Pexip Recognized for

2021

Customer Value Leadership

Global Video
Conferencing Industry

Excellence in Best Practices

FROST & SULLIVAN

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Pexip excels in many of the criteria in the video conferencing space.

A Strong Success Story

Pexip is a global technology company that delivers a video-first meeting platform. Founded in 2012, Pexip was started by a group of industry veterans that saw the need to break down the barriers which were making enterprise video conferencing expensive, and difficult to use, manage and scale. Today Pexip has grown to almost 400 employees worldwide and sells through a global network of 300 reseller partners in 75 countries. The company has a global footprint and customer base of over 3600 companies in 190 countries. Its customers range from small and medium-sized businesses to global conglomerates including companies such as Spotify, Vodafone, PayPal, Accenture, and Amnesty International, as well as government organizations such as the US Department of Veterans Affairs and U.S. Northern Command, and healthcare organizations such as Ontario Health and Queensland Health.

> *"Customers have been focused on easy to use yet secure video conferencing. Pexip has risen to the challenge to support a fast growing user base with secure and flexible solutions which, combined with its strong technology leadership, have become a hallmark of its success."*
>
> ***- Roopam Jain, Senior Director***

In 2020, the COVID-19 pandemic became a disruptive catalyst for adoption of video meetings and created an unprecedented upsurge in user demand. Customers have been focused on easy to use yet secure video conferencing. Pexip has risen to the challenge to

support a fast growing user base with secure and flexible solutions which, combined with its strong technology leadership, have become a hallmark of its success.

A testament to Pexip's business success is its high-profile successful listing on the Oslo Stock Exchange on May 14, 2020 when the company raised 100 million USD. The offering was 12 times oversubscribed attracting investors from across Europe and the United States. To accelerate growth, Pexip intends to invest the proceeds into increasing the company's sales and marketing presence as well as R&D. Pexip intends to deploy up to 70% of the net proceeds over the next three years which, combined with a fast growing user demand, creates a strong growth trajectory for the future.

A Secure Cloud Platform to Meet Customer Needs

In a 2020 global Frost & Sullivan survey of 3,284 IT and telecom decision makers, 38 percent or more than a third of the respondents ranked security and compliance as their top challenge in supporting remote work. Also, 47 percent of decision makers selected security as a key decision making factor for selecting a cloud communications provider (Insert chart 1 and 2 from PPT). These stats are a reflection of the growing customer demand for cloud solutions that guarantee full control over their data without the challenges of managing on-premises servers and compute capacity.

In December 2020, Pexip launched Pexip Private Cloud, an offering focused on meeting the stringent data control and privacy requirements of medium to large enterprises as well as for industry sectors with strict regulatory compliance including finance, healthcare and government. With Pexip Private Cloud, customers get a dedicated instance allowing them full data ownership as well as ability to dictate in which region or regions of the world they deploy the service. This new offering expands Pexip's potential to target new customer segments and use cases.

Pexip's market leading platform offers a flexible deployment model that gives customers the option to choose video meeting products and services in three categories:

- An end-to-end video meeting solution that's simple to join from the PC, mobile device, or meeting room. The solution can be deployed on-premises, as a service, or as a dedicated instance in the Microsoft Azure, Amazon Web Services, or Google Cloud Platform clouds.
- Video infrastructure as well as APIs that allow Pexip video solutions to be embedded into or integrated with third-party solutions.
- Video gateways for interoperability with Microsoft Teams as well as Google Meet.

Pexip is uniquely differentiated in the market and provides the missing rung between self-hosted and shared cloud video conferencing deployment options to deliver a scalable and secure enterprise-grade infrastructure without straining IT departments with day-to-day management. Pexip delivers all cloud deployment options as a recurring subscription-based service and believes that each customer should be able to choose how they use or host their collaboration platform.

Continued Sales Momentum and Customer Acquisition

Pexip's commercial success is illustrated by its excellent growth metrics, customer acquisition, and a fast expanding technology and partner ecosystem. Since its inception Pexip has grown at a rapid pace. In 2020, as a result of COVID-19 and the increased demand for videoconferencing, more and more organizations are seeking best-in-class meeting experiences and a secure, flexible, high-quality video platform that Pexip offers.

- Pexip continued its strong performance in 2020 with impressive sales. In Q4 2020, Pexip's subscription base measured in ARR reached USD 81.9 million, up from USD 47.2 million in Q4 2019, representing a YoY increase of 73%.
- The increase was mainly driven by stronger sales to new customers, but also due to strong growth among existing customers. About 59 % of its YoY growth in Q4 2020 came from new customers.
- Net revenue retention rate, showing the percent of retained revenue from existing customers, was up 114% year-on-year, including churn of -10% year-on-year.
- The company enjoyed key customer wins in Q3 and Q4 2020 including the National Aeronautics and Space Administration (NASA), U.S. Government Defense Health Agency (US DHA), U.S. Northern Command (USNORTHCOM), U.S. Coast Guard, The German Aerospace Center (Deutsches Zentrum für Luft- und Raumfahrt - DLR), and one of the world's leading mobility and logistics companies, Deutsche Bahn. Pexip is seeing strong traction and growing demand from large enterprise customers and public sector organizations with complex requirements that are preparing for a post Covid-19 working environment.
- In December 2020, Pexip announced a new contract with a multi-national, European industrial manufacturer for Pexip's cloud service Enterprise room connector for Google Meet. Pexip is the only provider globally that can enable video interoperability with the Google Meet platform. The total gross value of the contract is USD 580,000 per year including partner margin, and was won together with Pexip's partner NTT.
- Pexip has been tracking ahead of its goals around both revenue growth and securing additional talent to drive future growth. In Q3 2020, Pexip announced that it is accelerating its target of USD 300 million in ARR from 2025 to 2024, one year earlier than its previous target.

Technology Leadership

Since its inception, Pexip has worked at a rapid pace to innovate and is constantly looking to change the status quo in the industry. The company has a long history of innovation including its leadership in offering a virtualized and distributed video communication platform and a plug-in free web browser interoperability. With Pexip, customers benefit from a feature-rich unified solution for HD video, voice, chat and content sharing. It's video platform can integrate multiple applications and can be embraced in multiple environments allowing customers to mix solutions from more than one vendor, where users can schedule native Microsoft Teams or Google Meet meetings and have internal or external participants join from video conferencing rooms from vendors such as Cisco and Poly. In addition, it offers a secure collaboration platform with security certifications such as JITC, FIPS 140-2

and 508 compliance used by US military, as well as enabling HIPAA compliance for healthcare and General Data Protection Regulation (GDPR) for data protection and privacy. Pexip's management dashboard and monitoring software make it easy for IT admins to manage the infrastructure, meetings and devices from a single pane of glass.

In 2020 and early 2021, Pexip continued its technology leadership with several market shifting innovations.

- Adaptive Composition - Pexip's AI-driven Adaptive Composition puts all participants in a call on equal footing. Utilizing its transcoding capabilities, the innovative AI component uses machine learning to continuously optimize how each video feed is displayed, as well as the arrangement of the overall on-screen display. Whether participants join a Pexip meeting through the app, a browser or a video system, everyone gets the same engaging and immersive experience.
- Pexip Room - Pexip's software natively integrates with Logitech's video bars, Rally Bar and Rally Bar Mini, as well as Logitech RoomMate to provide a consistent end-to-end meeting experience from any location. The Pexip Room experience is secure by design, includes One-Touch Join for easy-to-join meetings, and is built with interoperability at the core so users can join any meeting they are invited to -- even those hosted on different platforms.
- Pexip Private Cloud - This offering provides the data control and transparency of a self-hosted software deployment with the ease and scalability of a SaaS solution. Conference management is hosted by the customer, while the compute needed for call capacity is deployed by Pexip in a secure and private, customer-dedicated instance. The solution allows for an accelerated, easy-to-manage deployment that maintains the control and privacy of a fully self-hosted solution.
- Customer Branding - For customers using the self-hosted platform, Pexip has enabled a customized meeting experience with branding and workflows as well as a suite of APIs that makes the platform suitable for integration into B2B and B2C services. The launch of customized branding options for Pexip as-a-service allows customers to greet their meeting guests using their organization's brand, making Pexip meetings their own.
- One-Touch-Join – When users are scheduling meetings and entering physical conference rooms to join, it often leads to confusion and frustration. Pexip One-Touch-Join (OTJ) integrates with calendars such as Microsoft Exchange, Office 365 or Google Calendar, making joining meetings simple through a single, seamless workflow. In addition to OTJ, Pexip offers wireless "scan to join" technology through MeetingConnect for fast joining from any video system.
- Bring Your Own Carrier - With Pexip, users can simply call out to PSTN (standard phone) from any video endpoint registered on the Pexip Service. All video endpoints in an organization can be enabled in a matter of minutes, and it even allows for direct dial-in from PSTN to specific video endpoint (if supported by carrier).
- Integration with Epic Electronic Health Record (EHR) - Healthcare organizations using Epic can integrate Pexip's video conferencing platform with MyChart to enable simple, easy-to-schedule virtual visits between providers and patients. Telehealth appointments are easy to join from any device or browser download-free, and the platform integrates with existing workflows for a seamless user experience.

Conclusion

In the current environment, video quality and data security are becoming fundamental to any organization's digital transformation success. Pexip has become a trusted partner for hundreds of organizations across the globe. With an emphasis on high quality, ease of use, flexibility, security, that connects geographically dispersed teams, the company has become a force to reckon with in the fast growing video conferencing industry.

For its differentiated value, innovative vision, and strong execution, Pexip earns Frost & Sullivan's 2021 Customer Value Leadership Award.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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The Growth Pipeline Engine™

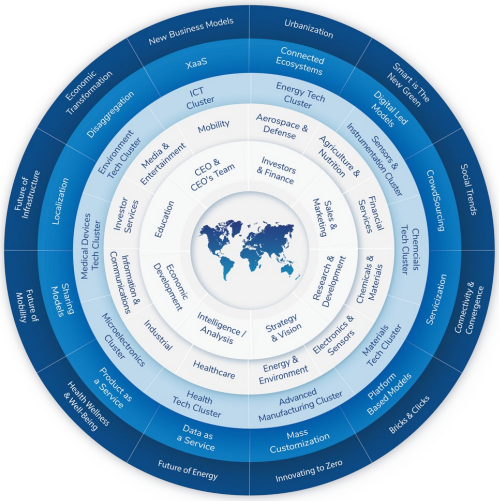
Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous flow of Growth opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.



Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)