

PENNEO

Digitizing business processes and document workflows

INITIAL PUBLIC OFFERING

Nordic leader

in automation solutions digitizing
workflows for auditors

Unique opportunity to join Penneo's
Growth Journey and Internationalization

Certified Advisor



Letter from the CEO

Dear investor,

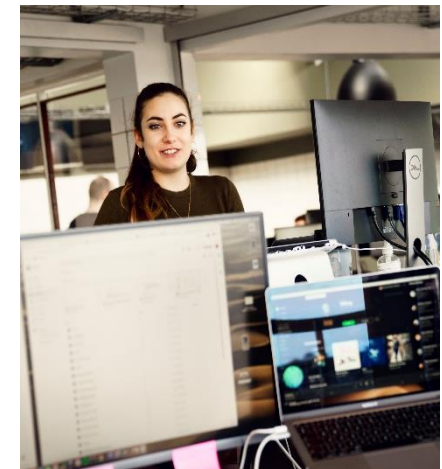
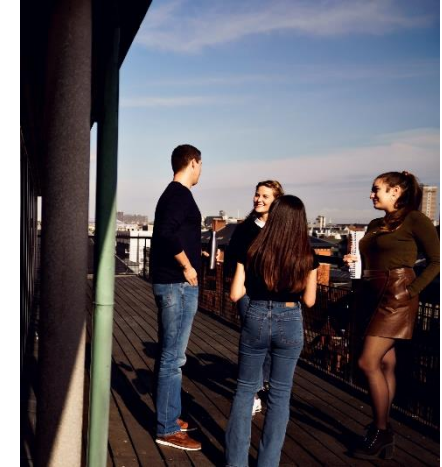
Welcome to Penneo.

We are a Software-as-a-Service company originally founded to help companies digitally sign documents instead of using pen and paper – saving both time, money, paper, and ink.

We quickly developed our digital signature platform and have now evolved into an eco-system of automation solutions that **digitizes companies' workflows related to signing and managing documents in a secure and easy way.**

Penneo has more than 1,640 customers across document-heavy industries such as accounting firms, property management firms, HR, and law firms. We have grown to be the Nordic market leader for auditors, where 60% of all annual reports filed with the Danish Business Authorities in 2019 were signed and facilitated by Penneo.

Our ambition is to expand this leading position and become the **de facto standard for accounting firms**, while continuing to **grow together with our customers** across document-heavy industries in our existing markets. For this, we are inviting investors to join our growth journey and internationalization.



Investment highlights

1

NORDIC MARKET LEADER providing business automation solutions for accounting firms and other document-heavy industries



28-30m

Expected ARR run rate as of June 2020 (DKK)



100%

Big 10 auditors as customers in Denmark



c. **550k**

Unique users per year in Denmark alone

2

END-TO-END DIGITAL SOLUTION creating a smarter digital workflow to optimize processes and reduce costs



c. **60%**

Of all annual reports in Denmark are signed using Penneo (2019)



86%

Of auditor tasks have automation potential



93%

Manual labor cost reduction using Penneo

3

GROWING MARKET DRIVEN BY REGULATION fueling client demand pushing auditors to increase technology investments



38bn

Expected global market value* in 2023 (USD)



13%

Yearly market growth (CAGR)



22%

Of accounting firm-cost is now allocated to tech investments

4

UNIQUE POSITION FOR INTERNATIONALIZATION powered by existing relationships with Big 10 audit clients in the Nordics



6

Identified EU countries ready to be targeted in the coming years



32k

No. of accounting firms ready to be targeted in EU



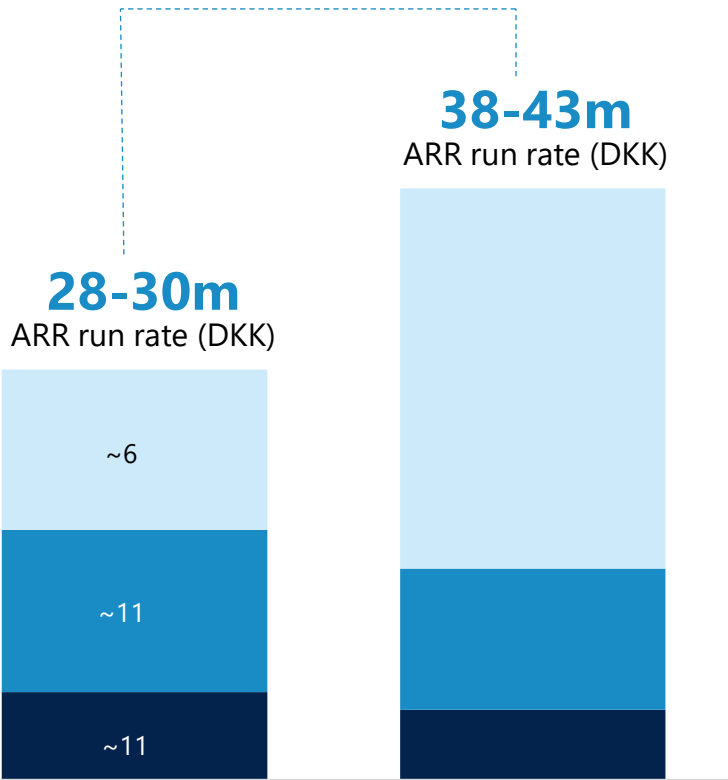
Proven

Product-market fit and market position in the Nordics

*Includes the market for digital identity, digital transaction management, and business process automation

Ambitious expectations for the future - ARR run rate estimated to grow by 40%

A diversified customer portfolio with attractive upselling potential together with acquisition of new customers through internationalization will drive growth



New subscription model
 Old subscription model
 Signatures

Penneo expects to continue the **impressive ARR growth** in the coming years primarily driven by:



Strategic focus on accounting firms and strong Big 10 customer relationships – attractive product-market-fit will facilitate further penetration of audit industry



Further penetration across verticals in existing markets – in 2021 c. 90% of ARR is expected to be generated here. Growth from existing customers expected to continue – 1/3 of ARR growth in 2019 generated from upselling to existing customers through value-added services



Rapid execution on developing Penneo internationally through strong network effects and a highly scalable platform – to facilitate move from Nordic market leader to becoming an international player

Strong uplift on existing customers will continue to contribute to strong ARR growth

Penneo will continue to grow together with existing customers



Penneo will continue to utilize its market leading position in the Nordics to penetrate these markets even further across all document-heavy industries

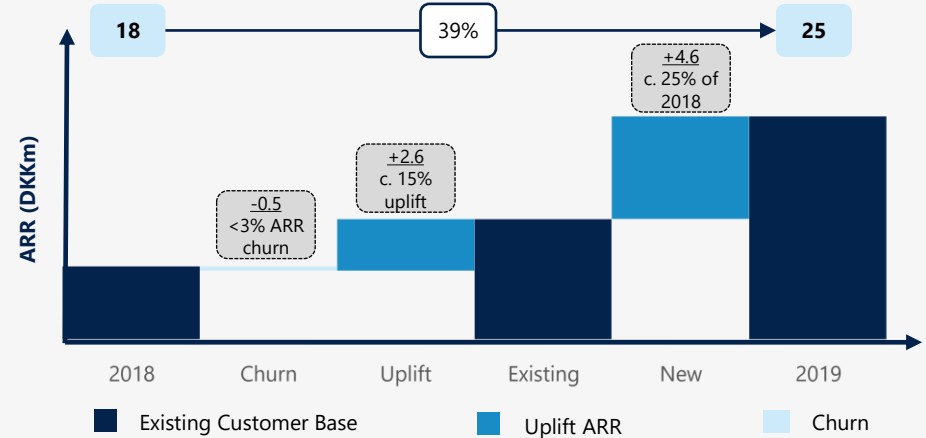


By offering improved and new services to existing customers across industries, Penneo expects to be able to continue strong ARR uplift in the existing customer portfolio

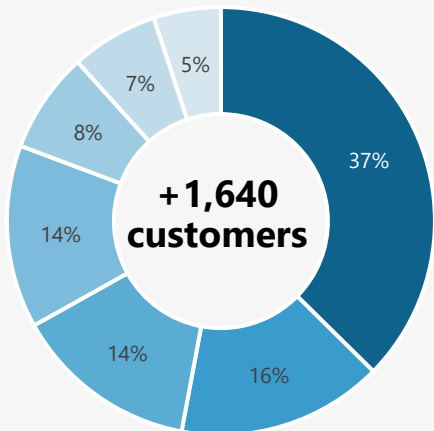


The audit vertical has proven to provide the most attractive upselling potential – internationalization to be driven by strategic focus on this vertical

Existing customers accounted for 1/3 of ARR growth from 2018 to 2019



Penneo's software is used across many document-heavy industries

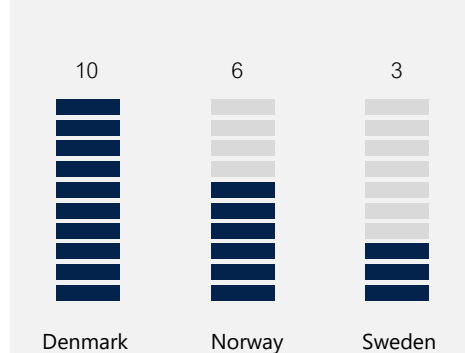


- Accounting firms
- Property Mgmt.
- HR
- Real Estate, Software Vendor, Public Sector, Education, Automotive
- Other
- Finance
- Lawyer

Significant ARR uplift in the audit vertical



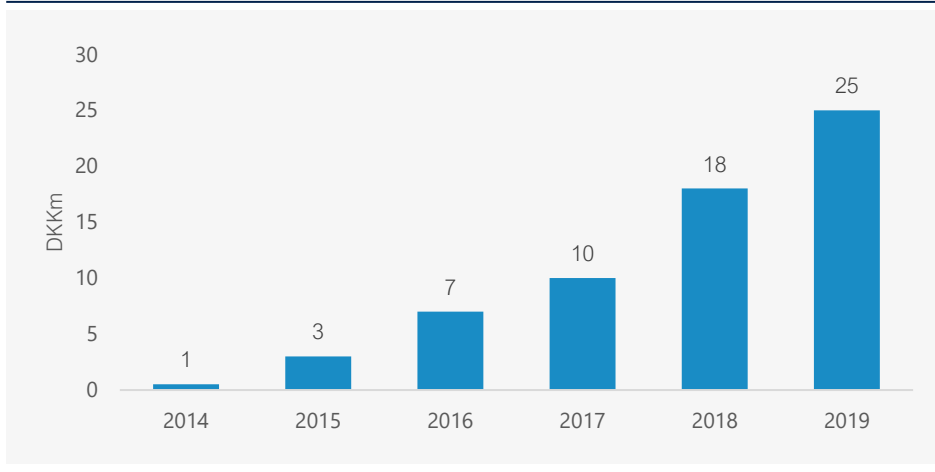
Attractive position with Big 10 customers



The Big 10 customer vertical has shown attractive ARR potential – average annual upselling of 49% over a 4-year period.

Proceeds will fund continued ARR growth through internationalization and product development

Impressive ARR growth to be continued through internationalization



Existing Big 10 audit client relations will fuel swift internationalization

Existing Big 10 audit client relations will fuel swift internationalization

MAZARS **Deloitte**

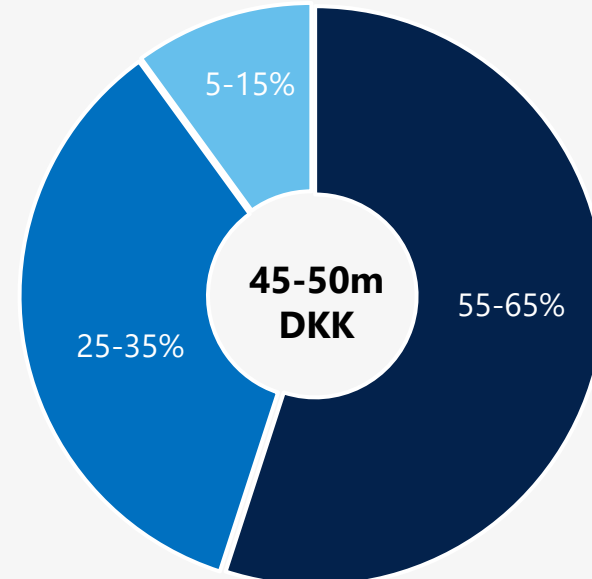
BDO **KPMG**

RSM **PwC** **EY**

Grant Thornton

Target capital raise and use of proceeds

- **1** **Sales development and marketing** towards new European markets and Nordic stronghold
- **2** **Product development** to become a fully end-to-end business process automation solution for auditors and other industries
- **3** **Direct and organizational costs** such as external e-ID costs and internal administrative costs to support the internationalization



Key market drivers are fuelling Penneo's growth

Market trends

Digital transformation, sustainability agenda, and political digital initiatives are key market drivers for Penneo - tapping into a **large and rapidly growing market**



Digital transformation is highly prioritized amongst businesses today. Research have shown that companies embracing digital tech transformation are performing better than those who don't¹.



Climate change and sustainable business practices have become integral parts of corporate strategies and important benchmarks, while following UN's sustainability goals.



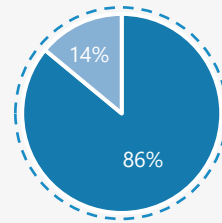
Political initiatives have combined digital and political agendas e.g. in EU where political initiatives and regulation incentivize increased digitalization in both governments and businesses. Nordic countries are 3-4 years ahead of EU counterparts in the digital roll out.

¹Harvard Business School

Accounting firms increasing tech spending

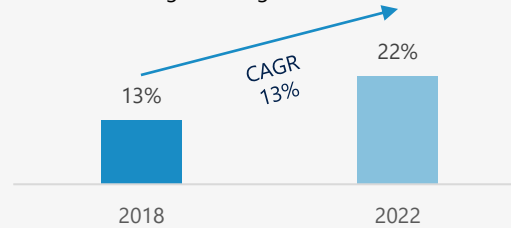
Large potential and incentive for auditors to automate tasks and workflows will facilitate **increased tech spending** in the industry

Share of automatable audit task workflows



■ Automation potential ■ No automation potential

Percentage of budget allocated to tech



Source: McKinsey, Accounting Today

Rapidly growing global market

Penneo is thus tapping into a large and rapidly **growing market** driven by very favorable underlying global trends



Expected global market value in 2023 (USD)²



Expected annual growth rate (2018-2023)

Source: Research and Markets, Aragon Research

²Includes the market for digital identity, digital transaction management, and business process automation

Growth will be supported by existing Big 10 accounting customer relations

Internationalization throughout key European markets



Big 10 accounting firms are already customers of Penneo in the Nordics. This combined with Penneo's product-market fit is a **strong market enabler** for growth and will facilitate a fast entry to new markets



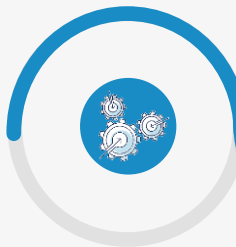
Minimum risk in the internationalization process since first step is that the Danish-based task force will onboard a Big 10 customer and prove product-market fit. Second step will then be to invest in regional offices, new eID integrations, and hirings.



A **dynamic growth strategy** driven by a swift and experienced task force enables Penneo to enter multiple countries in the same year with the flexibility to quickly change focus to new markets if conditions change

Two-fold internationalization strategy driven by experienced task force

Big 10 auditors

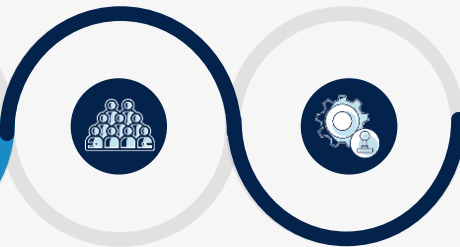


Rapid market entry through existing customer relationships



Targeted by Penneo's task force

Enterprises & SME auditors



Managed by regional sales directors and representatives

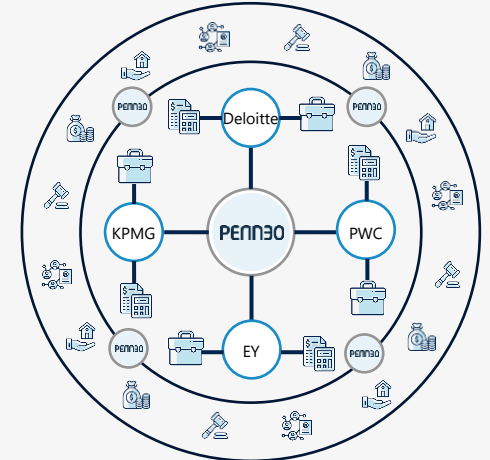


Network spill-over effects to other customers

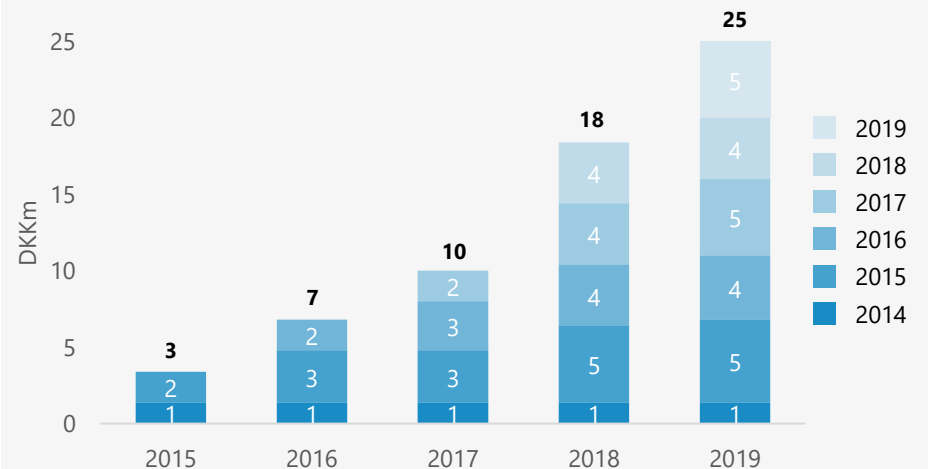
Auditors' networks can facilitate cross-industry sales opportunities

Penneo's platform constitutes the core in a network for data exchange across industries – through auditors and audit clients to trusted business advisors

Collaborating with auditors, decision-makers experience the benefits of Penneo and will become future sales opportunities

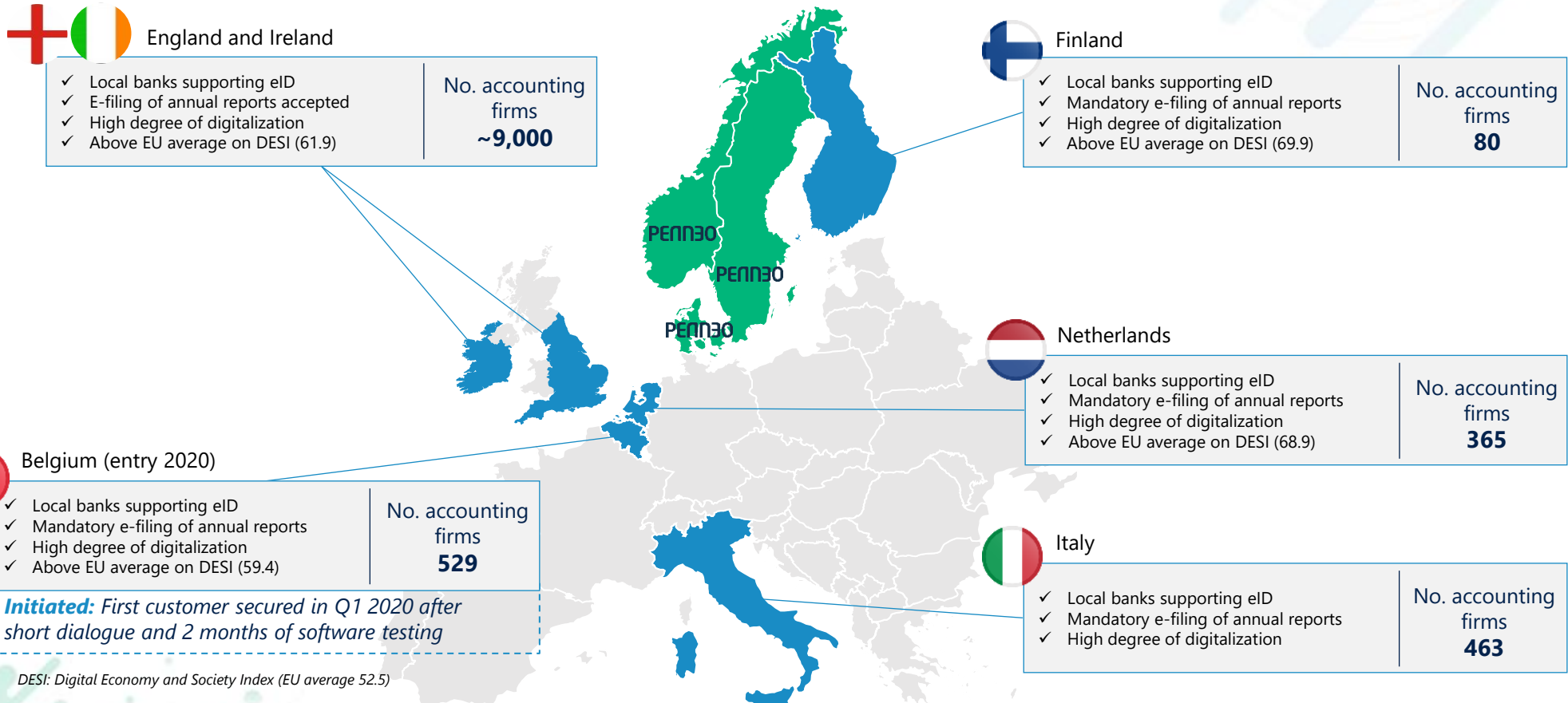


ARR development yearly cohorts



Sufficient level of digitization is key to enter a new market

More than 10,000 customers in 6 attractive and digitized countries ready to be targeted in the coming years

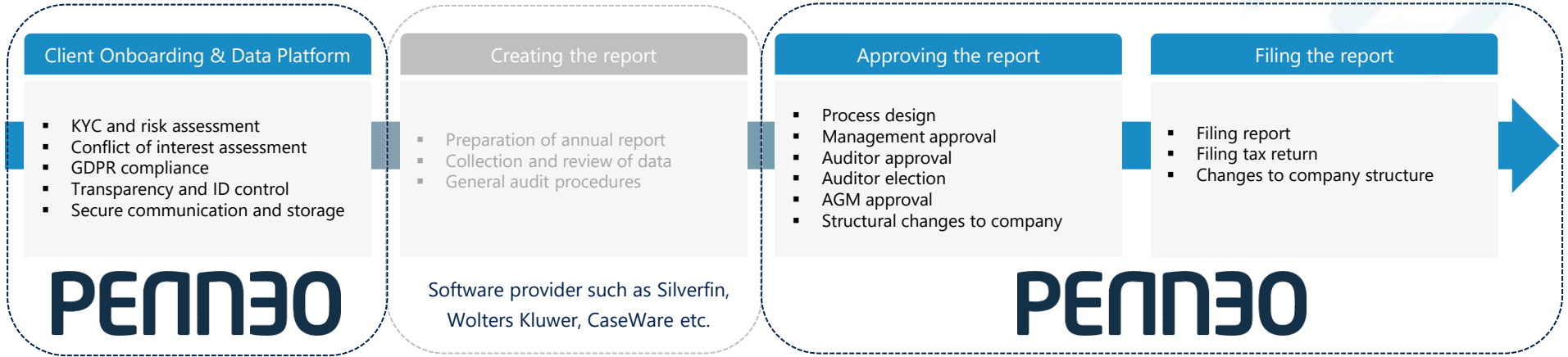


“We will continue to develop and grow Penneo. We will do this together with our customers, by growth in their usage and through new services for them – and by growth through new customers in our existing markets and in new markets across Europe.

Niels Henrik Rasmussen, CEO of Penneo

Strong product-market-fit - Penneo provides an end-to-end digital solution for auditors

Penneo automates auditor tasks and workflows related to client onboarding and approval, signing, and filing of financial reports



Creating a smarter digital workflow



Secure RegTech Platform

Penneo provides the highest degree of assurance of the signer's identity as well as the integrity of the content with the help of latest security technologies



Efficient workflows

Workflow collaboration that improves efficiency and speeds up approval processes by inviting collaborators to share business documents and workflows



Smooth operations

All onboarding and digital signing processes are fully automated to ensure smooth execution of workflows and increased productivity



Scalable product

EU standards and regulation together with auditors' uniform workflows create scalability for Penneo to become a global de facto standard for accounting firms

Saving costs and providing simplicity for customers in the audit industry

"After a year of collaboration with Penneo, we saved 4 million pieces of paper, we expect to save 4 times more in the future."

Kasper Behrens
CIO, Beierholm,
Denmark

"Penneo contributes to the digital client journey and benefits the simplicity of going into the signing process"

Jørgen Brodtkorb
CIO, BDO,
Norway

Management Team and Board of Directors

Dedicated and highly competent Management Team



Niels Henrik Rasmussen

Chief Executive Officer

Joined Penneo in 2015 as CM – CEO since oct. 2018
Former CEO & Founder of Secunia and IT-recruitment



Jan Flora

Chief Technical Officer & Co-Founder

Part of Penneo since the beginning in 2014 as Co-Founder and CTO
15 years of tech start-up experience



André Clement

Chief Commercial Officer & Co-Founder

Part of Penneo since the beginning in 2014 as Co-Founder and CCO
Former Key Account Manager at Agera



Casper Christiansen

Chief Financial Officer

Joined Penneo as CFO in 2018
Former CFO at SpotOn Marketing



Mikkel Clausen

Head of People and Culture & Co-Founder

Part of Penneo since the beginning in 2014 as Co-Founder and Head of People and Culture
Co-Founder of Presentia and Ehaviour



Erik Selmann

Chief Information Security Officer

Joined Penneo in 2019 as CISO
Former Senior Manager at KPMG



Gautier Garin

Head of Marketing

Joined Penneo in 2018 as Head of Marketing
Former Digital Marketing Manager at TrustPilot



Jannic Nielsen

Product Director

Joined Penneo in 2019 as Product Director
Former Project Manager at Karnov Group

Highly experienced Board of Directors



Morten Elk

Chairman of the Board

CEO SimpleSite and investor in several companies
23 years of tech start-up experience



Nicolaj Højer Nielsen

Board member & Co-Founder

Serial entrepreneur and business angel
Building start-ups since 1999



Michael Moesgaard Andersen

Board member

Successful entrepreneur and investor
29 years of tele and SaaS start-up experience



Jan Flora

Board member, CTO & Co-Founder

A technological visionary
15 years of tech start-up experience

Management Team



Long track record with successful start-ups



Decades of experience with technology companies



Strong hands-on experience from the accounting industry



International experience and recognition



Strong experience with people management and tech talents

Penneo's TEAM values



VULNERABILITY.



RESPONSIBILITY.



TRANSPARENCY.



BRAVERY.



UNITY.



AGILITY.



ALIGNMENT.

Board of Directors



Long track record with successful start-ups



Decades of experience with technology companies



Tech IPO experience



Extensive board room experience



Multiple successful exits

Information about the Offering

Summary of the Offering		Submission of applications to subscribe		
Offer Price	DKK 11.08 per Offer Share	<p>Applications to subscribe for Offer Shares in the Offering should be made by submitting the application form enclosed in the Company Description to the investor's own account-holding bank during the Offer period. Applications are binding and cannot be altered or cancelled. For orders to be accepted, the application form must be submitted to the investor's own account-holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Danske Bank no later than 23:59 Central European Time on 25 May 2020.</p> <p>Persons who are account customers at Nordnet AB may apply for the acquisition of shares through Nordnet's Online Service.</p>		
Offer Period	7 May 2020, 9:00 CET to 25 May 2020, 23:59 CET			
Market	Nasdaq First North Growth Market Denmark			
Size of the Offering	DKK 45,000,000 – 50,000,000			
Settlement/Payment	Expected to take place 28 May 2020			
ISIN	Temporary ISIN for the New Shares: DK0061283199 Permanent ISIN for the Shares: DK0061283009			
Expected timetable of the Offering		Subscription undertakings from pre-subscribers		
Date	Event	Investor	# of Shares	Subscription amount (DKK)
7 May 2020 9:00 (CET)	The Offer period begins	BankInvest	812,274	9,000,000
25 May 2020 23:59 (CET)	The Offer period ends	Fundamental Invest	451,264	5,000,000
26 May 2020 12:30 (CET)	Result of the Offering is announced	Vækstfonden	361,011	4,000,000
		Andersen Advisory Group A/S	270,758	3,000,000
		Christian Sagild	270,758	3,000,000
		NH Rasmussen Holding II ApS	135,379	1,500,000
28 May 2020	The Offering is complete, and the Offer Shares have been settled. Registration of the Shares with the Danish Business Authority and VP Securities has been finalized	Bertelsen & Plum ApS	90,253	1,000,000
		Christian Rovsing A/S	90,253	1,000,000
		Michael Andersen	67,690	750,000
		Morand Holding ApS	45,126	500,000
2 June 2020	The Shares have first day of trading on First North Growth Market under permanent ISIN conditional on final completion	Søren Elmann Ingerslev	31,588	350,000
		Kasper Behrens	22,563	250,000
		Christian Hansen	20,307	225,000
3 June 2020	Temporary ISIN and permanent ISIN are merged in VP Securities	Morten Kenneth Elk	18,051	200,000
		Other investors	559,567	6,200,000
		Total	3,246,842	35,975,000

Certified Adviser



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