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Quarterly Report

# Highlights

- Q1 2025 revenue of NOK 348 million, up 19% y-o-y. Pexip's subscription base measured in ARR was USD 115.5 million at the end of Q1 2025, up 10% y-o-y.
- Growth driven by Secure and Custom where ARR grew 27% year-on-year. Connected Spaces ARR grew 1% year-on-year.
- Continued good development with the product Connect for Zoom Rooms, which launched mid-2024, including a large Fortune 500 company win.
- EBITDA excluding other gains and losses amounted to NOK 112.5 million, up from NOK 64.4 million in the same quarter last year. EBITDA including other gains and losses amounted to NOK 115.1 million, up from NOK 57.7 million in the same quarter last year.
- Free cash flow of NOK 220.9 million in the quarter, up from NOK 100.5 million in Q1 2024, with a cash and money market fund position of NOK 830.5 million and no material interest-bearing debt exiting Q1 2025.
- Announcing share buyback of up to 2 million shares or up to NOK 100 million.

**“2025 has provided further momentum for Pexip’s growth in particular in the Secure and Custom video business area, with a strong increase in focus and awareness of the importance of sovereign IT systems and end to end control. Pexip is uniquely positioned to provide this for video communication with our cutting edge self-hosted platform and proven ability to deliver.”**



**Trond K. Johannessen**  
Chief Executive Officer

## Key Figures

		Q1 2025	Q1 2024
Revenue	NOK million	347.9	292.0
Cost of Sale	NOK million	28.8	27.1
Salary and Personnell expenses	NOK million	168.6	161.4
Other operating expenses	NOK million	38.0	39.1
Adjusted EBITDA	NOK million	112.5	64.4
Other gains/losses	NOK million	2.6	(6.7)
EBITDA	NOK million	115.1	57.7
EBITDA-margin	%	33%	20%
Free cash flow	NOK million	220.9	100.5
Reported profit for the period	NOK million	66.4	45.4
Earnings per share	NOK per share	0.65	0.45
ARR USD million, end of period	USD million	115.5	104.8
Number of employees end of period	#	279	293

# Operational Review

## Q1 2025 summary

Pexip's subscription base measured in Annual Recurring Revenue (ARR) amounted to USD 115.5 million at the end of Q1 2025, representing a year-on-year increase of 10%. Pexip grew its overall ARR base with USD 2.4 million in the quarter.

Connected spaces ARR amounted to USD 67.6 million at the end of Q1 2025, up 1% from Q1 2024. The legacy segment ARR has been incorporated

into Connected Spaces for 2025, and is restated including this for 2024. The net revenue retention rate, reflecting the percentage of retained revenue from existing customers, was 97% in Q1 2025.

Secure and Custom ARR amounted to USD 47.9 million at the end of Q1 2025, up 27% from Q1 2024. The net revenue retention rate was 104% in Q1 2025.

## Key Wins

### Leading financial institution

A top 10 Fortune 500 company selected Pexip's new Connect for Zoom Rooms to connect their ~4,000 Zoom Rooms to Microsoft Teams meetings, adding to their existing Pexip Connect for Teams offering. They selected the solution because of its ability to deliver a great dual-screen experience, full support for Zoom Room screen sharing and easy user experience.

### European Public agency

Pexip was selected to provide its full offering across Connected Spaces and Secure Meetings for the Government IT service provided in a European country. The customer chose Pexip for its ability to deliver a modern video collaboration experience while maintaining full sovereign control of the solution and any data related to the solution.

### European Armed Forces

Pexip had a significant ARR increase from one of its Armed Forces customers. Pexip was chosen for its ability to operate the solution in a completely air gapped environment.

# Financial Review

(Figures in brackets = same period prior year or relevant balance sheet date).

## Income statement

### Q1 2025 and YTD

**Consolidated revenue** amounted to NOK 347.9 million in Q1 2025 (NOK 292.0 million in Q1 2024), representing a 19% increase year-on-year. The increase is a result of the ARR increase over the last year, as well as a beneficial currency development.

Pexip operates in two main product areas. Pexip self-hosted software, which mainly consists of sales from software licenses and related maintenance contracts, and Pexip as-a-Service, which consists of sales from Pexip's public cloud service. Self-hosted software revenue accounted for NOK 200.4 million in Q1 2025 (NOK 166.6, +20%). The increase is due to increased sales. Revenue from Pexip as-a-Service was NOK 147.6 million in Q1 2025 (NOK 125.3 million, +18%).

EMEA was the largest sales area with NOK 164.9 million in revenue (NOK 132.4 million, +25%), followed by Americas, accounting for NOK 156.4 million (NOK 137.1 million, +14%), and Asia-Pacific (APAC), accounting for NOK 26.6 million (NOK 22.4 million, 19%).

**Cost of sale** consists mainly of network, data center and hosting for the Pexip as-a-Service, as well as 3<sup>rd</sup> party commissions and software licenses. Cost of sale amounted to NOK 28.8 million in Q1 2025 (NOK 27.1 million), reflecting a gross margin of 92% (91%). The increase in the quarter is related to resale of 3<sup>rd</sup> party licenses in a combined offering.

**Operating expenses** consist mainly of salary and personnel expenses and other operating expenses. Salary and personnel expenses amounted to NOK 168.6 million in Q1 2025 (NOK 161.4 million), which is 48% of the quarterly revenue (55%). The increase is mostly related to higher social security costs related to a Q1 share option exercise and part-settlement in cash for tax obligations for primary insiders in management, while other share-based expenses are down due to lower accruals for future social security due to a reduction in the share price during Q1 2025. Pexip had 279 employees employed at the end of Q1 2025 (293).

Other operating expenses amounted to NOK 38.0 million (NOK 39.1 million), which reflects a level of 11% of the quarterly revenue (13%), and with a stable cost level across the various cost categories.

**Other gains and losses** amounted to a gain of NOK 2.6 million (loss of NOK 6.7 million). The gains in Q1 2025 are mainly related to a received insurance compensation due to an office fire in UK in Q3 2023.

**Earnings before interest, tax, depreciation, and amortization (EBITDA)** excluding Other gains and losses was NOK 112.5 million (NOK 64.4 million), up NOK 48 million from Q1 2025, reflecting a 32% margin (22%). EBITDA including other gains and losses amounted to NOK 115.1 million in Q1 2025 (NOK 57.7 million), reflecting a 33% EBITDA margin (20%).

**Depreciation and amortization** costs were NOK 14.1 million in Q1 2025 (NOK 19.8 million). The reduction is a result of lower depreciation of intangible assets.

**Net financial income** was a loss of NOK 13.9 million (gain of NOK 22.5 million). Pexip had financial income of NOK 7.6 million related to interest on cash holdings (NOK 6.6 million), while the net impact of foreign exchange differences gave a loss of NOK 20.7 million (gain of NOK 16.8 million).

**Profit before tax** was NOK 87.1 million (NOK 60.4 million). Profit after tax was NOK 66.4 million (NOK 45.4 million).

## Financial position

Pexip continues to have a very robust financial position as the company has a solid cash buffer, no material interest bearing debt and a positive cash flow. **Total assets** amounted to NOK 2,265 million (NOK 2,225 million at the end of 2024), and **total equity** amounted to NOK 1.660 million (NOK 1,608 million).

**Current assets** amounted to NOK 1,069 million (NOK 988 million at the end of 2024). **Cash and cash equivalents** increased to NOK 622 million (NOK 422 million) and Financial assets (money market funds) increased to NOK 209 million (NOK 206 million). Combined cash and money market funds increased to NOK 830 million (NOK 628 million). **Trade and other receivables** decreased to NOK 216 million (NOK 333 million), while **Contract Assets** decreased to NOK 6 million (NOK 7 million).

**Non-current assets** amounted to NOK 1,195 million (NOK 1,237 million at the end of 2024). **Contract costs** decreased to NOK 306 million (NOK 325 million), with NOK 5 million from net negative additions and NOK 15 million from foreign exchange translation differences in the subsidiary companies.

**Total liabilities** were at NOK 605 million (NOK 617 million). NOK 2 million are borrowings (NOK 2 million).

**Current liabilities** decreased to NOK 521 million (NOK 532 million at the end of 2024), with the decrease being mainly related to a decrease in trade payables.

**Non-current liabilities** amounted to NOK 84 million (NOK 85 million at the end of 2024).

## Cash flow

### Q1 2025

**Net cash flow from operating activities** was NOK 228.0 million in Q1 2025 (NOK 112.3 million in Q1 2024) compared to an EBITDA of NOK 115.1 million. In addition, the Company had a positive fair value adjustment on its money market funds of NOK 2.5 million. In addition to the positive EBITDA, the increase is due to a reduction of trade receivables and other current assets due to collections following high invoicing resulting in a working capital increase in Q4 2024.

**Cash flow from investing activities** was negative NOK 6.7 million for Q1 2024 (negative NOK 8.7 million). Investments in own software development is NOK 5.8 million compared to NOK 7.5 million in Q1 2024.

**Cash flow from financing activities** was negative NOK 2.9 million for Q1 2025 (negative NOK 4.3

million). The main cash outflow was related to lease payments for office space. Pexip had a cash inflow related to a share option exercise of NOK 0.9 million in Q1 2025 (NOK 0 in Q1 2024).

In total, Pexip had a free cash flow of NOK 220.9 million (NOK 100.5 million) including net change in money market funds. The combined cash and money market fund position was NOK 830.5 million at the end of Q1 2025 (NOK 628.1 million at the end of Q1 2024).

The Annual General Meeting in 2025 has approved a dividend of NOK 2.5 per share, consisting of NOK 2.0 in ordinary dividend and an extraordinary dividend of NOK 0.5 per share. This will amount to a total dividend of NOK 260 million for all shares currently outstanding, excluding the impact of the Company's holding of own shares, which will be paid out in Q2 2025.

## Subsequent events

There were no subsequent events after March 31, 2025.

## Risk and uncertainty

Risk management in Pexip is based on the principle that risk evaluation is an integral part of all business activities and is a part of the annual strategy review. Pexip has developed its approach to risk assessment and risk mitigation within financial reporting and information security, where Pexip holds ISO 27001 and 27701 certifications as external recognition of its approach.

Pexip is exposed to several risk factors related to operational and market activities, customer relationships and third parties, laws, regulations, and compliance, financial and market, among others. The Risk and Risk Management section in the 2024 Annual Report contains detailed descriptions and mitigating actions.

The beginning of 2025 has seen increased uncertainty in trade policies across countries and some instability in currency exchange rates. As a company operating in multiple countries, this may have an impact on Pexip's business although software and services are not product categories that so far have been impacted. The Company is continuously monitoring the situation and will seek to adapt to any changes in trade regulations.

Pexip has not identified any further significant risk exposures beyond the ones described in the 2024 Annual Report.

## Outlook

Pexip believes that the market for enterprise-grade video communication will continue to increase due to the increased adoption and usage of video communication, and increased awareness of sustainability. Pexip has unique video technology with capabilities within security, interoperability, and flexible deployments. This makes the company well-positioned as enterprises and public sector organizations continue to adopt hybrid working models. Furthermore, Pexip believes in the increased use of video in organizations' workflows with their clients/customers, creating additional new and significant market opportunities. In particular, the use of video for mission-critical, high-security meetings has increased. This is the foundation of the focused strategy Pexip is executing, pursuing market-leading positions in Secure and Custom Video and Connected Spaces.

Pexip's near-term financial targets are to consistently deliver above 10% growth in annual recurring revenues and have an EBITDA margin above 20% with a high cash conversion. The company aims to do this by focusing on niches where Pexip has a unique competitive advantage and a path to become the clear market leader. Long-term the company aims to deliver Rule of 40 performance, with a combined ARR growth rate and EBITDA margin excluding other gains and losses of 40% or more. In Q2 2025 the company's outlook is to end on an ARR of USD 117-120 million from USD 115.5 million at the end of Q1 2025.

*These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this section. Readers are cautioned not to put undue reliance on forward-looking statements*

SIGNATURE PAGE

# Board of Directors

Oslo, May 7, 2025

Board of Directors and CEO of Pexip Holding ASA



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**Kjell Skappel**  
Chair of the Board



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**Irene Kristiansen**  
Board Member



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**Phillip Austern**  
Board Member



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**Silvija Seres**  
Board Member



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**Geir Langfeldt Olsen**  
Board Member



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**Trond K. Johannessen**  
CEO

## Consolidated Statement of Profit or Loss

Period January 1 - March 31

	Notes	First Quarter	
(NOK 1,000)		Q1 2025	Q1 2024
Revenue	3	347 946	291 978
Cost of sale		28 833	27 055
Salary and personnel expenses		168 637	161 423
Other operating expenses		38 019	39 060
Other gains and losses		-2 639	6 747
<b>EBITDA</b>		<b>115 097</b>	<b>57 693</b>
Depreciation and amortization		14 080	19 802
<b>Operating profit or loss</b>		<b>101 017</b>	<b>37 891</b>
Financial income		7 604	6 573
Financial expenses		-868	-883
Net (gain)/loss on foreign exchange differences		-20 660	16 838
<b>Financial income/(expenses) - net</b>		<b>-13 924</b>	<b>22 527</b>
<b>Profit or loss before income tax</b>		<b>87 093</b>	<b>60 418</b>
Income tax expense		20 725	15 010
<b>Profit or loss for the year</b>		<b>66 369</b>	<b>45 408</b>
<i>Profit or loss is attributable to:</i>			
Owners of Pexip Holding ASA		66 369	45 408
<i>Earnings per share</i>			
Basic earnings per share		0.65	0.45
Diluted earnings per share		0.62	0.44

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Comprehensive Income

Period January 1 - March 31

(NOK 1,000)	First Quarter	
	Q1 2025	Q1 2024
<b>Profit or loss for the year</b>	<b>66 369</b>	<b>45 408</b>
<i>Items that may be reclassified to profit or loss:</i>		
Exchange difference on translation of foreign operations	-16 552	10 024
<b>Total comprehensive income for the year</b>	<b>49 817</b>	<b>55 432</b>
<b>Total comprehensive income is attributable to:</b>		
Owners of Pexip Holding ASA	<b>49 817</b>	<b>55 432</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

(NOK 1,000)	Notes	03/31/2025	12/31/2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		18 615	20 124
Right-of-use assets		48 194	51 793
Goodwill		598 998	598 998
Other intangible assets		93 144	95 749
Deferred tax asset		125 830	140 225
Contract costs	4	305 805	325 086
Receivables		536	554
Other assets		4 358	4 841
<b>Total non-current assets</b>		<b>1 195 480</b>	<b>1 237 369</b>
<b>Current assets</b>			
Trade and other receivables		215 956	332 832
Contract assets		6 024	6 737
Other current assets		16 947	19 778
Financial Investments		208 589	206 066
Cash and cash equivalents		621 890	422 100
<b>Total current assets</b>		<b>1 069 406</b>	<b>987 514</b>
<b>TOTAL ASSETS</b>		<b>2 264 886</b>	<b>2 224 882</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Total equity</b>		<b>1 659 709</b>	<b>1 607 952</b>
<b>Non-current liabilities</b>			
Borrowings		1 738	1 984
Lease liabilities		39 526	43 510
Deferred tax liabilities		42 560	39 755
Other payables		35	28
<b>Total non-current liabilities</b>		<b>83 859</b>	<b>85 277</b>
<b>Current liabilities</b>			
Trade and other payables		142 652	156 534
Contract liabilities		356 929	354 892
Current tax liabilities		3 746	2 104
Lease liabilities		17 991	18 123
<b>Total current liabilities</b>		<b>521 318</b>	<b>531 653</b>
<b>Total liabilities</b>		<b>605 177</b>	<b>616 930</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 264 886</b>	<b>2 224 882</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

## Consolidated Statement of Changes in Equity

(NOK 1,000)	Share capital	Share premium	Other reserves	Translation differences	Retained earnings	Total equity
Balance at January 1, 2024	1 523	2 115 938	56 186	14 977	-633 803	1 554 823
Profit or loss for the year					117 905	117 905
Other comprehensive income for the year				20 301		20 301
<b>Total comprehensive income for the year</b>				<b>20 301</b>	<b>117 905</b>	<b>138 206</b>
Buy/sell treasury share	4		605			609
Dividend paid to company's shareholders		-111 745				-111 745
Share-based payments			26 060			26 060
<b>Balance at December 31, 2024</b>	<b>1 527</b>	<b>2 004 193</b>	<b>82 851</b>	<b>35 277</b>	<b>-515 898</b>	<b>1 607 952</b>
Balance at January 1, 2025	1 527	2 004 193	82 851	35 277	-515 898	1 607 952
Profit or loss for the period					66 369	66 369
Other comprehensive income for the year				-16 552		-16 552
<b>Total comprehensive income for the year</b>				<b>-16 552</b>	<b>66 369</b>	<b>49 817</b>
Buy/sell treasury share	31		821			852
Share-based payments			1 088			1 088
<b>Balance at March 31, 2025</b>	<b>1 558</b>	<b>2 004 193</b>	<b>84 760</b>	<b>18 725</b>	<b>-449 529</b>	<b>1 659 709</b>

# Consolidated Statement of Cash Flows

Period January 1 - March 31

(NOK 1,000)	First Quarter	
	Q1 2025	Q1 2024
<b>Cash flow from operating activities</b>		
Profit or loss before income tax	87 093	60 418
<i>Adjustments for</i>		
Depreciation, amortization and net impairment losses	14 080	19 802
Non-cash - share based payments	1 088	9 434
Interest income/expenses - net	-4 220	-5 600
Net exchange differences	10 273	3 162
Fair value on Financial Assets at fair value through profit and loss	-2 522	
Other adjustments	-1 703	-12
<i>Change in operating assets and liabilities</i>		
Change in trade, other receivables and other assets	117 655	-20 745
Change in trade, other payables and contract liabilities	36	40 726
Interest received	5 080	6 479
Income taxes paid/refunded	1 106	-1 347
<b>Net cash inflow/outflow from operating activities</b>	<b>227 965</b>	<b>112 317</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	-1 029	-1 246
Payment of software development cost	-5 821	-7 500
Proceeds from sale of property, plant and equipment	136	
<b>Net cash inflow/outflow from investing activities</b>	<b>-6 713</b>	<b>-8 746</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	63	
Repayment of borrowings	-64	-367
Principal element of lease payments	-2 896	-3 044
Interest paid	-859	-879
Sale/(purchase) of treasury shares	852	
<b>Net cash inflow/outflow from financing activities</b>	<b>-2 903</b>	<b>-4 290</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>218 349</b>	<b>99 282</b>
Cash and cash equivalents start of the period	422 100	522 692
Effects of exchange rate changes on cash and cash equivalents	-18 559	6 100
<b>Cash and cash equivalents end of the period</b>	<b>621 890</b>	<b>628 075</b>

## Note 1 - General

Pexip Holding ASA is the parent company of the Pexip Group. The Group includes the parent company Pexip Holding ASA and its wholly owned subsidiary Pexip AS, which have the wholly owned subsidiaries Pexip Inc, Pexip Ltd, Pexip Australia Pty Ltd, Pexip Japan GK, Pexip Singapore Pte Ltd, Pexip Germany GmbH, Pexip France SAS, Pexip Netherlands B.V, Pexip Belgium NV, Pexip Italy S.R.L, Pexip Spain SL and Videxio Asia Pacific Ltd. The Group`s head office is located at Lilleakerveien 2a, 0283 OSLO, Norway. Pexip Holding ASA is listed on the Oslo Stock Exchange (Norway) under the ticker PEXIP.

The consolidated condensed interim financial statements comprise the financial statements of the Parent Company and its subsidiaries as of March 31, 2025, authorised for issue by the board of directors on May 7, 2025.

The condensed interim financial statements are unaudited.

## Note 2 - Basis of preparation

The condensed interim financial statements for the three months ending on March 31, 2025, have been prepared according to IAS 34 Interim Financial reporting. This quarterly report does not include the complete set of accounting principles and disclosures and should be read in conjunction with the Annual Financial Statement for 2024. All accounting principles applied in preparing this interim financial statement are consistent with the annual report as of 2024. The Group has not early adopted any new standards, interpretations or amendments issued but not yet effective.

Rounding differences may occur.

## Note 3 - Revenue and segment information

(NOK 1,000)

The Group has one segment, sale of collaboration services. The market for Pexip's software and services is global. The chief decision maker will therefore follow up revenue and profitability on a global basis This is consistent with the internal reporting submitted to the chief operating decision maker, defined as the Management Group. The Management Group is responsible for allocating resources and assessing performance as well as making strategic decisions.

Principles of revenue recognition are stated in accounting principles to consolidated financial statements, section 2.3.5 *Revenue from contracts with customers*.

### Disaggregation of revenue

In the following table, revenue is disaggregated by primary service line, geography and timing of revenue recognition. In presenting the geographic information, revenue has been based on the geographic location of customers.

Fisrt quarter 2025				
	EMEA <sup>1)</sup>	Americas	APAC <sup>2)</sup>	Total
Pexip as-a-Service	67 107	70 457	10 002	147 566
Self-hosted Software	97 797	85 945	16 639	200 380
<b>Total revenue</b>	<b>164 904</b>	<b>156 402</b>	<b>26 641</b>	<b>347 946</b>

Fisrt quarter 2024				
	EMEA <sup>1)</sup>	Americas	APAC <sup>2)</sup>	Total
Pexip as-a-Service	60 856	56 618	7 868	125 341
Self-hosted Software	71 584	80 475	14 578	166 637
<b>Total revenue</b>	<b>132 440</b>	<b>137 093</b>	<b>22 445</b>	<b>291 978</b>

Full year (YTD) 2025

	EMEA <sup>1)</sup>	Americas	APAC <sup>2)</sup>	Total
Pexip as-a-Service	67 107	70 457	10 002	147 566
Self-hosted Software	97 797	85 945	16 639	200 380
<b>Total revenue</b>	<b>164 904</b>	<b>156 402</b>	<b>26 641</b>	<b>347 946</b>

## Full year (YTD) 2024

	EMEA <sup>1)</sup>	Americas	APAC <sup>2)</sup>	Total
Pexip as-a-Service	60 856	56 618	7 868	125 341
Self-hosted Software	71 584	80 475	14 578	166 637
<b>Total revenue</b>	<b>132 440</b>	<b>137 093</b>	<b>22 445</b>	<b>291 978</b>

	First quarter 2025	First quarter 2024
Timing of revenue recognition		
Products and services transferred at a point in time	162 083	135 888
Products and services transferred over time	185 863	156 090
<b>Total revenue</b>	<b>347 946</b>	<b>291 978</b>

	Year to date 2025	Year to date 2024
Timing of revenue recognition		
Products and services transferred at a point in time	162 083	135 888
Products and services transferred over time	185 863	156 090
<b>Total revenue</b>	<b>347 946</b>	<b>291 978</b>

<sup>1)</sup> Europe, Middle East and Africa

<sup>2)</sup> Asia Pacific (East and South Asia, Southeast Asia and Oceania)

### Information about major customers

The Group conducts its sales through channel partners. No channel partner represents more than 10% of the Group's revenue. Of the Group's total channel partner base as of 31 March 2025, the five largest represent approximately 33% (31% in Q1 2024) of total revenue in Q1 2025, and the ten largest represent about 49% (46% in Q1 2024) of total revenue.

### Non-current assets

The following geographic information of non-current assets is based on the geographic location of the assets.

	3/31/2025	3/31/2024
Norway	166 969	217 980
Europe (other than Norway)	133 391	112 408
Americas	134 814	134 961
APAC	30 583	29 793
<b>Total non-current operating assets</b>	<b>465 758</b>	<b>495 143</b>

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, other intangible assets and contract costs.

## Note 4 - Commission Cost

(NOK 1,000)

The decrease of contract costs in Q1 relates to negative net additions of million NOK -4.6 and changes in foreign currencies in foreign operations of million NOK -14.6. Total commission costs activated in the first quarter in 2025 was 20.6 million NOK (20.1 million NOK in 2024). Depreciated cost in the quarter was 25.2 compared to 23.2 in Q1 2024, which is mostly reflected in salary and personnel expenses.

<b>Contract costs Q1 movements</b>	<b>2025</b>	<b>2024</b>
Balance at January 1	325 086	299 000
Additions	20 580	20 118
Depreciated during the period	-25 215	-23 147
Translation differences	-14 637	11 410
<b>Balance at March 31</b>	<b>305 814</b>	<b>307 381</b>

## Appendix — Definitions

<b>Revenue - Pexip as a service</b>	Revenue from Pexip as a service is the revenue stream for all Pexip products that are delivered to customers as Software as a service. The customer is given access to Pexip Products on a subscription basis.
<b>Revenue - Self hosted Software</b>	Self-Hosted software revenue is revenue from delivering of software licenses to customers, either on a termed subscription or as a perpetual license. This also includes maintenance and installation services or other related consultancy services.
<b>ARR - Contracted Annual Recurring Revenue</b>	Annualized sales from all active subscriptions/contracts and ordered subscriptions with a future start date where the subscription is time-limited and recurring in nature. This corresponds to Pexip's order backlog.
<b>Delta Annual Recurring Revenue (DARR)</b>	The difference in ARR from one period to another
<b>NRR - Net Revenue Retention Rate</b>	The percentage of annual recurring revenue retained from customers' existing in the prior year, including upsell, downsell and churn.
<b>FVTPL</b>	Fair Value through profit or loss

## Appendix — Alternative performance measures (APMs)

The Group uses the following terms in the definition of APMs in this Report:

**EBITDA** Profit/(loss) for the period before net financial items, income tax expense, depreciation, and amortization and impairment.

This number can be directly read out of the Consolidated statement of profit or loss.

**Adjusted EBITDA** EBITDA adjusted for cost that are not related to the ordinary business and that are non-recurring costs.

	2025	2024	Change	Change in %
EBITDA	115 097	57 693	57 403	99%
Other gains and losses	-2 639	6 747	-9 386	-139%
<b>Adjusted EBITDA</b>	<b>112 458</b>	<b>64 440</b>	<b>48 018</b>	<b>75%</b>

**EBITDA-margin** EBITDA in percentage of revenue in the same period.

	2025	2024	Change	Change in %
EBITDA	115 097	57 693	57 403	99%
Revenue	347 946	291 978	55 968	19%
<b>EBITDA Margin</b>	<b>33%</b>	<b>20%</b>	<b>13%</b>	<b>67%</b>

**EBITDA margin excl other gains and losses** Adjusted EBITDA as a percentage of revenues in the same period.

	2025	2024	Change	Change in %
Adjusted EBITDA	112 458	64 440	48 018	75%
Revenue	347 946	291 978	55 968	19%
<b>EBITDA margin excl other gains and losses</b>	<b>32%</b>	<b>22%</b>	<b>10%</b>	<b>46%</b>

**Gross Profit** Revenue less cost of goods sold

	2025	2024	Change	Change in %
Revenue	347 946	291 978	55 968	19%
Cost of Goods sold	28 833	27 055	1 778	7%
<b>Gross Profit</b>	<b>319 114</b>	<b>264 923</b>	<b>54 190</b>	<b>20%</b>

**Gross Margin** Gross Profit as a percentage of revenues in the same period.

	2025	2024	Change	Change in %
Gross Profit	319 114	264 923	54 190	20%
Revenue	347 946	291 978	55 968	19%
<b>Gross Margin</b>	<b>92%</b>	<b>91%</b>	<b>1%</b>	<b>1%</b>

**Free cash flow**

The sum of operating cash flow, investing cash flow and principal lease payments. This represents the free cash flow from the business, excluding potential equity or debt financing cash flows as well as potential cash flows related to company acquisitions/divestitures. Fair value changes to money market funds held for short-term cash needs is included similar to interest income from cash in bank.

The numbers can be derived out from the cash flow statement

	2025	2024	Change	Change in %
Operating cash flow	227 966	112 317	115 649	103%
Investing Cash flow	-6 713	-8 746	2 033	-23%
Principal element of lease payments	-2 896	-3 044	148	-5%
Fair value adjustment of financial investments at FVTPL	2 522		2 522	100%
Net cash investment of Financial investments at FVTPL				100%
<b>Free cash flow</b>	<b>220 880</b>	<b>100 527</b>	<b>120 353</b>	<b>111%</b>

**Net debt**

Net debt consist of both Non current and Current interest bearing liabilities less Financial Investments and Cash and Cash equivalents. The numbers can be derived from the balance sheet statement.

	2025	2024	Change	Change in %
Non Current Lease liability	39 526	43 510	-3 984	-9%
Non Current Borrowings	1 738	1 984	-246	-12%
Current Lease liabilities	17 991	18 123	-132	-1%
Current Borrowings	0		0	0%
<b>Total interest bearing Liabilities</b>	<b>59 255</b>	<b>63 617</b>	<b>-4 362</b>	<b>-7%</b>
Cash in bank	621 890	422 100	199 790	47%
Financial Investments	208 589	206 066	2 522	100%
<b>Net debt</b>	<b>-771 224</b>	<b>-564 549</b>	<b>-206 675</b>	<b>37%</b>

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