



Pexip Company Presentation

29 April 2020



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Meet the world



Our Mission

Empower people to be seen and to engage with each other in a better way



Our Vision

To make virtual meetings better than meeting in-person



Our Promise

Meet the World with video communications as it should be



The Pexip Way



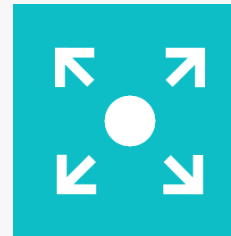
Professional & Fun

We are committed to our partners and customers
We are passionate and fun to work with
We strive for excellence



No Bullshit

We say it as it is
We do what needs to be done
We stand for honesty and integrity



Freedom & Responsibility

We encourage initiative and innovation
We are all leaders
We act like owners



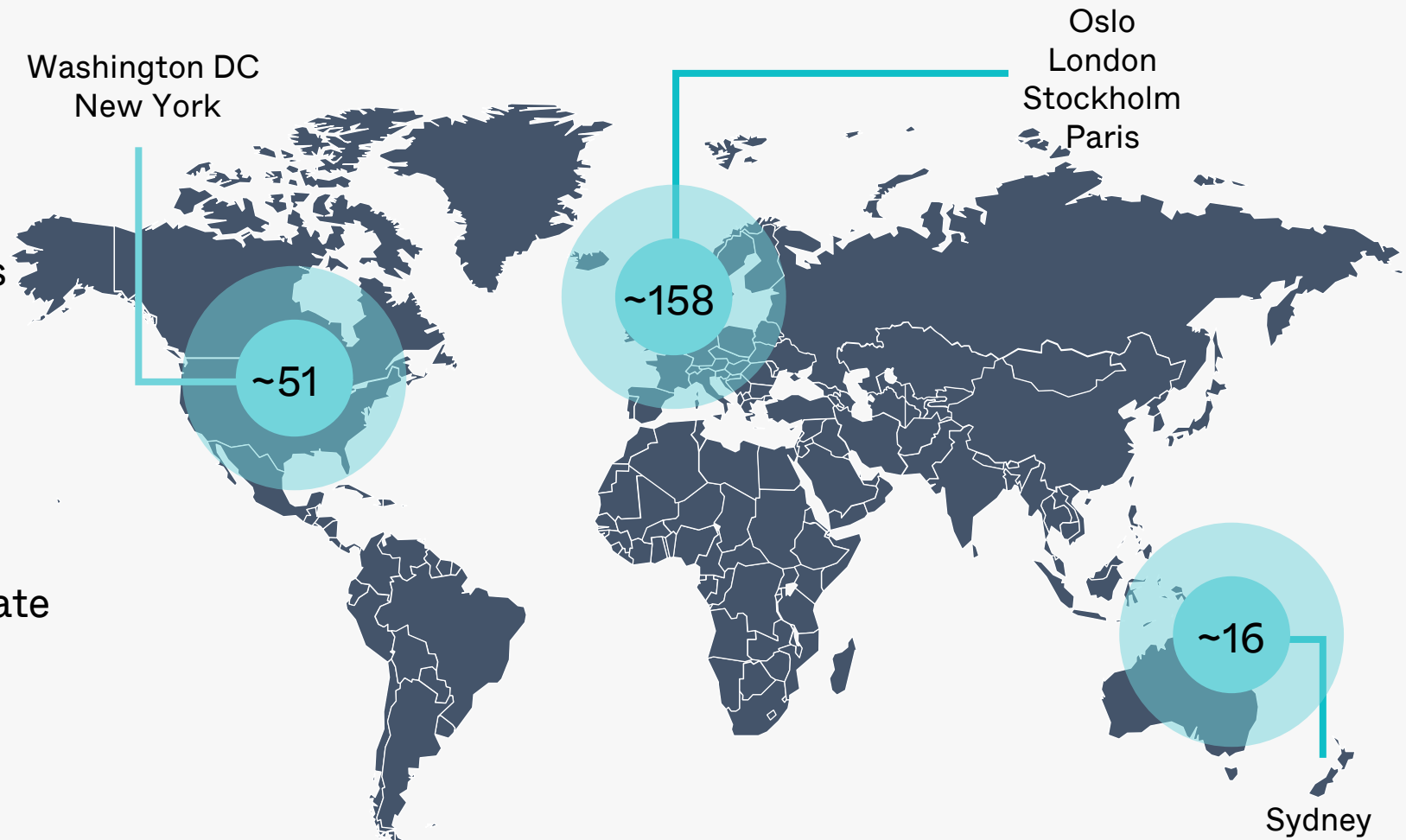
One Team

We make each other better
We respect, support and care for each other
We appreciate diversity

Pexip at a glance

- 2011 Company founded
- 225 Employees in 18 countries
- 300 Partners in 75 countries
- 3600 Customers
- 190 Countries with users
- 113% Net customer retention rate

Visionary in Gartner Magic Quadrant¹
Ranked #1 in Wainhouse user survey²
Frost & Sullivan Entrepreneurial company
of the year³



¹) Gartner (Magic Quadrant for Meeting Solutions), Mike Fasciani, Tom Eagle, Adam Preset, 5 September 2019;

²) Wainhouse Research; Brand Perception Ratings Overview – Video Meeting Solutions, 1 February 2019. NPS, collected from 2,002 users

³) Frost & Sullivan Entrepreneurial Company of the Year Award 2020, the Global Video Conferencing Industry, Author: Robert Arnold, Principal Analyst and Program Manager

Why Pexip



Key reasons to use Pexip in your organization

Enhance face-to-face meetings

Reduce geographical barriers

**Increase engagement with
remote workers**

**Unify organizations by delivering key
corporate communications events**

**Save time and money by minimizing
travel**

Video contributes to sustainable development



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



Pexip supports the green economy



Enables meetings without physical presence, and increases ability to work at home, reducing business related travel and emissions



One round-trip from London to New York generates about **1 metric ton (MT)** of CO₂ per passenger, in addition to travel-related waste from meals, hotels etc.



British Telecom have reduced their carbon emissions by almost **100,000 MT** per year by using phone and video conferencing, a reduction of 15% in their carbon emissions



Boston Consulting Group estimates that American businesses could eliminate **500 million MT** of greenhouse gas emissions per year, saving about \$170 billion

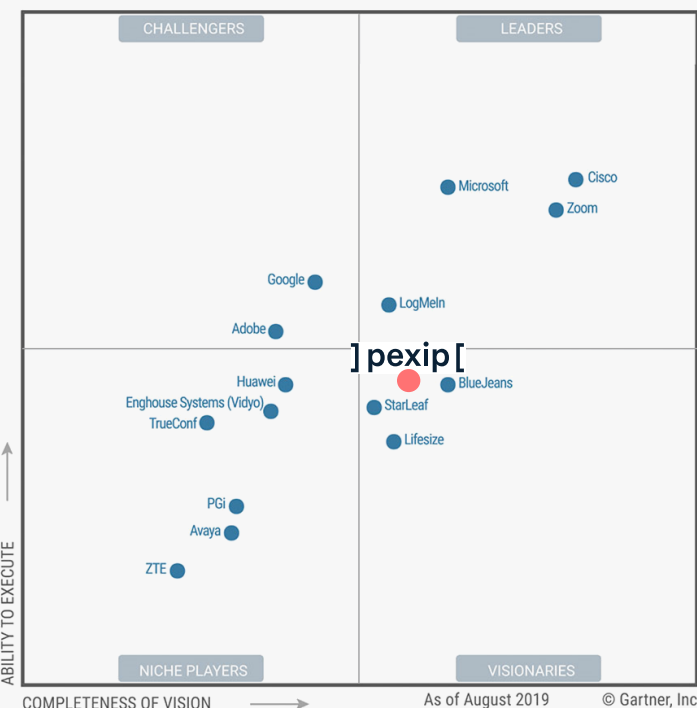


World Wildlife Fund estimates that by 2030, the constant improvement of video conferencing facilities could reduce global emissions by **a billion MT** every year

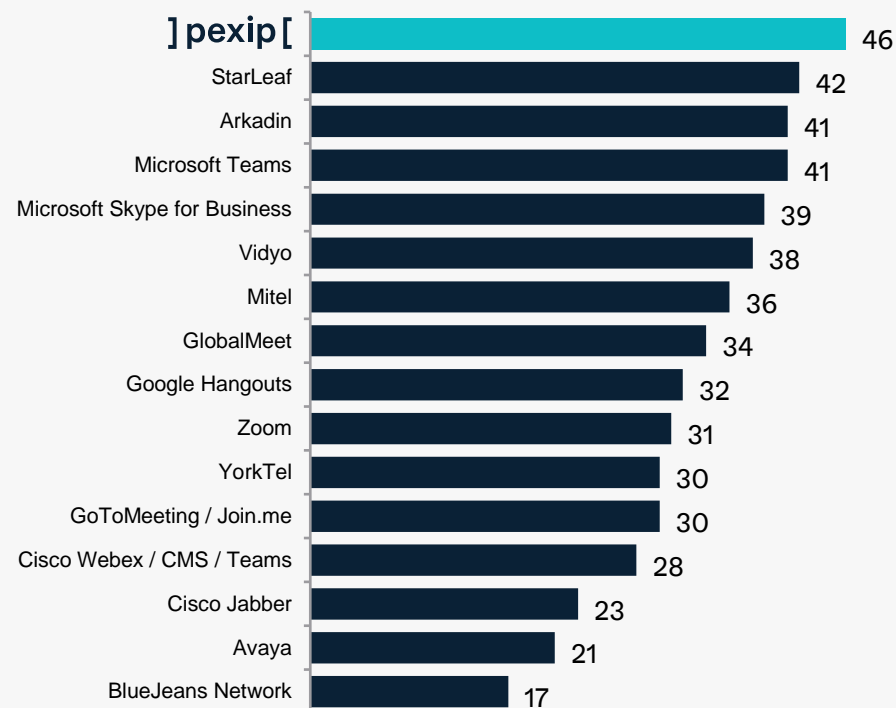
Recognized by analysts and users



Pexip: A Visionary in the 2019 Gartner Magic Quadrant for Meeting Solutions¹



Ranked #1 overall in 2019 by leading industry researchers at Wainhouse²



Entrepreneurial Company of the Year Award³

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Global Business Video Conferencing Industry

F R O S T & S U L L I V A N

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What we provide

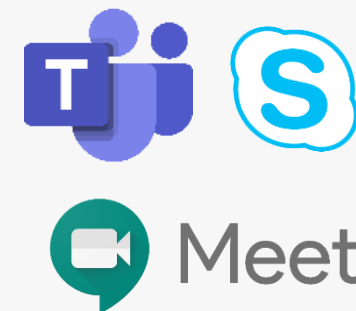
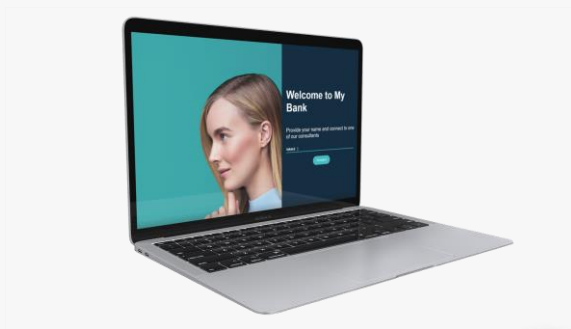
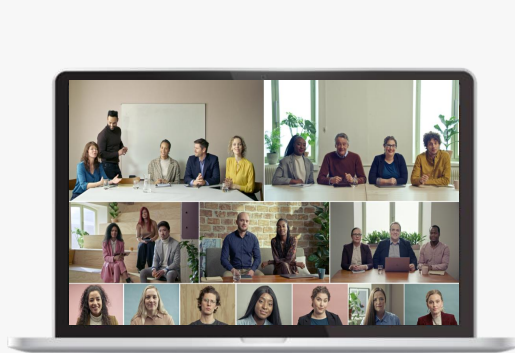
Video communications as it should be

Works everywhere for everyone



- ✓ Meet anyone with business-quality audio and video
- ✓ Flexible set-up, easy to use and manage
- ✓ Connects across multiple technologies
- ✓ Integrates with existing workflows

Pexip Portfolio Overview



Meetings

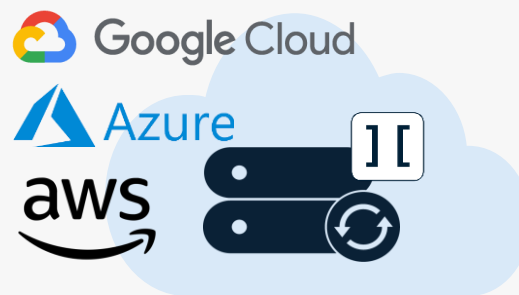
B2C Meeting Engine

VC Infrastructure

Meeting Interop



SaaS

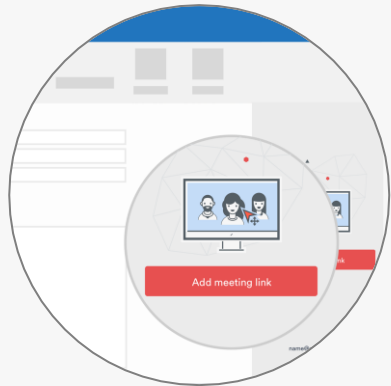


IaaS

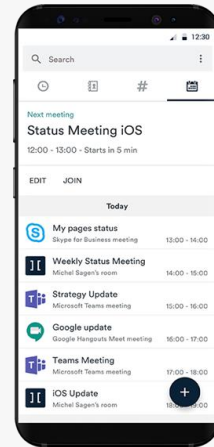


On-Premises

Integrates seamlessly with workflows and systems



Schedule Pexip meetings with Outlook and Google Calendar or directly from your mobile phone.



All of your video meetings in one place. The Pexip app reads your calendar and collects all video meetings. Join meetings with one click.

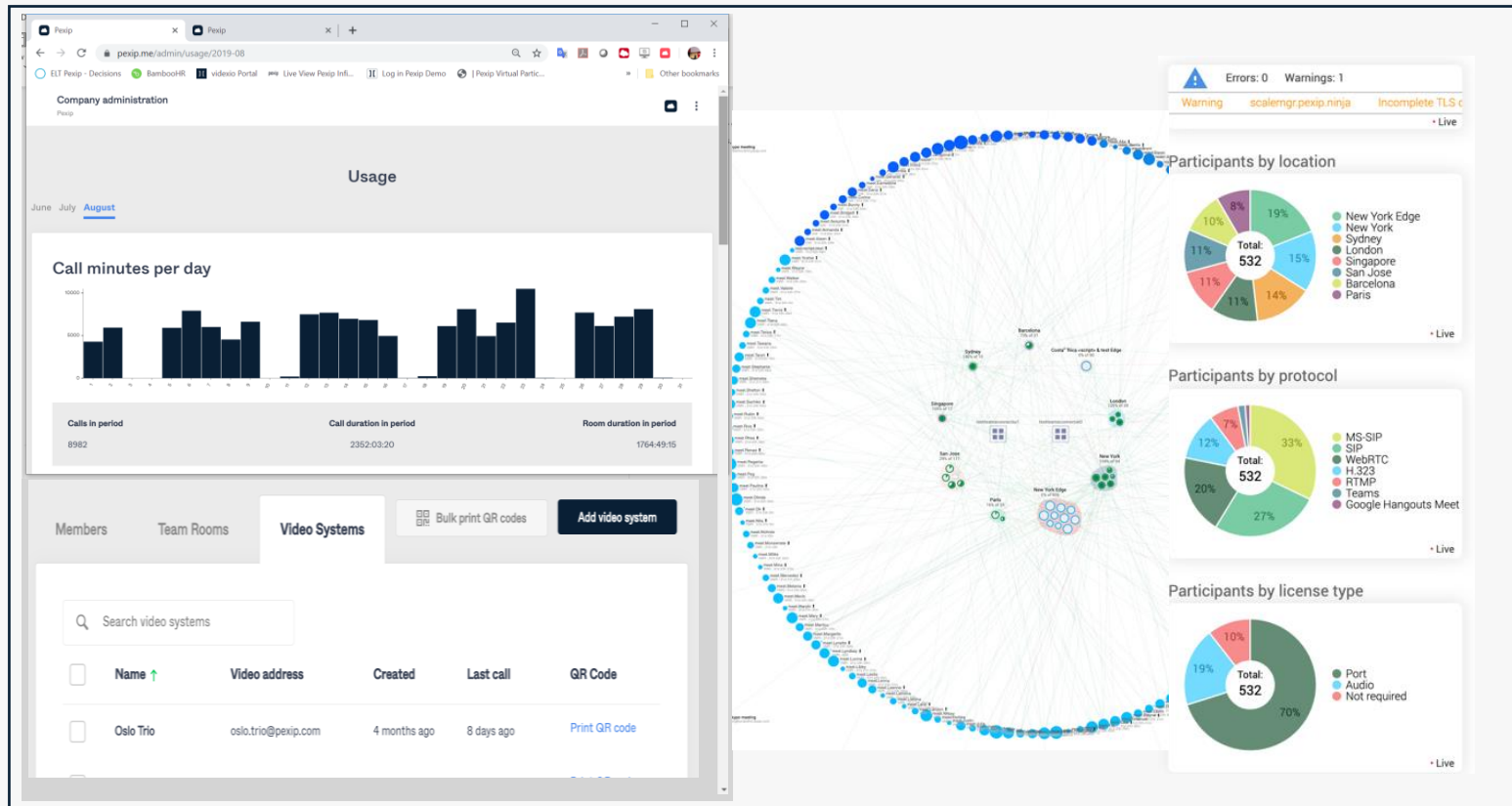


Connect to the meeting room instantly by scanning a QR code.



Pexip One-Touch Join. Connect to the meeting by pressing one button on the video system control panel.

With powerful administration controls



- Easy deployment and scale of conference capacity with a single management interface
- Integrate and authenticate with internal IT systems
- Access live view, control and oversight dashboards for management and support of the video conference infrastructure
- Range of reporting tools to provide overview of usage, endpoint subscriptions, virtual meeting rooms and more

Complies with recognized data security and privacy standards



JITC
Certified



SOC 2
TYPE II
CERTIFIED

- **Security and Privacy**
 - Compliant with GDPR
 - ISO 27001 certified
 - All media encrypted by default
 - Supports HIPAA compliance for US Healthcare
- **Highest US military security certifications**
 - JITC-certified
 - FIPS 140-2 and 508 compliance
- **Secure and Reputable data centres**
 - SOC2, SSAE16 and ISO 27001
 - Data from Service stored in Norway
 - Media maintained in regions

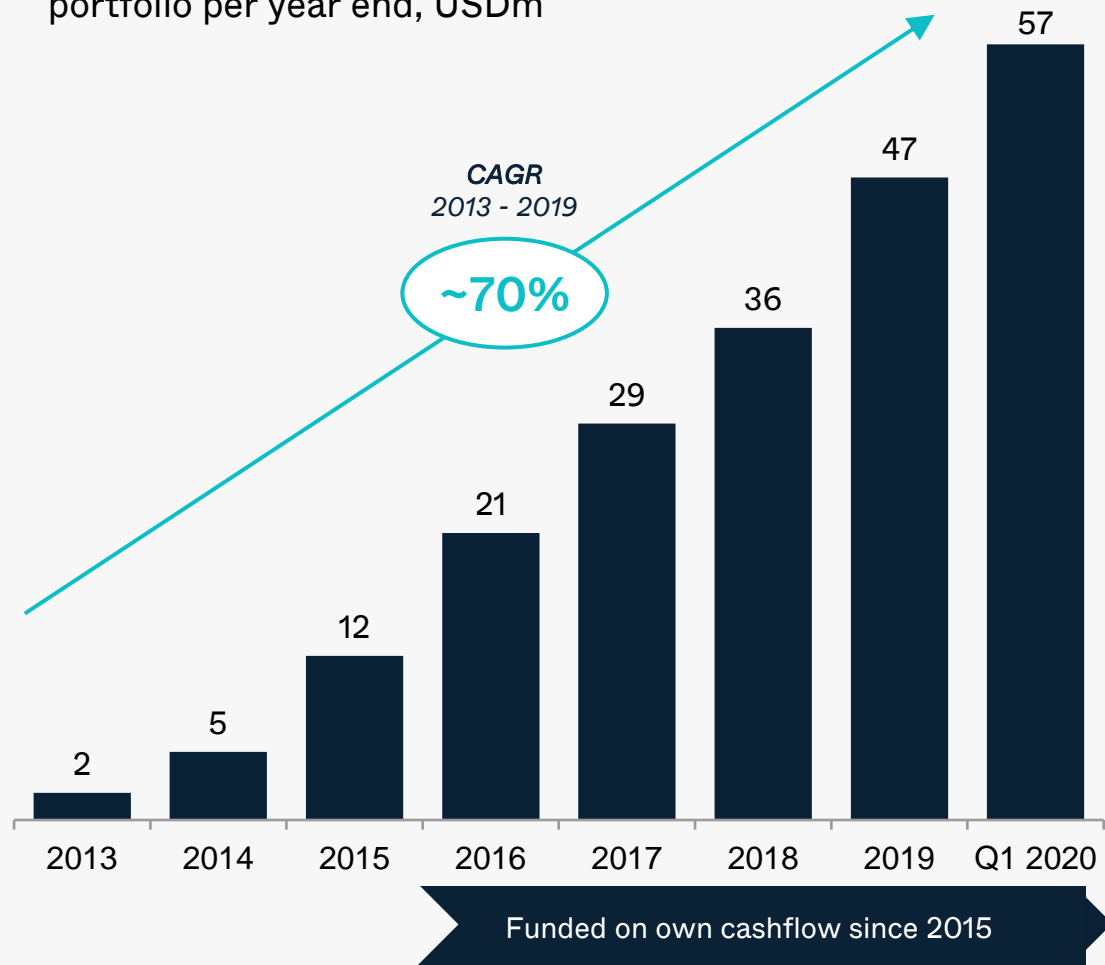
Financials

Solid and strong business momentum

100% reinvested in sales, marketing and products

Booked annual recurring revenue ("ARR")

portfolio per year end, USDm

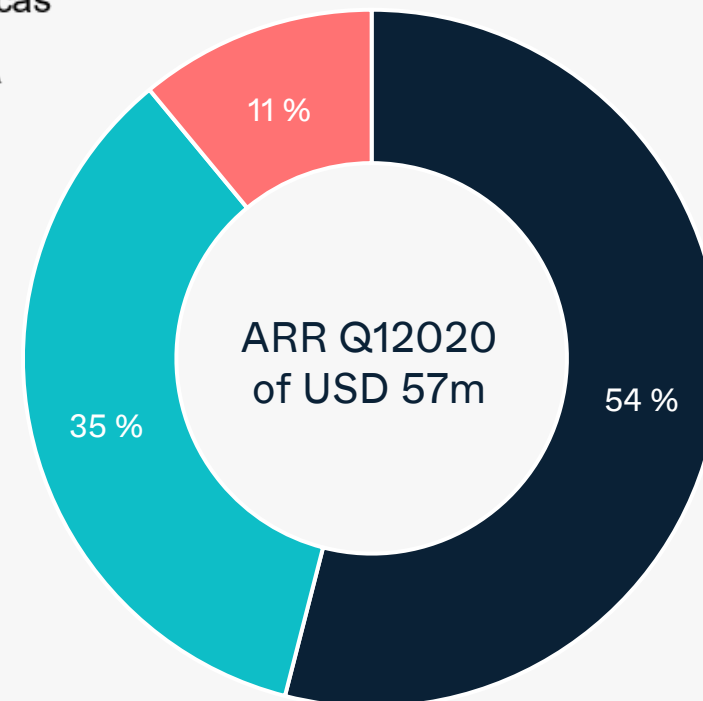


Revenue per geography

APAC

Americas

EMEA



Trusted by Fortune 500 companies and government agencies

Diversified, blue chip customer base

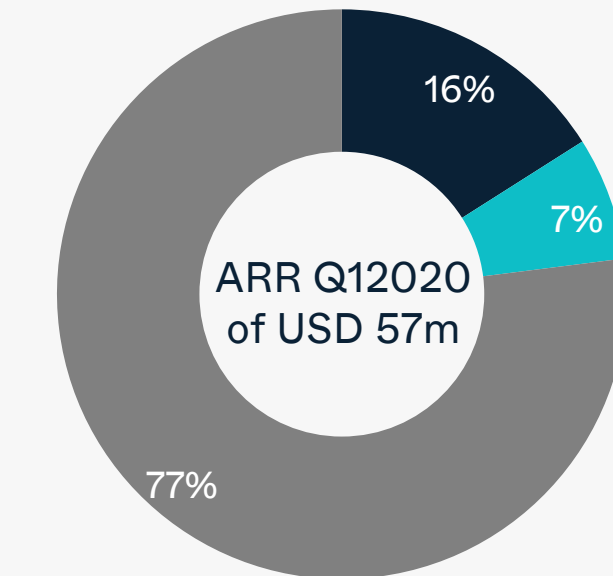
Selected customer logos



- More than 3,600 customers globally
- 15% of Global Fortune 500 companies
- Diversified across industries

Low single dependency

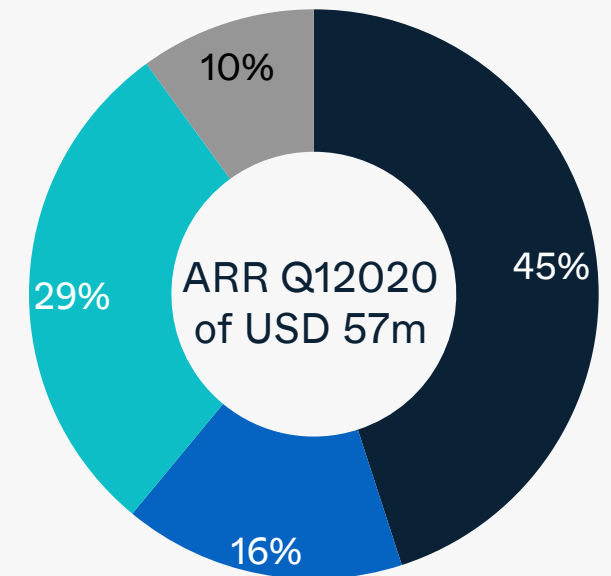
Share of ARR by top 10 and top 20 customers



■ Top 10 ■ Top 11-20 ■ Other

Focus on larger organizations

Share of ARR segmented by customer ARR contribution



■ USD > 100 000 ■ USD 10 000-50 000
■ USD 50 000-100 000 ■ USD < 10 000

Key financial highlights

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Best-in-class SaaS metrics

79%

ARR CAGR 2013A – 2019A

99%

net revenue retention 2019A

95%

gross-margin 2019A

21%

EBITDA margin 2019A

3,400+

customers per YE2019

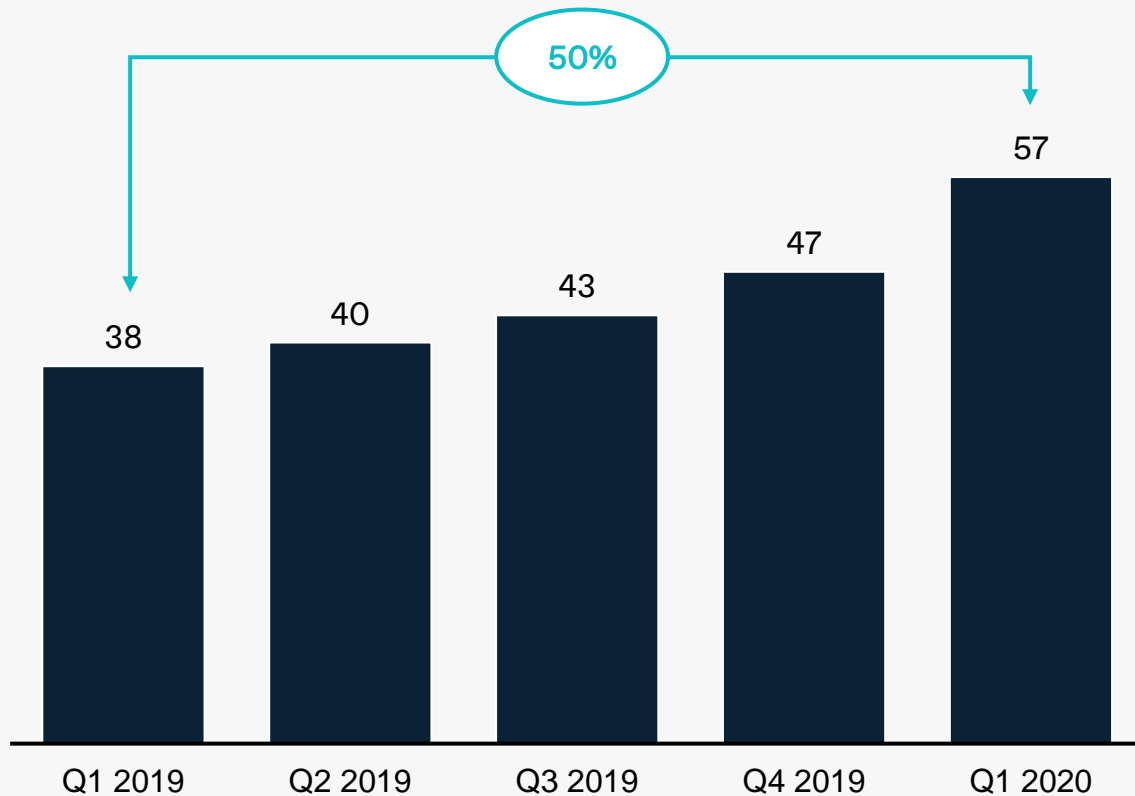
5.8x

LTV:CAC ratio 2019A

Strong development in ARR with ~50% growth YoY

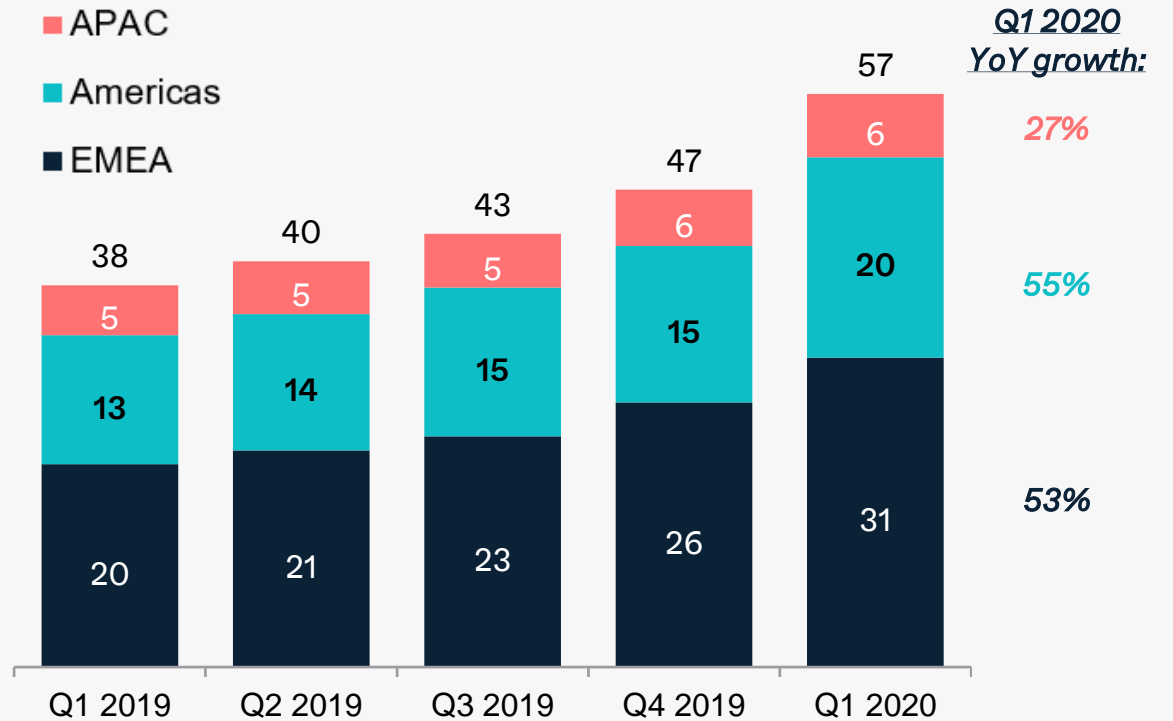
ARR development Q1 2019 – Q1 2020

USDm



ARR per geo Q1 2019 – Q1 2020

USDm



Pexip Holding AS - consolidated financial information

Balance sheet 2018 – 2019 – assets, IFRS

	<i>Audited</i>	<i>Audited</i>
Balance sheet, NOKm	Dec-18	Dec-19
ASSETS		
Non-current assets		
Property, plant and equipment	3.3	7.2
Right-of-use assets	10.1	52.4
Goodwill	599.0	599.0
Other intangible assets	110.4	101.8
Deferred tax asset	27.3	27.6
Contract costs	41.4	74.2
Receivables	1.6	1.7
Other assets	0.2	0.0
Total non-current assets	793.4	863.9
Current assets		
Trade and other receivables	77.4	105.6
Contract costs	8.2	14.0
Other current assets	9.1	11.1
Cash and cash equivalents	59.4	75.5
Total current assets	154.1	206.2
TOTAL ASSETS	947.5	1,070.1

Comments

- Fixed assets are primarily intangible in nature, such as capitalized development costs and goodwill from Merger between Pexip and Videxio
 - The merger resulted in a goodwill increase of NOK 599m
- Growth in trade and other receivables primarily due to the increased overall activity levels across the Group. Q4 has a high invoicing level, and has a correspondingly higher level of trade receivables compared to the rest of 2019
- Contract costs consists of paid commissions which are recognized over the contract lifetime (included in the NWC)

Pexip Holding AS - consolidated financial information

Balance sheet 2018 – 2019 – Equity and liabilities, IFRS

	<i>Audited</i>	<i>Audited</i>
Balance sheet, NOKm	Dec-18	Dec-19
EQUITY AND LIABILITIES		
Equity		
Share capital	0.8	1.2
Share premium	856.6	860.1
Other equity	-58.4	-37.2
Total equity	799.0	824.1
Non-current liabilities		
Borrowings	6.0	8.5
Lease liabilities	7.1	45.5
Deferred tax liabilities	0.0	0.0
Derivative financial liability	60.8	0.0
Total non-current liabilities	73.9	54.0
Current liabilities		
Trade and other payables	36.3	51.1
Contract liabilities	28.1	47.9
Current tax liabilities	0.3	3.8
Derivative financial liability	0.0	76.8
Borrowings	6.5	2.5
Lease liabilities	3.4	10.0
Total current liabilities	74.6	192.0
Total liabilities	148.5	246.0
TOTAL EQUITY AND LIABILITIES	947.5	1,070.1

Comments

- Substantial increase in share premium during 2018 mainly due to the merger
 - Due to the goodwill the company has a strong equity ratio
 - The Goodwill has been subjected to an impairment test during Q4 2019, with no need for amortization
- The company has limited interest-bearing debt, and redeemed a bond loan of NOK 6.5m during 2019. At the same time the company was awarded an additional loan from Innovation Norway of NOK 5.0m , and Innovation Norway is the sole creditor for the company outside factoring
- Lease liabilities increased during 2019 as the company signed a new rental-agreement for the head office in Oslo as well as a increased office in Herndon, VA and New York, NY USA
- Contract liabilities mainly arise from prepaid contracts with deferred revenue recognition

Pexip Holding AS - consolidated financial information

Cash flow statement 2018 – 2019, audited IFRS

Cash flow statement, NOKm	Audited 2018	Audited 2019
Profit or loss before income tax	14.7	16.7
Taxes paid	0	0
Depreciation, amortization and net impairment loss	14.5	44.5
Non-cash-share based payments	5.2	9.3
Fair value adjustment to derivatives	6.4	16.0
Interest income/expenses - net	1.3	2.8
Net exchange differences	-1.8	-1.5
Change in trade and other receivables	-35.3	-65.0
Change in trade and other payables	15.3	34.5
Interest received	0.4	0.5
Income taxes paid	0.0	-0.3
Net cash flow from operating activities	20.7	57.5
Payment for acquisition of subsidiary, net of cash paid	24.0	0.0
Payment for property, plant and equipment	-1.7	-6.4
Payment of software development cost	-5.3	-28.7
Net cash flow from investing activities	17.0	-35.1
Proceeds from issuance of ordinary shares	1.7	3.5
Proceeds from borrowings	0.0	5.0
Repayment of borrowings	-5.5	-6.5
Principal element of lease payments	-2.8	-5.3
Interest paid	-1.7	-3.3
Net cash flow from financing activities	-8.2	-6.6

Comments

- Pexip's liquidity requirements arise primarily from operating expenses (expensed R&D and sales and marketing expenses), and investments in R&D
- Consolidated net cash flow from operational activities was NOK 57.5m in 2019, driven by growth in underlying operations
 - Net change in operating assets and liabilities contributed with NOK -30.5m
- Consolidated net cash flow from investing activities over the historical period relates to capitalisation of development costs, and purchase of standard office equipment
- Net borrowings was NOK -1.5m
- Issuance of shares was related to an employee option window
- Overall cash position was NOK 75.5m 31.12.2019, up NOK 16.1m



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