



CXApp Inc. (Nasdaq: CXAI) Announces Record ARR Growth for Q4'23 & Full Year 2023

April 16, 2024

Strategic Rebranding to CXAI ("Sky")

First Deployment of CXAI Platform partnering with Google Cloud for Fortune 1000 Client slated for Summer 2024

PALO ALTO, CA / ACCESSWIRE / April 16, 2024 / [CXApp Inc.](#) (NASDAQ: CXAI), the global technology leader in employee workplace experiences announced record double digit Annual Recurring Revenue (ARR) growth in the fourth quarter of 2023 and **24%** ARR growth for the full year 2023. This growth is tied to two large Fortune 1000 logo wins in Q4 that are slated for deployment in the summer of 2024 leveraging our state-of-the-art CXAI platform and in partnership with Google Cloud.

CXApp to CXAI

The Company is excited to announce its strategic rebranding to CXAI, pronounced "Sky." The rebranding to CXAI signifies more than a new name-it represents a shift towards an AI-centric approach in workplace innovation.

CXAI seamlessly integrates customer experience (CX) with artificial intelligence (AI) focused around the employee to deliver solutions that transform the way work happens, making workplaces more intuitive and efficient leading to happier and more engaged employees.

This change reflects the company's commitment to leveraging artificial intelligence (AI) to transform workplace experiences, a vision supported and accelerated by a new partnership with Google Cloud.

[Khurram Sheikh](#), Chairman and CEO of CXAI, expressed enthusiasm about the company's evolution: "As we transform into CXAI, we go beyond digitizing the places of work. Our partnership with Google Cloud empowers us to create environments that are customized, optimized, and geared towards fostering happier, healthier, and more engaged employees. This isn't just a change in name; it's our platform to creating human-centric workplace experiences that prioritize well-being through smart, personalized experiences."

CXAI offers a unique value proposition for both employers and employees. For employers, it offers a streamlined, integrated Work SuperApp that caters to the needs of a modern, mobile-first workforce, simplifying daily operations while amplifying efficiency and innovation. For employees, CXAI promises a workday transformation-envisaging a scenario where every tool, every task, and every interaction is tailored to individual preferences, facilitated by a single, user-friendly platform.

Financial Performance

Q4 2023

2022 to full year 2023

Between October 1st - December 31st, 2023 we had double-digit increase in ARR bookings from the previous quarter which was accomplished primarily by contracting new customers including two large Fortune 1000 clients in the entertainment and finance sector.

Our **subscription-based recurring** revenue was **81%** of the total revenue, a metric which has been trending upward quarter after quarter.

Our **gross margin** for the quarter was **80%** which is an attractive figure that has increased over the last year as our subscription revenues have increased.

CXAI's strategy of '**land & expand**' also continues to be a key contributor to growing subscription revenues with our existing customer base.

We have optimized the operational cost structure with a net **56%** operating expense reduction from Q4'22 to Q4'23.

The key highlight of full year 2023 has been the record growth we accomplished in our new ARR bookings and ARR growth for the year.

New ARR bookings for 2023 increased over **80%** from the full year 2022. This has been accomplished by signing new Fortune 1000 clients over the year including category leaders in finance, entertainment, and banking. These are all multi-year recurring revenue deals where we have landed and will expand with these clients with a minimum recurring revenue per year.

The **total ARR growth** for the year including existing customers and new customer increased by **24%** year over year. Our existing customers have expanded their footprint and product offering with us as well as the new clients who have signed up to multi-year recurring contracts are now ready for

scaling up.

The overall subscription revenue split for the year was **78%** versus **65%** last year - all a testament to our focus on recurring revenue versus one-time revenues. As we showed in our Q4'23 results this is already on the trajectory of north of 80% and is creating increased value for us a SaaS business.

We have optimized the operational cost structure with a GAAP Opex reduction of **37%** operating expense from 2022 to 2023, which is around \$13.2M. We have done all of this while doubling the engineering staff, so this has been a huge transformation of our cost structure and talent.

We invite stakeholders, potential clients, and the media to join us on this exciting journey into the future of work. Sign up for our email list to stay updated on CXAI announcements and discover how our partnership with Google Cloud is setting new standards for workplace innovation. For more information on how to engage with CXAI, including upcoming events, webinars, or demonstrations, please visit our website www.cxapp.com

Khurram Sheikh concluded, "We are excited about our accomplishments in 2023 as we re-transformed the Company to a SaaS recurring model with amazing growth, great customers and a talented technology team. We are super-excited about the future as we expand with these clients as well as our recently announced partnership with Google Cloud to scale the CXAI platform. We are mission-focused on defining a new category in enterprise software: **Employee Experiences**. We have an amazing customer base diversified globally and across all major sectors ready for massive scale-up with our next generation CXAI platform."

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About CXAI Inc

CXAI Inc., is the global technology leader in employee workplace experiences. The Company is headquartered in the SF Bay Area and operates the CXAI SaaS platform that is anchored on the intersection of customer experience (CX) and artificial intelligence (AI) providing digital transformation for the workplace for enhanced experiences across people, places and things.

CXAI's customers include major Fortune 1000 Global Companies in the technology, financial services, consumer, healthcare, and media entertainment verticals.

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Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The expectations, estimates, and projections of the Company may differ from its actual results and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," or the negative or other variations thereof and similar expressions are intended to identify such forward looking statements. These forward-looking statements include, without limitation, expectations with respect to future performance of the Company, including projected financial information (which is not audited or reviewed by the Company's auditors), and the future plans, operations and opportunities for the Company and other statements that are not historical facts. These statements are based on the current expectations of the Company's management and are not predictions of actual performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Factors that may cause such differences include, but are not limited to: the impact of the COVID-19 pandemic on our business, operations, results of operations and financial condition, including liquidity for the foreseeable future; the demand for the Company's services together with the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors or changes in the business environment in which the Company operates; changes in consumer preferences or the market for the Company's services; changes in applicable laws or regulations; the availability or competition for opportunities for expansion of the Company's business; difficulties of managing growth profitably; the loss of one or more members of the Company's management team; loss of a major customer and other risks and uncertainties included from time to time in the Company's reports (including all amendments to those reports) filed with the SEC. The Company cautions that the foregoing list of factors is not exclusive. You should not place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. These forward-looking statements should not be relied upon as representing the Company's assessments as of any date subsequent to the date of this communication.

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