



## **CXApp Inc. (Nasdaq: CXAI) Reports Q3 2024 With Highest Quarterly SaaS Metrics and Delivery of AI-Based CXAI Platform to Large Financial Services Customer**

November 12, 2024

***CXAI Available on AWS Marketplace***

***Positioned for Continued Growth with New AI-based Product Launches***

**PALO ALTO, CA / ACCESSWIRE / November 12, 2024 / [CXApp](#) (NASDAQ: CXAI)**, the global technology leader in employee workplace experiences announced its Q3 2024 financial results and update on its state-of-the-art technology platform CXAI.

This quarter represents the highest SaaS metrics for the business: **18%** increase in recurring revenue, net retention rate ("NRR") of **106%**, **88%** of revenue from subscriptions for the highest recognized revenue of **\$1.9M** for the quarter at a healthy **80%** gross margin.

The Company continues to strengthen its cloud partnerships with today's announcement of the availability of its flagship product, **CXAI**, and its generative AI-based analytics platform, **CXAI VU**, on **AWS Marketplace**, a curated digital catalogue that enables customers to easily find, buy, and deploy software.

Some of the critical product milestones the Company achieved this quarter include:

- Successfully delivered the first end-to-end AI-based CXAI pilot platform to a leading financial service customer this quarter. This is an important milestone on the path to general availability of the solution to all existing and new customers.
- Introduction of two new products, **CXAI Kiosk** and **CXAI BTS** enhancing employee engagement through spatial intelligence and generative AI.
- CXAI VU gained traction with a first paid customer, marking its general availability for all clients and a significant opportunity for growth.

[Khurram Sheikh](#), Founder, Chairman and CEO of CXApp, Inc. expressed confidence on the Company's performance, "CXApp continues on its business transformation journey to an AI-native SaaS model with continued positive trending of key SaaS metrics. We are excited to have achieved significant milestones in product delivery to meet our customers' expectations that has resulted in continued growth over the past year leading to our best financial quarter to date. The amazing innovations from our team with our analytics platform CXAI VU and the unique CXAI Kiosk position us well for exceeding our customer's expectations to provide the best employee experience solution in the market."

"Overall, the company has seen an improvement in financial metrics both year-over-year and quarter-over-quarter. Our strong performance this quarter demonstrates the effectiveness of our shift toward a subscription-based model and our focus on creating value through scalable, recurring revenue," said [Joy Mbanugo](#), Chief Financial Officer of CXApp. "With 88% of revenue now derived from subscriptions this quarter, we're positioning CXApp for consistent, sustainable growth that aligns with the evolving needs of our clients."

This quarter saw an increase in revenue to \$1.9M by 7% both year over year and quarter over quarter driven by a strong shift to subscriptions based services representing 88% of total revenue. Subscription revenue increased by 18% year-over-year from \$1.411 million in Q3 2023 to \$1.660 million. Non-GAAP operating expense decreased 22% year-over-year driven by disciplined cost management. Excluding non-cash expenses like stock-based compensation and depreciation, CXApp continues to optimize expenditures enhancing cash flow stability. Additionally, NRR improved significantly from 91% to 106% year-over-year showing strong stickiness and engagement. These results demonstrate CXApp's sustainable growth trajectory and ongoing transformation in the SaaS space.

"Our commitment to disciplined cost management has allowed us to achieve a **22%** reduction in non-GAAP operating expenses, a crucial milestone as we progress towards cash flow breakeven," Mbanugo continued. "This efficiency enables us to strategically invest in areas like Agentic AI capabilities on the CXAI platform, ensuring that we meet client demand while maintaining a robust financial foundation."

Khurram Sheikh concluded, "AI is transformative to the workplace and with our CXAI platform we are leading the industry with a disruptive offering. We're leveraging cutting-edge AI technology to enhance productivity, engagement, and efficiency in the enterprise. Our new generative AI capabilities allow us to automate complex workflows and offer our customers intelligent solutions that drive measurable outcomes, further establishing CXAI as a leader in workplace innovation."

"Our team's focus remains on maximizing customer value and expanding our business by developing AI-based technologies and leveraging industry strategic partnerships. As a result, we are well-prepared to deliver on our commitments to shareholders, clients, and the broader market as the

demand for intelligent workplace technology accelerates."

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 partnerships are 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](http://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.

[www.cxapp.com](http://www.cxapp.com)

CXApp Inc.: [marketing@cxapp.com](mailto:marketing@cxapp.com)

#### **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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