CXApp Inc. (Nasdaq: CXAI) Announces Largest "Expansion" Deal & Strategic Multi-Year Agreement with Google Cloud

August 12, 2024

Business Transformation to AI-Native SaaS Model

Signed Multi-Year Agreement with Google Cloud

PALO ALTO, CA / ACCESSWIRE / August 12, 2024 / CXApp Inc. (Nasdaq:CXAI), the global technology leader in employee workplace experiences announced its Q2 2024 financial results. This quarter represents the first quarter that the Company financials can be compared as a standalone entity after the business combination in March 2023 to the comparable quarter from the previous year.

CXApp Inc. has completed a major business transformation to an AI-native SaaS model with continued positive trending of key SaaS metrics. This quarter saw a massive increase of **78%** in renewal and expansion bookings from the same period last year. The Company reported its largest "expansion" deal with a major enterprise customer in the financial sector that is now scaling its footprint globally after the initial pilots. This customer's annual recurring revenue (ARR) grew by **112%** as a result of this expansion. The bookings growth was also accomplished by renewals and expansion by four other customers in different verticals. The subscription to one-time revenue split was **85%** for the quarter compared to 79% last year, gross margin was **80%** upward from 75% from last year and the net retention rate (NRR) was **105%.**

The Company has continued to optimize the operational cost structure leveraging investments in AI resulting in a net **15%** operating expense reduction from Q2'23 to Q2'24.

The Company also announced today the signing of a multi-year multi-million dollar strategic agreement with Google Cloud. This agreement entails mutual commitment on the development and delivery of advanced AI infrastructure, security and application products. Google Cloud will also co-invest with CXApp Inc. in the continuous deployment, monitoring and modernization of the AI-native CXAI platform.

The CXAI technology platform 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 workspaces more intuitive and efficient leading to happier and more productive employees.

Khurram Sheikh, Chairman and CEO of CXApp Inc., expressed confidence in the Company's performance and prospects:

"Q2 was a great quarter in cementing our business model and demonstrating the execution of our "land and expand" strategy. We continue to make great progress in shaping the future of work with our largest expansion deal this quarter. This large enterprise client is seeing high adoption of our platform in their pilot deployments at their headquarters in the US and a second major site. We are solving real problems in the work environment for them, and they are now planning to scale up with our AI-native solutions across their enterprise footprint.

Our customers have reposed confidence in the CXAI technology platform and roadmap and their continued commitments with renewals is a testament to our ground-breaking technology and innovative team.

Given the momentum we see in the market with our customers and enhanced upcoming offerings including our AI-based Analytics platform CXAI VU, the Google Cloud agreement positions us to deliver our commitments to our customers. We are super-excited about this partnership as it provides us access to all the latest Google AI innovations that we plan on adapting to revolutionize the workplace market with amazing employee experiences."

Khurram Sheikh concluded "I am very proud of the business transformation our team has achieved and the continued positive trending of all key SaaS metrics. We are also well-positioned for future growth with our CXAI platform including CXAI VU analytics products that are now in pilots with key strategic customers.

AI is transformative to all markets, and we are extremely optimistic on the transformation in the workplace experience market using our leading-edge AI 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."

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

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About CXApp Inc.

CXApp 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.

CXApp'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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