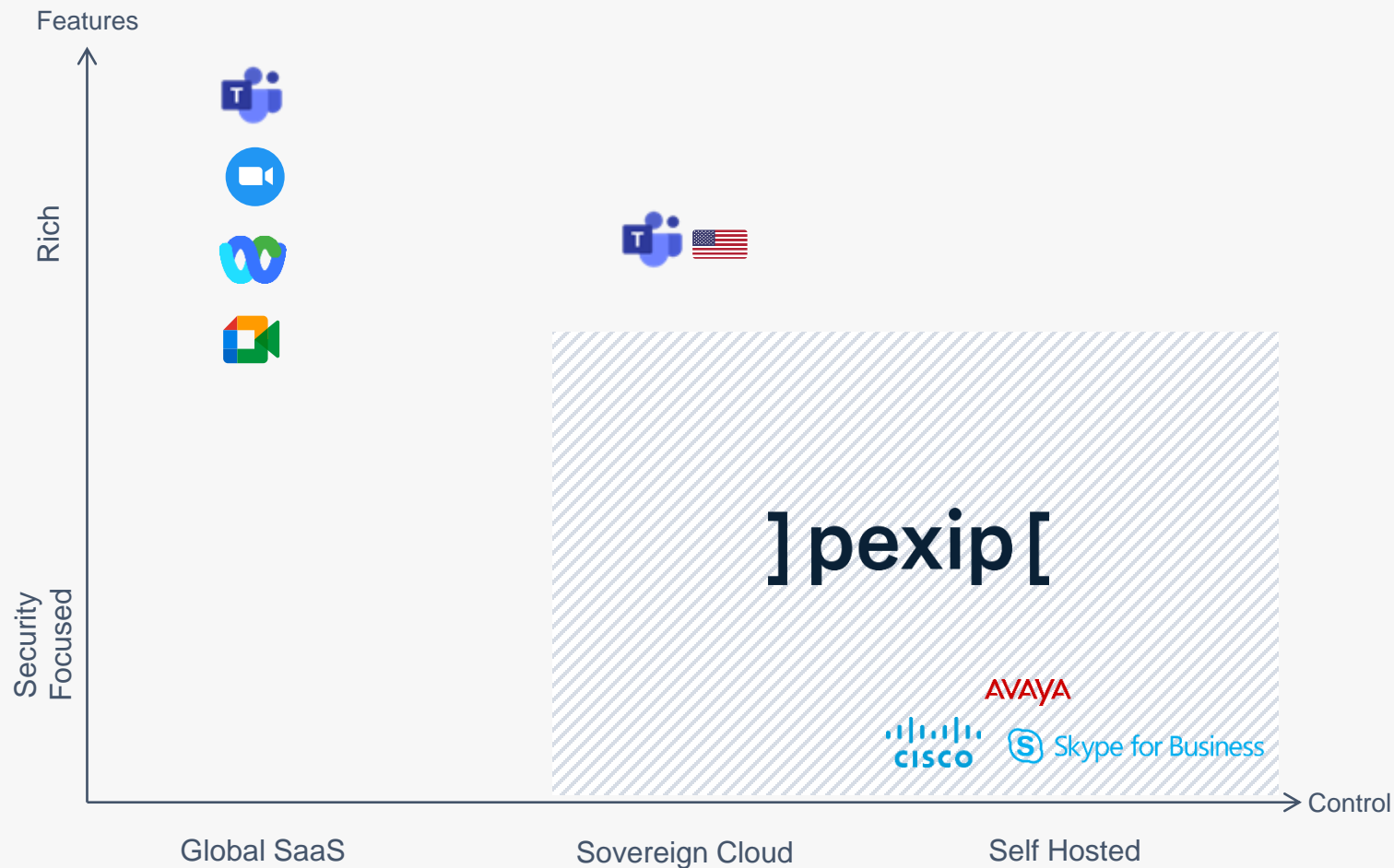
PRODUCT

CONNECT FOR ZOOM ROOMS

Key winning USPs

- Significantly improved experience on two-screen systems
- Support for in-room sharing
- Easier user experience

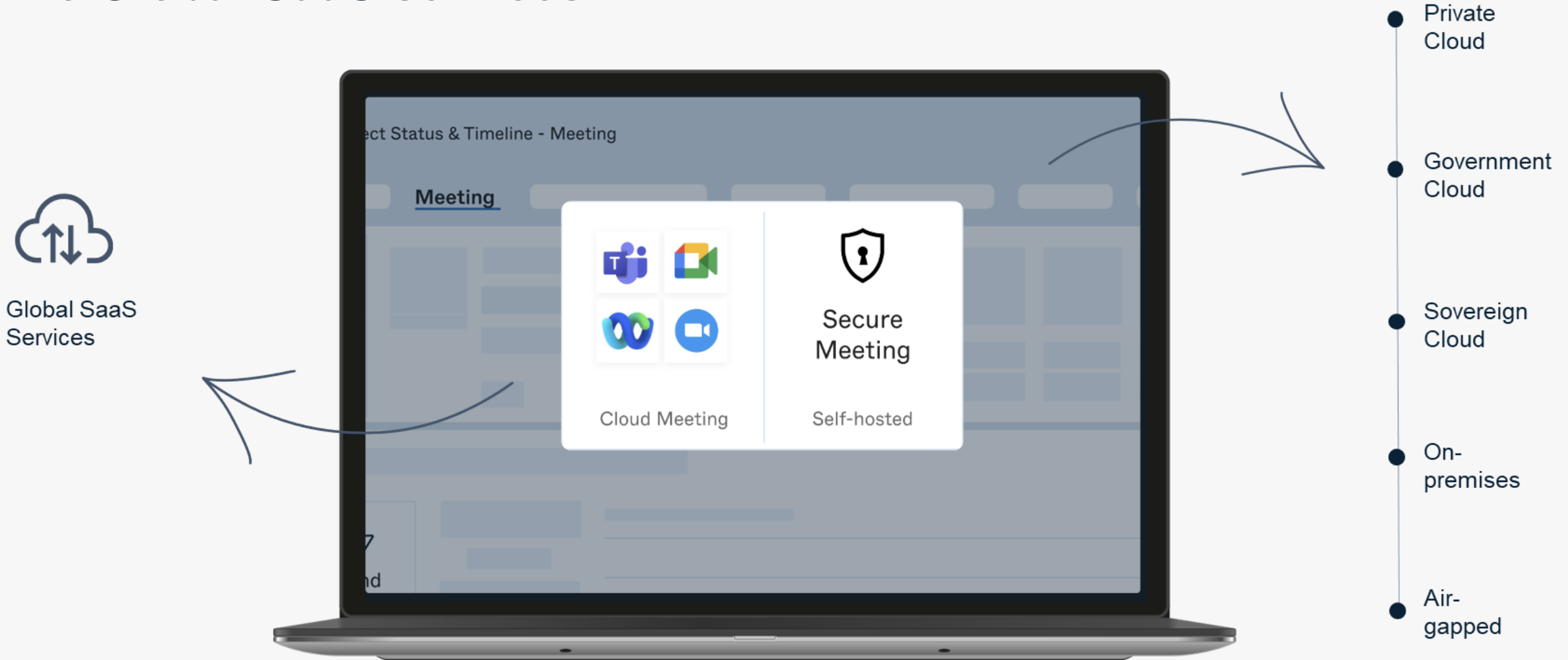
Secure & Custom market opportunity



- **50%** of European CXOs see data sovereignty as a top issue
- **44%** of European enterprises plan to move to sovereign cloud in the next 2 yrs.
- **30%** growth in private clouds
- **137+** countries have enacted some form of data protection and sovereignty laws

Secure & Custom

Secure meetings are often used as a parallel solution to the Global SaaS services



Secure & Custom

Pexip Secure Meetings have tailored security and privacy functionality

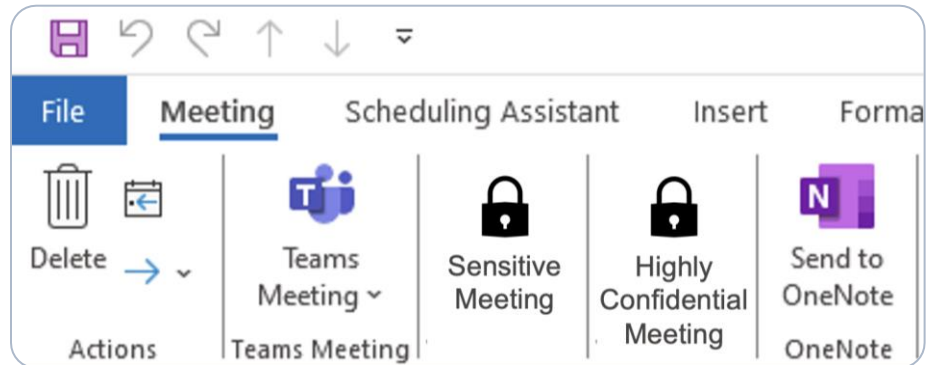


- Tailored user Authentication
- Meeting classification labelling



- Full control over where data is stored

Customer use-case: European government



PRODUCT

Secure Meetings as a parallel solution

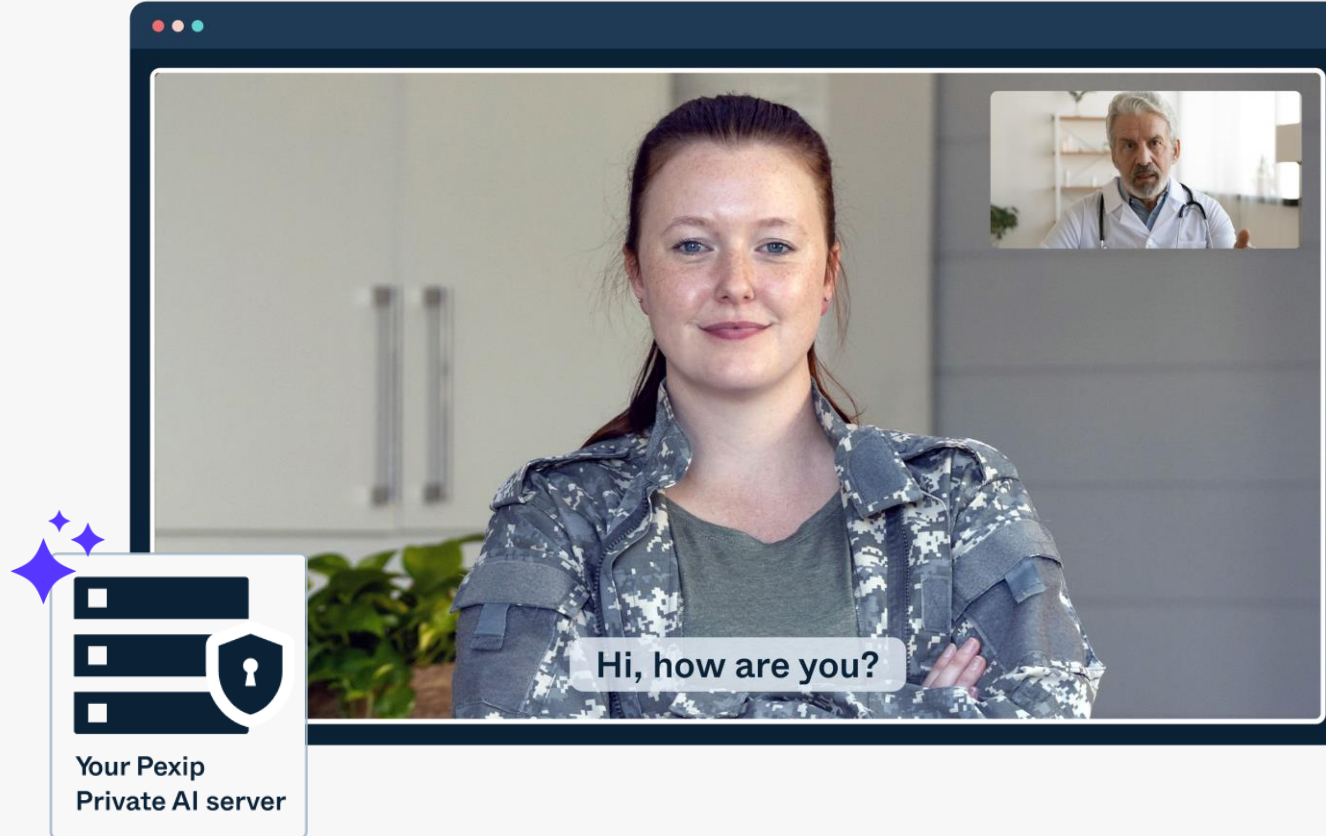
Use case

Pexip was selected by the IT provider of a European Government to provide a secure video platform to operate side-by-side with Teams for specific use-cases and individuals, operating with two different security levels.

Meeting and Gateway services designed to ensure **sovereignty, resilience, access control** and the highest **interoperability**

Secure & Custom

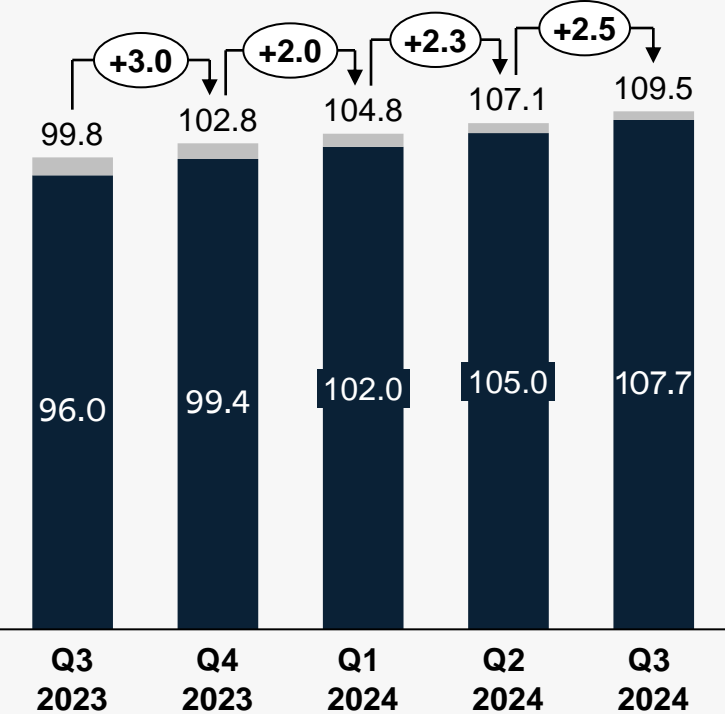
Private AI for Secure Meetings launched in Q4 through NVIDIA partnership



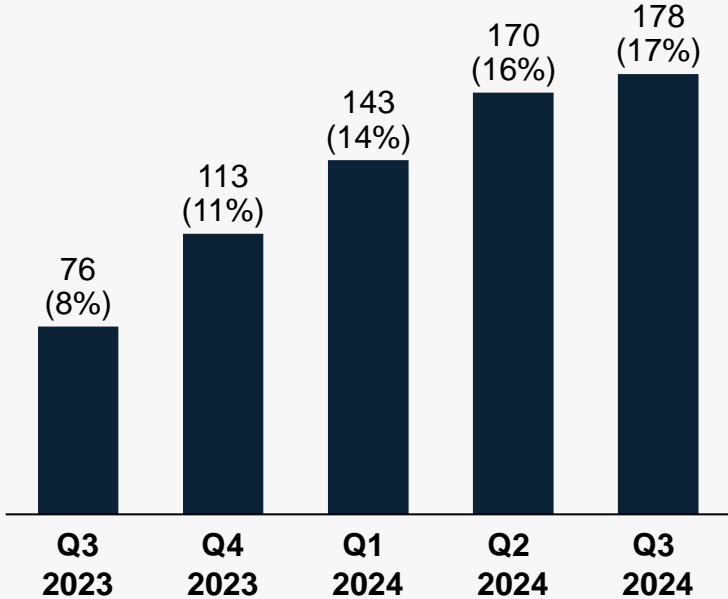
- Private deployment with complete data control
- Customer-specific language libraries
- Built on NVIDIA AI models

Growth driving improved financial performance

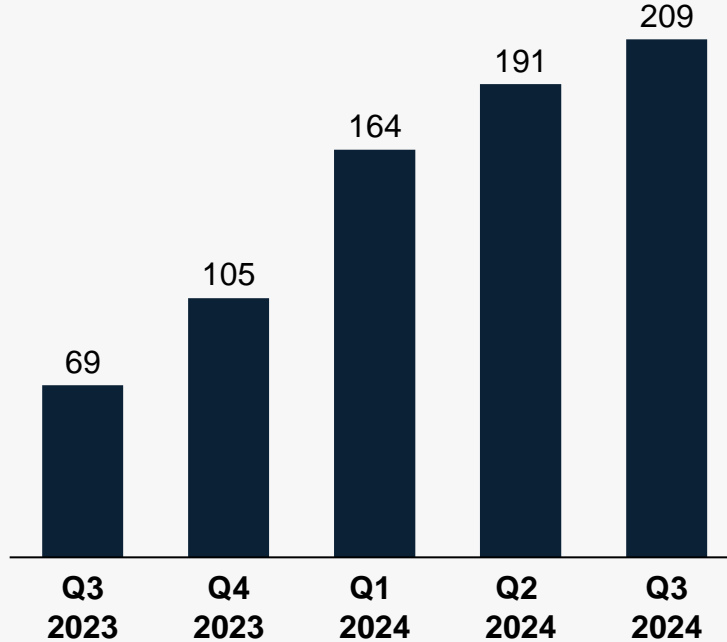
Total ARR
USDm



Adjusted EBITDA¹
NOKm, Last twelve months



Free Cash flow²
NOKm, Last twelve months

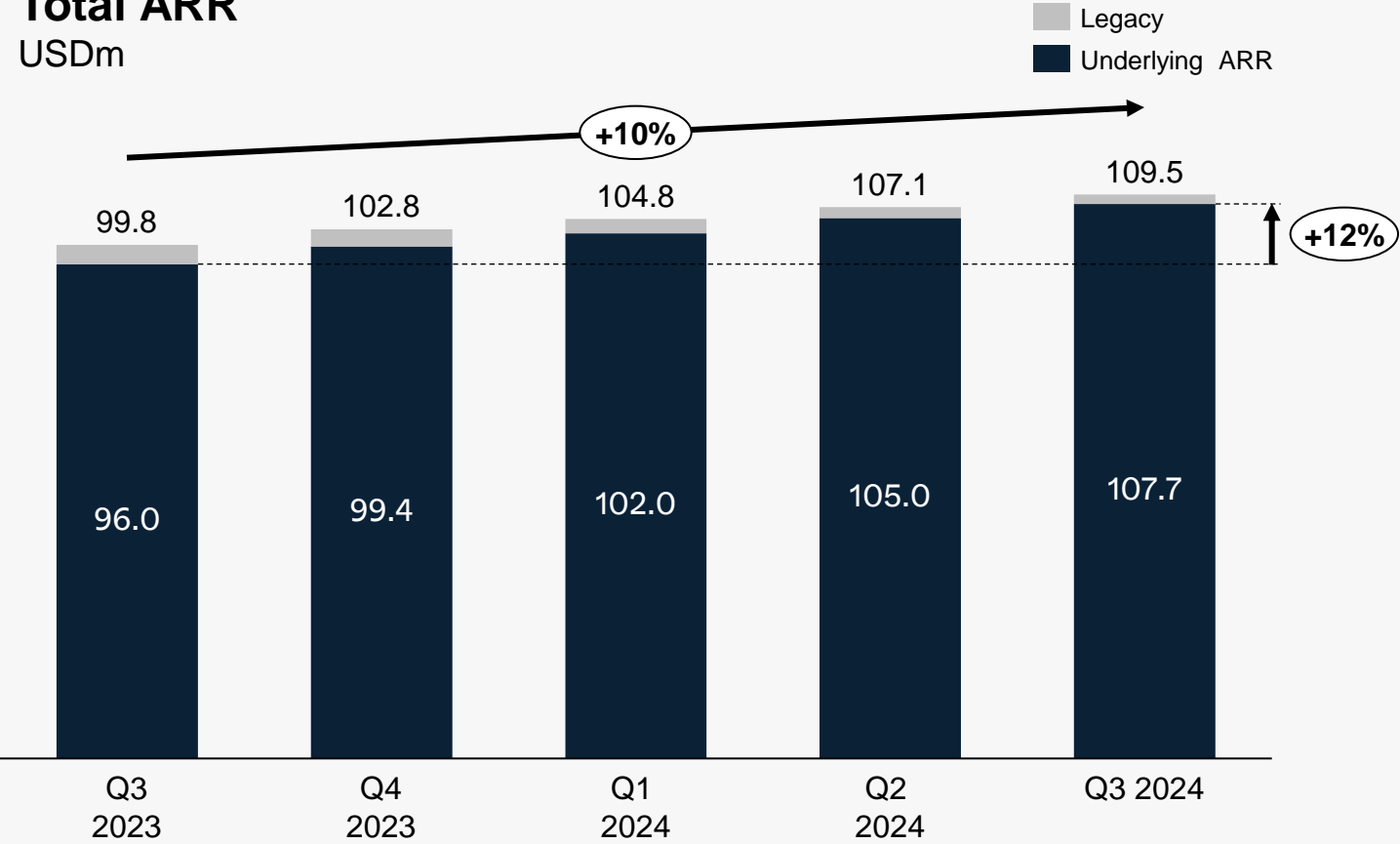


Legacy
Underlying ARR

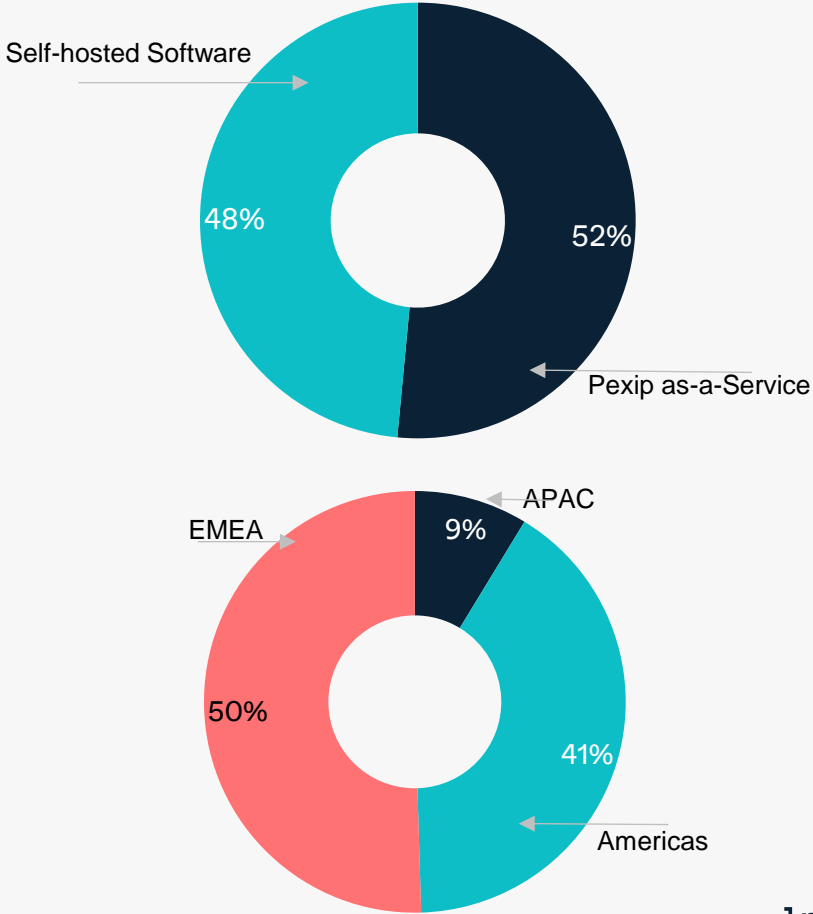
¹ EBITDA less Other gains and losses
² Operating cash flow, investment cash flow and leases

Subscription-based revenue model with total ARR base at USD 110m in Q3 2024

Total ARR
USDm



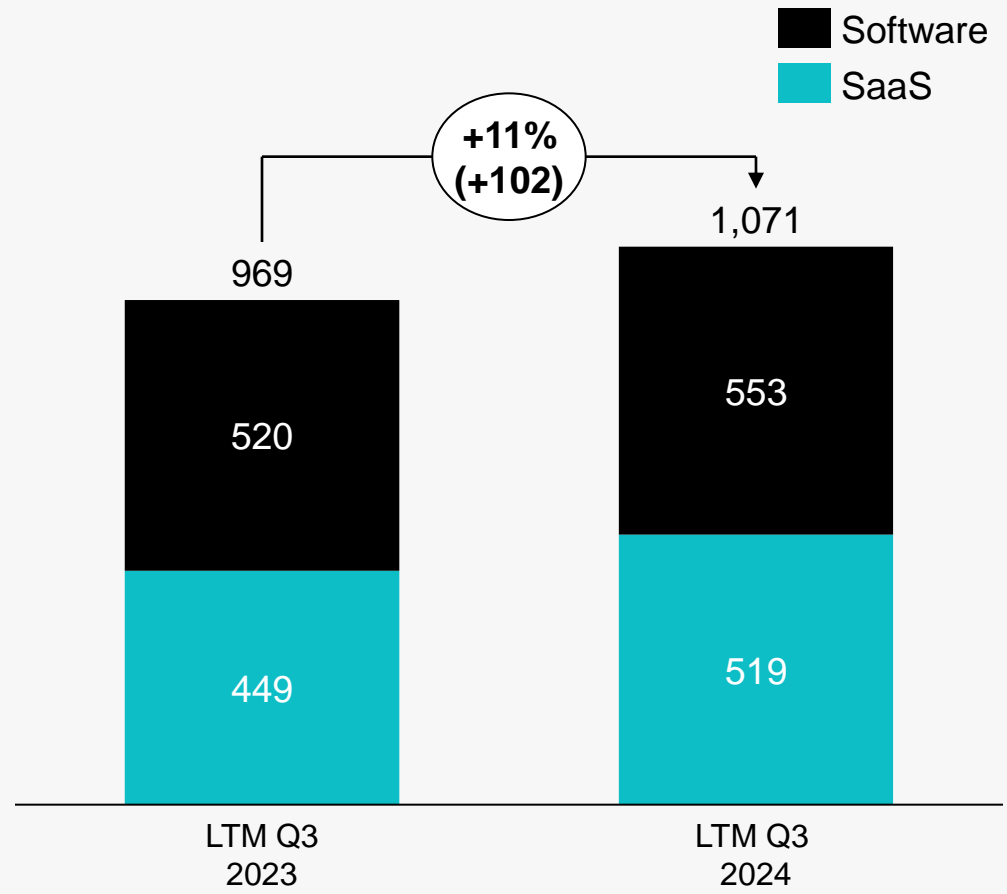
ARR split



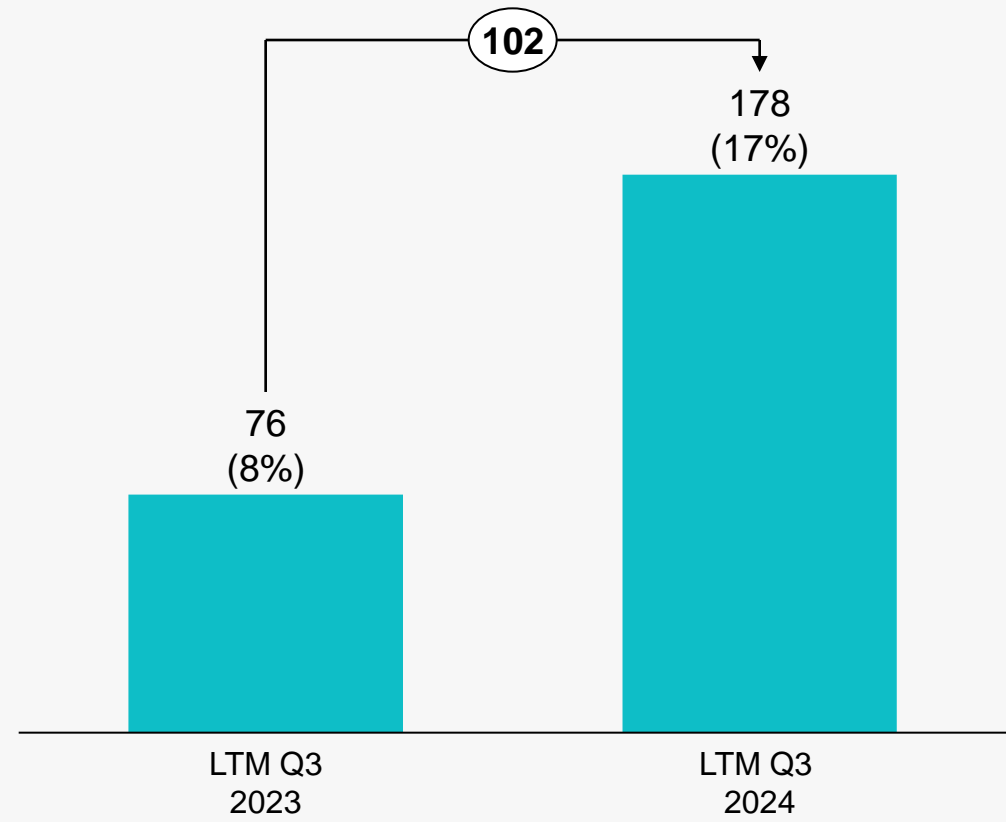
Booked Annual Recurring Revenue (ARR) development. Note: Will incorporate legacy in Connected Spaces from 2025

Revenue growth and cost control increasing profits

Revenue
NOK million



EBITDA excluding other gains and losses
NOK million (margin)



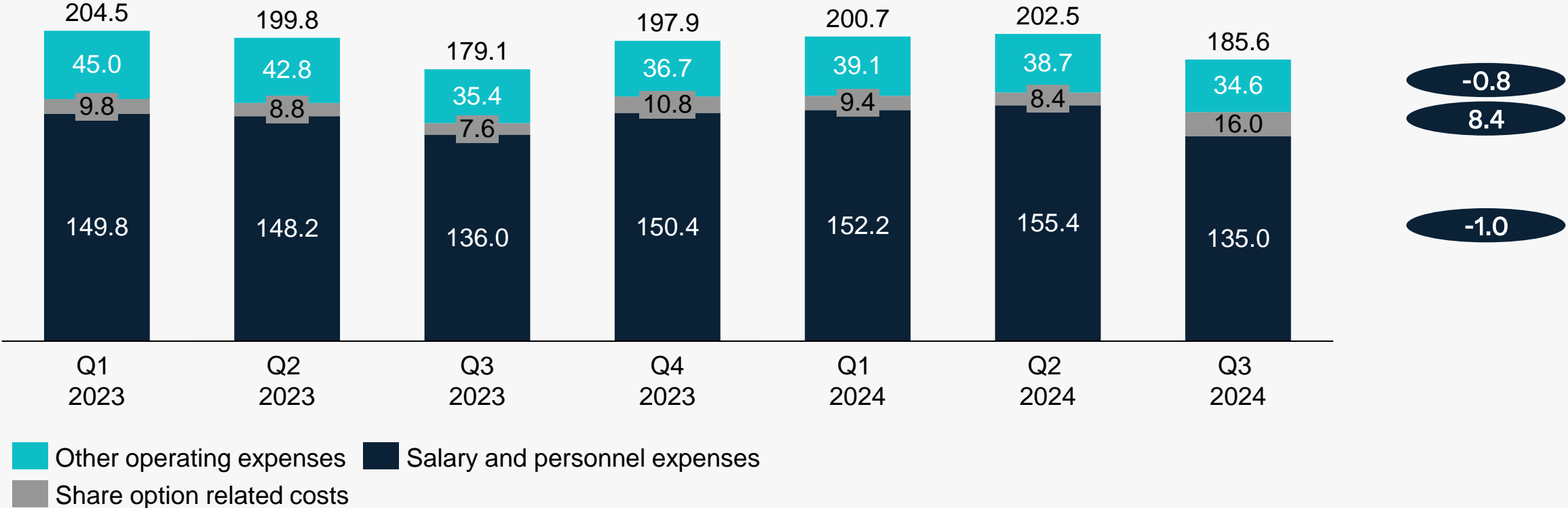
Stable operating expenses

Quarterly OPEX development

NOK million

Delta vs Q3 2023

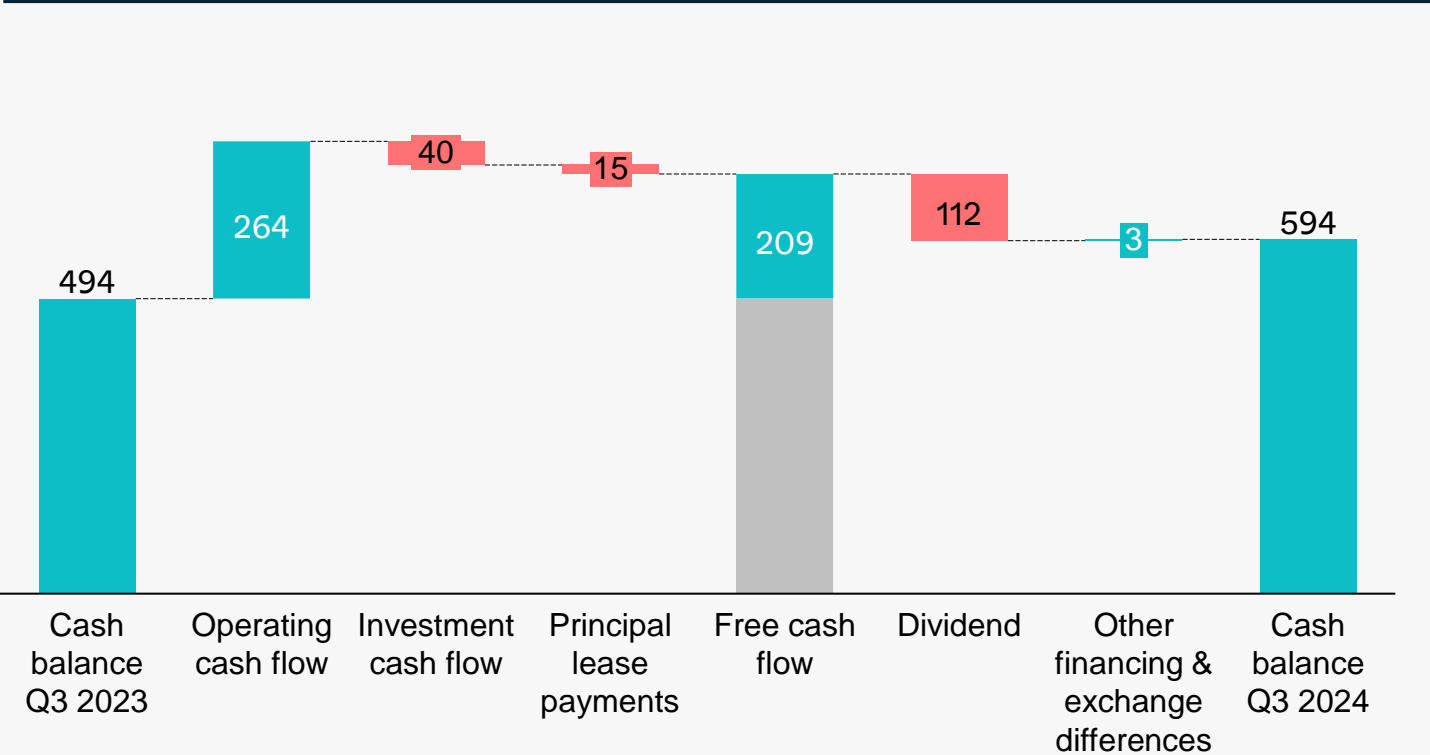
NOK Million



NOK 209 million in free cash flow last twelve months, up NOK 140 million from previous period

Cash flow bridge LTM Q3 2024

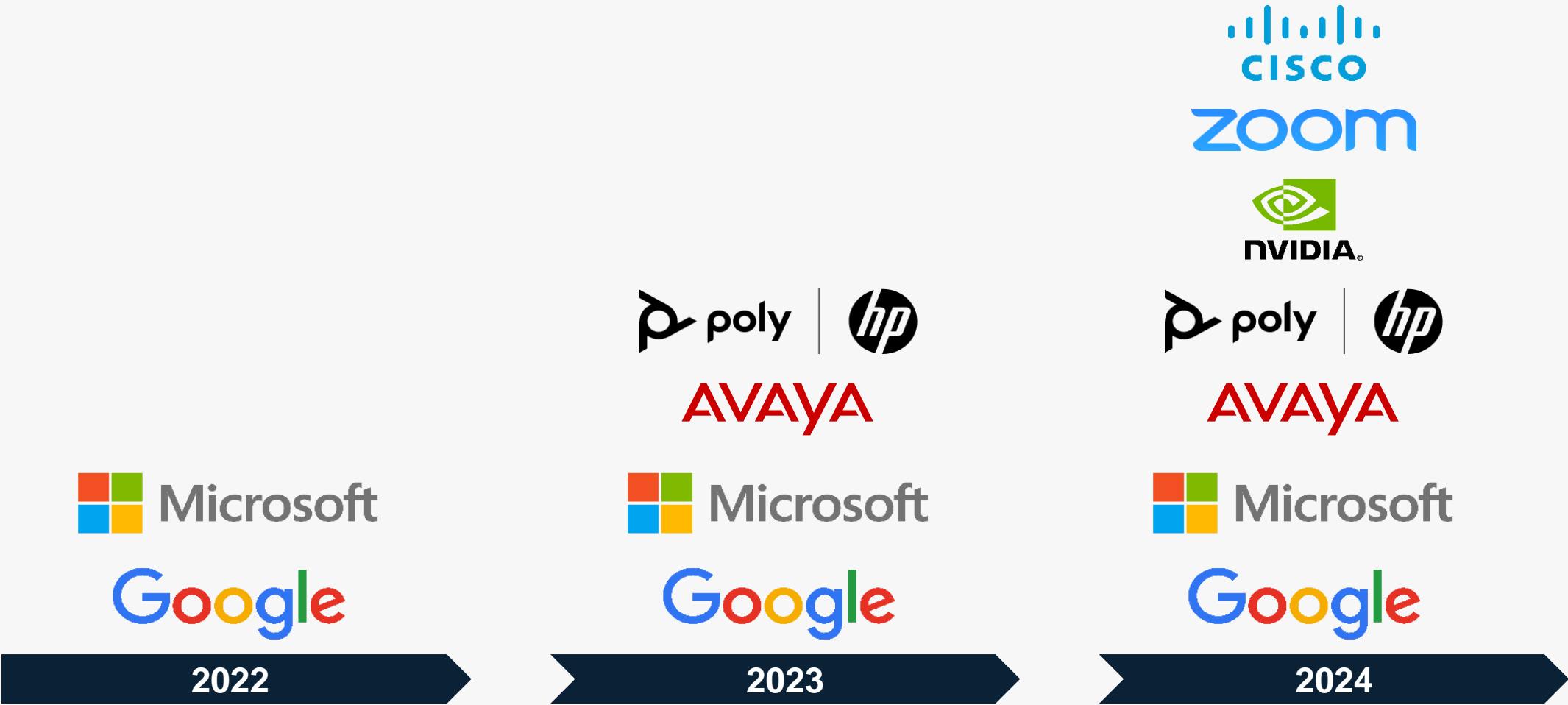
NOK million



- Above 100% conversion from EBITDA to free cash flow
- Disciplined approach to capital expenditure – main driver is internal software development
- Paid first-time dividend in 2024, 107% of 2023 free cash flow
 - Have a cash distribution policy of distributing 50-100% of free cash flow through dividends or stock buybacks

Note: Free cash flow defined as the sum of operating cash flow, investment cash flow and lease payments

Industry partnerships continue to be a key part of our strategy



Note: Partners with active R&D and/or sales collaboration by year. Not exhaustive list

Outlook

- Continued positive market outlook across the business areas
- Strong market position and industry partnerships are expected to continue to drive growth
- Q4 2024 ARR expected 111-114 USD millions

2024 outlook

- 8-11% ARR growth
- 17-20% EBITDA¹

2025+ targets

Consistently deliver:

- Above 10% ARR growth
- Above 20% EBITDA¹

1) Excluding other gains and losses

Thank you

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