

Pexip Q3 2023 report – Increased ARR growth

Oslo, Norway, 2 November 2023 - Pexip Holding ASA ("Pexip" or "The Company", Oslo Børs Ticker: PEXIP), today presented its quarterly results for the third quarter of 2023, showing Annual Recurring Revenues of USD 99.8 million, recognised revenue in the quarter of NOK 214.9 million (NOK 189.2 million in Q3 2022) and EBITDA of NOK 4.9 million (negative NOK -61.5 million).

"We are pleased to have two quarters in a row with positive ARR growth and four quarters in a row with positive EBITDA. Our focus remains on generating profitable growth through our market leading position in our two target markets, and we are seeing the results of that focus in our Q3 performance." said Trond K. Johannessen, Pexip CEO.

Q3 development continues to provide momentum to reach the financial targets set for 2023, and the results from the three first quarters of 2023 are in line with the guidance given of flat to positive development in recurring revenues, cash flow positive operations of NOK 85-100 million and an EBITDA of NOK 100-150 million for the whole year.

Following the successful change in strategy, the Board of Directors is recommending a new capital distribution policy. Going forward, Pexip will seek to distribute 50-100% of free cash flow generated to shareholders as a dividend. In addition, the Board has concluded that the Company has excess capital following the successful change in strategy and that Pexip should repay some of the capital raised in 2020 to the owners. The Board will recommend an extraordinary capital repayment to the AGM in 2024 of NOK 0.5 per share in addition to the ordinary capital distribution.

Key highlights for the quarter include:

- Q3 2023 revenue of 215 million, up 14% y-o-y. Pexip's subscription base measured in ARR was USD 99.8 million in Q3 2023, up 1% from Q2 2023. EBITDA excluding other gains and losses amounted to NOK 10.6 million, up NOK 67 million from Q3 2022.
- Cash flow of negative NOK 13 million in the quarter, with a cash position of NOK 494 million and no material interest-bearing debt.
- Benefit realization of the first phase of the Company transformation in place – continue to drive operational improvement across the business and with a continued focus on our core markets to enhance technology leadership.
- Continued good start of the Poly partnership, with high joint sales and marketing activity across regions. Through Q3 we saw the first major sales closed, and we continue to see an increased pipeline.
- BlueJeans by Verizon, one of two key competitors in the Connected Spaces segment, announced that they would sunset the business in Q3. This has generated a material pipeline and contributed positively to sales in Q3.

Analyst consensus estimates

Every quarter ahead of the earnings announcement, Pexip collects earnings estimates from the equity analysts currently covering the Company. The consensus estimates and the methodology

used in the preparation of the consensus estimates are published on the Company's IR web pages here: <https://investor.pexip.com/consensus>

Q3 results presentation

The third quarter results for 2023 will be presented by video webcast today, Thursday, 2 November, at 08:00 CET. The presentation will be held by Trond K. Johannessen (CEO), Øystein Dahl Hem (CFO), and Åsmund Fodstad (Chief Revenue Officer) The presentation will be held in English and conducted as a webcast. Questions can be submitted to IR@pexip.com in advance of the presentation or live during the presentation.

Please join the webcast via the following link: <https://www.pexip.com/events/q3-2023-results-presentation>

A recorded version of the presentation will also be available after the webcast is concluded.

For questions, please contact:
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About Pexip | [pexip.com](https://www.pexip.com)

Pexip is a video technology company that offers multi-platform software for various purposes such as business meetings, secure government communication, doctor's appointments, and court proceedings. It is an excellent tool for organizations that want seamless, secure, and scalable meetings that enhance the video experience. Pexip (PEXIP) is listed on the Oslo Stock Exchange. Visit us at www.pexip.com or on [LinkedIn](#)

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5 -12 of the Norwegian Securities Trading Act.

This stock exchange announcement was published by Øystein Dahl Hem, CFO, Pexip Holding ASA, on 2 November 2023 at 07:00 CET.