



**PENNEO™**

**Half year report**

**2020**

**1 January - 30 June**

**With 29,5M DKK ARR,  
Penneo realized significantly  
more revenue in 2020-H1  
than the +28M DKK outlook  
communicated during the IPO**

Financial report for the period  
January 1 2020 - June 30 2020

# Highlights

## From 2020-H1

In the outlook for 2020-H1 a main goal was announced: Annual Recurring Revenue (ARR) of more than 28M DKK. The goal was achieved at 29,5M DKK ARR, despite the fact that management at the same time was heavily involved in running the IPO.

Penneo increased ARR in 2020-H1 with 4,5M DKK from 25,0M DKK to 29,5M DKK, representing a 45% growth compared with the growth in 2019-H2

Penneo successfully onboarded 199 customers

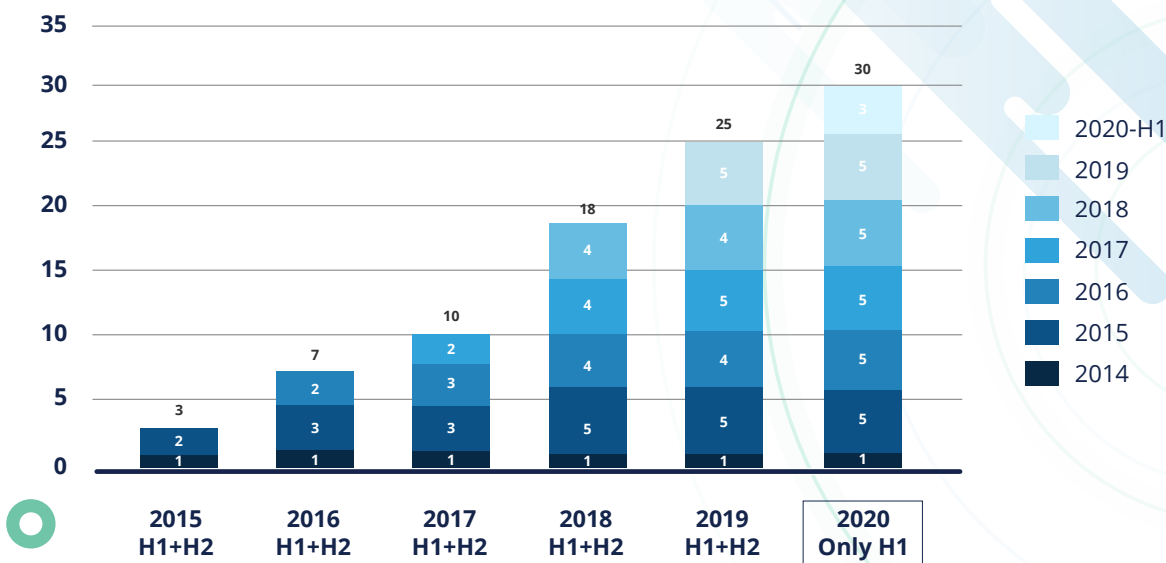
Penneo increased average ARR per new customer by 79% in 2020-H1 compared to 2019-H1

Penneo achieved 12% net annual growth from existing customers

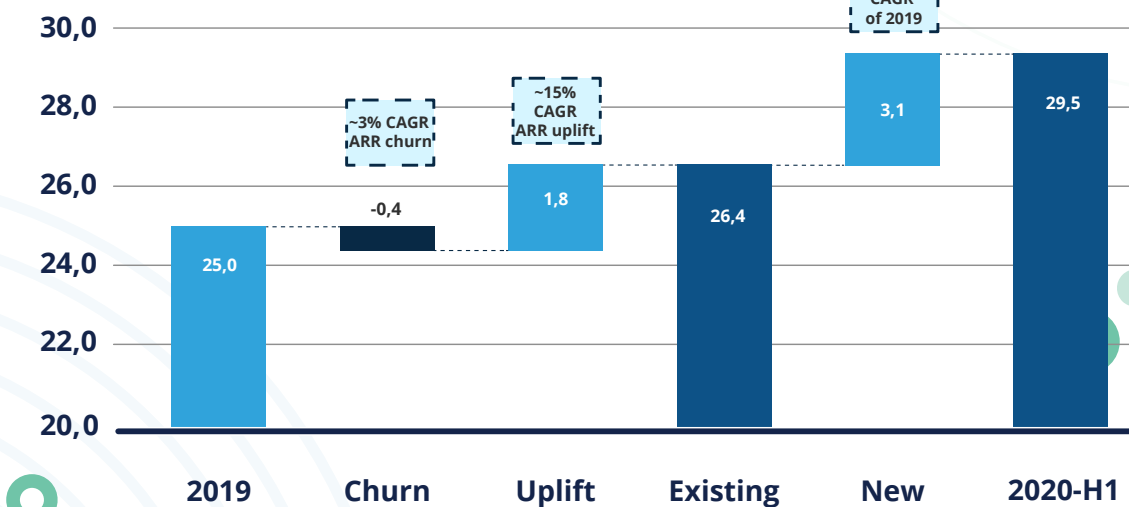
### ARR development

A key metric for all SaaS companies is the Annual Recurring Revenue as it expresses the yearly returning value of a company's client base. The continued development of a strong product portfolio that generates positive cashflow each year, is essential for Penneo, and generates a solid economic foundation for investing into future growth with low risk and high forecasting predictability.

Annual Recurring Revenue Development  
Yearly cohorts (M DKK)



Annual Recurring Revenue Development  
In the period (M DKK)



Penneo dokumentnøgle: EAFYC-KEMQU-808EY-PTKZU-KLOZM-J8D70

## Management review

### Developing an international SaaS business

Penneo continued to see the effects of its digital marketing activities, which resulted in a 194% increase in the ARR generated from inbound leads, compared to 2019-H1.

As part of the internationalization and entry into the Belgian market, Penneo successfully integrated the Belgian eID itsme®-standard.

Penneo entered into a strategic partnership and built an integration with the international accounting software provider Silverfin, which is an important step in the continued execution of Penneo's internationalization strategy.

### Organizational growth

In 2020-H1, Penneo's organization grew substantially from 41 to 52 team members of 18 different nationalities. The many different professional and personal backgrounds all add diversity, talent, skills, competencies, creativity, and innovation to Penneo and Penneo's customers.

## Management Statement

Statement by Management on the half year report The Board of Directors and the Executive Board have today considered and approved the half year report of Penneo A/S for the half year period 01.01.2020 - 30.06.2020.

The half year report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the half year report gives a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the half year period 01.01.2020 - 30.06.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Copenhagen, 27 August, 2020

# Financial statement

Penneo dokumentnøgle: EAFYC-KEMQU-808EY-PTKZU-KLOZM-J8D70

## Income statement for 2020-H1

**Gross profit consists of recognized revenue and costs related to the operations and the strategic development of Penneo.**

### Recognized revenue

In 2020-H1 Penneo invoiced shorter deal lengths than in 2019-H2. This is a consequence of Penneo's focus on the annual deal value as opposed to the deal length. This is in alignment with the strategy to build an ARR-driven business.

### Costs related to the operations and the strategic development of Penneo

In alignment with the strategy, Penneo increased the operations-related costs to facilitate the growth and internationalization of Penneo e.g. cost of premises to accommodate the growing TEAM and increased marketing activities.

### Staff costs

Aligned with the use of proceeds from the IPO, Penneo invested in sales, marketing and software developments to take advantage of the strong market position in the Nordics to fuel the internationalization through auditors in Europe. At the end of 2020-H1, Penneo consists of 52 employees from 18 nationalities.



## Income statement for 2020-H1

	2020-H1 DKK	2019-H1 DKK
<b>Gross profit</b>	<b>8.661.986</b>	<b>9.428.542</b>
Staff costs	(11.271.050)	(6.931.577)
Depreciation, amortisation and impairment losses	(1.545.785)	(996.987)
Other operating expenses	(1.930.093)	0
<b>Operating profit/loss</b>	<b>(6.084.942)</b>	<b>1.499.978</b>
Other financial income	35.727	27.363
Other financial expenses	(399.084)	(95.969)
<b>Profit/loss before tax</b>	<b>(6.448.299)</b>	<b>1.431.372</b>
Tax on profit/loss for half year	1.417.740	(432.722)
<b>Profit/loss for half year</b>	<b>(5.030.559)</b>	<b>998.650</b>
<b>Proposed distribution of profit/loss</b>		
Retained earnings	(5.030.559)	998.650
	<b>(5.030.559)</b>	<b>998.650</b>

M DKK	2020-H1	2019-H1
<b>EBITDA</b>	<b>-2,6</b>	<b>2,5</b>

## Cash flow statement

The cash and cash equivalents as per June 30, 2020 amount to DKK 46,7M DKK. Besides the cash amount, Penneo has a credit facility of DKK 2,0M DKK. Penneo invested in intangible assets of 5,5M DKK during the first six months of 2020, which primarily consist of capitalized costs related to the software development activities.

Penneo recorded a negative cash flow from primary operating activities of 1,9M DKK for the first six months of the year against a negative cash flow from operating activities of 0,2M DKK for the same period for 2019. This is related to the increase in the operations-related costs to facilitate the growth and internationalization of Penneo, e.g. staff costs, cost of premises, and increased marketing activities.

Cash flow from other operation activities is related to the preparing of the IPO.

## Cash flow statement

	2020-H1 DKK	2019-H1 DKK
<b>Cash flows from operating activities</b>	<b>(3.786.883)</b>	<b>(238.631)</b>
Operating profit/loss	(6.084.942)	1.499.978
Amortisation, depreciation and impairment losses	1.545.785	996.987
<b>Working capital changes</b>	<b>1.115.631</b>	<b>(2.666.990)</b>
Debtors and other receivables	(1.578.660)	(2.885.350)
Creditors and other payables	2.694.291	218.360
Financial income received	35.727	27.363
Financial expenses paid	(399.084)	(95.969)
<b>Cash flows from investing activities</b>	<b>(5.671.394)</b>	<b>(2.329.946)</b>
Acquisition etc. of intangible assets	(5.451.398)	(2.256.854)
Acquisition etc. of property, plant and equipment	(323.740)	0
Acquisition etc. of deposits	103.744	(73.092)
<b>Cash flows from financing activities</b>	<b>47.924.082</b>	<b>(85.917)</b>
Cash increase of capital	52.019.954	79.800
Loans raised	5.000.000	0
Repayments of loans etc.	(5.000.000)	(165.717)
Other cash flows from financing activities	(4.095.872)	0
<b>Increase/decrease in cash and cash equivalents</b>	<b>38.465.805</b>	<b>(2.654.494)</b>
Cash and cash equivalents beginning of half year	8.217.139	4.199.145
<b>Cash and cash equivalents end of half year</b>	<b>46.682.944</b>	<b>1.544.651</b>

## Statement of changes in equity for 2020-H1

	Contributed Capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of 2020-H1	135.995	13.265.820	(1.565.826)	11.835.989
Increase of capital	366.620	(272.386)	51.925.719	52.019.953
Costs related to equity transactions	0	0	(3.214.304)	(3.214.304)
Transfer to reserves	0	3.085.627	(3.085.627)	0
Profit/loss for 2020-H1	0	0	(5.030.559)	(5.030.559)
<b>Equity end of 2020-H1</b>	<b>502.615</b>	<b>16.079.061</b>	<b>39.029.403</b>	<b>55.611.079</b>

## Statement of changes in equity for 2019-H1

	Contributed Capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of 2019-H1	108.567	8.480.464	(2.513.602)	6.075.429
Increase of capital	1.596	0	78.204	79.800
Transfer to reserves	0	993.884	(993.884)	0
Profit/loss for 2019-H1	0	0	998.650	998.650
<b>Equity end of 2019-H1</b>	<b>110.163</b>	<b>9.474.348</b>	<b>(2.430.631)</b>	<b>7.153.879</b>

## Balance sheet at 30.06.2020

	30.06.2020 DKK	31.12.2019 DKK
Completed development projects	13.890.244	7.356.996
Goodwill	0	0
Development projects in progress	7.072.458	9.650.466
<b>Intangible assets</b>	<b>20.962.702</b>	<b>17.007.462</b>
Leasehold improvements	516.570	242.457
<b>Property, plant and equipment</b>	<b>516.570</b>	<b>242.457</b>
Deposits	1.009.900	1.112.672
<b>Fixed asset investments</b>	<b>1.009.900</b>	<b>1.112.672</b>
<b>Fixed assets</b>	<b>22.489.172</b>	<b>18.362.591</b>
Trade receivables	5.295.369	3.460.894
Receivables from group enterprises	0	21.193
Other receivables	10.787	41.469
Income tax receivable	1.926.799	727.491
Prepayments	228.240	432.180
<b>Receivables</b>	<b>7.461.195</b>	<b>4.683.227</b>
<b>Cash</b>	<b>46.682.944</b>	<b>8.217.139</b>
<b>Current assets</b>	<b>54.144.139</b>	<b>12.900.366</b>
<b>Assets</b>	<b>76.633.311</b>	<b>31.262.957</b>

## Balance sheet at 30.06.2020

	30.06.2020 DKK	31.12.2019 DKK
Contributed capital	502.615	135.995
Reserve for development expenditure	16.079.061	13.265.820
Retained earnings	39.029.403	(1.565.826)
<b>Equity</b>	<b>55.611.079</b>	<b>11.835.989</b>
Deferred tax	2.305.000	3.450.000
<b>Provisions</b>	<b>2.305.000</b>	<b>3.450.000</b>
Debt to other credit institutions	5.070.430	5.070.430
Other payables	1.911.937	689.462
Deferred income	447.851	447.851
<b>Non-current liabilities other than provisions</b>	<b>7.430.218</b>	<b>6.207.743</b>
Prepayments received from customers	4.028.735	4.636.043
Trade payables	1.825.724	2.370.974
Other payables	5.432.555	2.807.208
<b>Current liabilities other than provisions</b>	<b>11.287.014</b>	<b>9.814.225</b>
<b>Liabilities other than provisions</b>	<b>18.717.232</b>	<b>16.021.968</b>
<b>Equity and liabilities</b>	<b>76.633.311</b>	<b>31.262.957</b>

## Net earnings per share

	2020-H1 DKK
Shares	25.130.728
Warrants	4.502.603
<b>Total</b>	<b>29.633.331</b>
Before dilution	25.130.728
After dilution	29.633.331
Net earnings	(5.030.559)
Net earnings per share before dilution	(0,20)
Net earnings per share after dilution	(0,17)

## About Penneo

Penneo A/S (Penneo) is a Software-as-a-Service (SaaS) company originally founded to help companies digitally sign documents. Penneo was founded by six Danish entrepreneurs, who got together with a shared ambition to reduce the “hassle of getting documents signed” by replacing pen and paper with a digital alternative. This new digital “pen” (Pen-neo) was launched in 2014 when Penneo was officially established.

Today, Penneo has evolved into an eco-system of automation solutions that digitizes company workflows related to onboarding of customers (KYC), and signing and management of documents in a secure and easy way. The Company offers a RegTech solution that helps companies comply with regulations in an efficient and inexpensive way. Penneo has a strong position in the Nordics, and in Denmark more than 550.000 people used Penneo in 2019.

**For more information about Penneo visit:** <https://penneo.com/investors/>

### Certified Advisor

Grant Thornton  
Stockholmsgade 45  
2100 København Ø  
Denmark

## Financial Calendar

### QUARTERLY REPORT

November 25, 2020

### ANNUAL REPORT

March 25, 2021

### GENERAL MEETING

April 28, 2021

### QUARTERLY REPORT

May 26, 2021



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## Jan Flora

### Board member

På vegne af: Penneo A/S

Serienummer: CVR:35633766-RID:56438653

IP: 87.49.xxx.xxx

2020-08-27 06:37:55Z

NEM ID 

## Nicolaj Højer Nielsen

### Board member

På vegne af: Penneo A/S

Serienummer: PID:9208-2002-2-919674217516

IP: 212.237.xxx.xxx

2020-08-27 06:39:03Z

NEM ID 

## Morten Kenneth Elk

### Chairman of the board

På vegne af: Penneo A/S

Serienummer: PID:9208-2002-2-476884031881

IP: 87.54.xxx.xxx

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NEM ID 

## Niels Henrik Rasmussen

### CEO

På vegne af: Penneo A/S

Serienummer: PID:9208-2002-2-503546358334

IP: 152.115.xxx.xxx

2020-08-27 06:43:15Z

NEM ID 

## Michael Moesgaard Andersen

### Board member

På vegne af: Penneo A/S

Serienummer: PID:9208-2002-2-744443058286

IP: 80.161.xxx.xxx

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