

PENNEO™

Where regulatory compliance meets productivity

PROSPECTUS IN CONNECTION WITH PENNEO A/S' ADMISSION TO TRADING AND OFFICIAL LISTING ON NASDAQ COPENHAGEN

Prospectus dated April 1, 2022

FINANCIAL ADVISOR
IN CONNECTION WITH THE LISTING



Grant Thornton



Important information

This document (the “**Prospectus**”) has been prepared for the purpose of the admission to trading and official listing (the “**Listing**”) of the shares (the “**Shares**”) in Penneo A/S (“**the Company**” or “**Penneo**”) on Nasdaq Copenhagen A/S (“**Nasdaq Copenhagen**”) in compliance with Danish law, in compliance with the requirements set out in the Danish Consolidated Act on Capital Markets no. 1767 as of November 27, 2020, as amended (in Danish: *Kapitalmarkedsloven*) (the “**Danish Capital Markets Act**”), Regulation (EU) no. 2017/1129 of the European Parliament and the Council on June 14, 2017, as amended (the “**Prospectus Regulation**”), Commission Delegated Regulation (EU) no. 2019/980 of March 14, 2019, as amended, and Commission Delegated Regulation (EU) no. 2019/979 of March 14, 2019, as amended.

The purpose of this Prospectus is solely to have the Shares admitted to trading and official listing on Nasdaq Copenhagen. No issue or offering of shares is made by the Company or any other person in connection with the publication of the Prospectus. The Listing does not comprise an offer of, an invitation to purchase or subscribe for or a placement of Shares sold, directly or indirectly, in any jurisdiction pursuant to this Prospectus and this Prospectus may not be used in connection with any offer of Shares or solicitation by anyone in any jurisdiction. No offer of Shares has been or will be made in the European Union (“**EU**”)/European Economic Area (“**EEA**”) under this Prospectus and no offer of any securities has been or will be made under this Prospectus in the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). The Company accepts no liability for any violation of any such restrictions by any person. This Prospectus will not be and may not be distributed or otherwise made available in any jurisdiction (other than any publication of this Prospectus in accordance with Danish law, rules, and regulations). Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions. The distribution of this Prospectus is restricted by law in certain jurisdictions and this Prospectus may not be distributed in or otherwise be made available, the Shares may not be offered or sold, directly or indirectly, outside Denmark in any jurisdiction in which such offer or invitation would be unlawful including but not limited to the United States, Canada, the United Kingdom, Australia or Japan, unless such distribution, offering, sale or exercise is permitted under applicable legislation in the relevant jurisdiction, and the Company receives satisfactory documentation to that effect. Persons into whose possession this Prospectus may come must inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation of any such restrictions by any person, whether or not such person is a prospective subscriber and acquirer of the Company’s Shares.

Notice to investors in the EEA

This Prospectus has been prepared for the purpose of the Listing. In relation to each member state of the European Economic Area where the Prospectus Regulation applies (each a “**Relevant Member State**”), no offering of Shares will be made to the public in any Relevant Member State (including Denmark). Accordingly, any person making or intending to make any offer within the EEA of Shares should do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer. The Company has not authorized, nor does the Company authorize, the making of any offer of the Shares through any financial intermediary.

This Prospectus has been prepared for the purpose of the Listing. This Prospectus is not being distributed in the UK.

Notice to investors in the US, Canada, the United Kingdom, Australia, Japan, and other jurisdictions outside the EEA

The Shares have not been approved, disapproved, or recommended by any foreign regulatory authorities outside of Denmark, nor have any of such authorities passed upon or endorsed the merits of the Listing or the accuracy or adequacy of this Prospectus. Accordingly, the Shares have not been approved, disapproved, or recommended by any U.S. Securities and Exchange Commission, any state securities commission in the United States, or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the accuracy or adequacy of this Prospectus. Any

Important information, continued

representation to the contrary is a criminal offense in the United States.

The Shares have not been, nor will be, registered under the U.S. Securities Act or any state securities legislation in the United States. Accordingly, the Shares may not be offered, sold, acquired, or exercised within the United States, and the Shares are solely offered and sold outside the United States or to, or for the account or benefit of, persons who are not U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). Accordingly, the Listing is subject to Danish legislation and requirements and, therefore, any information contained in this Prospectus may not be comparable with information contained in prospectuses of U.S. companies. Moreover, this Prospectus may not be distributed or otherwise made available, and the Shares may not be offered, sold, or subscribed for, directly or indirectly, in Canada, Australia or Japan or any jurisdiction than Denmark, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable legislation in the relevant jurisdiction, and the Company receives satisfactory documentation to that effect.

Forward-looking statements

Certain statements in this Prospectus constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the Company's anticipated or planned financial and operational performance. The words "target", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "estimates" or similar expressions or the negatives thereof, identify certain of these forward-looking statements.

Other forward-looking statements can be identified in the contexts in which the statements are made. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, in *Part I - Summary*, *Part II - Risk factors*, *Part III - Registration document; Section 5 Markets*, *Part III - Registration document; Section 6 Business*, *Part III - Registration document; Section 8 Operating and financial review Part III - Registration document; Section 10 Profit forecasts and estimates*, and *Part III - Registration document; Section 15 Financial information concerning the Company's assets and liabilities, financial position and profits and losses*, and include, among other things, statements addressing matters such as: (i) the Company's future results of operations, in particular, the statements relating to the Company's expectations for the financial year ending December 31, 2022, (ii) the Company's long-term aspirations, (iii) the Company's financial condition, (iv) the Company's future dividends, (v) the Company's business strategy, plans and objectives for future operations and events, (vi) the general economic trends and trends in the industries and markets in which the Company operates, and (vii) the competitive environment in which the Company operates. Although the Company believes that the goals, estimates, and expectations reflected in these forward-looking statements are reasonable, such forward-looking statements are based on expectations, estimates, forecasts, assumptions, and projections regarding future events and are subject to known and unknown risks and uncertainties that could cause the Company's actual results, performance, achievements or market results, to differ materially from what is expressed or implied by such forward-looking statements. Such risks, uncertainties, and other important factors are included, but not limited to these described in *Part II - Risk factors*.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition, actual cash flow, or actual results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. The Company urges investors to read *Part II - Risk factors*, *Part III - Registration document; Section 6 Business*, *Part III - Registration document; Section 8 Operating and financial review Part III - Registration document; Section 10 Profit forecasts and estimates*, and *Part III - Registration document; Section 15 Financial information concerning the Company's assets and liabilities, financial position and profits and losses* for a more complete discussion of the factors that could affect the Company's future performance and the industries and markets in which it operates.

The Company does not intend and does not assume, any obligations to update any forward-looking statements contained herein, except as may be required by law or the Nordic Main Market Rulebook for



Important information, continued

Issuers of Shares of February 1, 2021 ("**Nasdaq Issuer Rules**"). All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Financial Calendar

Annual General Meeting

April 27, 2022

Quarterly Report

May 24, 2022

Half-Yearly Report

August 24, 2022

Quarterly Report

November 23, 2022

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Part I

Summary

Part I – Summary

Section A – Introduction and warnings

Introduction

Warnings	This summary should be read as an introduction to this Prospectus. Any decision to buy Shares should be based on consideration of the Prospectus as a whole by the prospective investor. Prospective investors in the Shares could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, under the national legislation of the European Economic Area member states, the plaintiff investor might have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate, or inconsistent when read together with other parts of the Prospectus or it does provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
Issuer information	<p>Penneo A/S (the "Company") is the issuer of the Shares in the Listing under this Prospectus. The Shares are issued under the ISIN code DK006128300. The Company has the legal entity identifier ("LEI code") 894500LB8PNE5C7CEM91. The Nasdaq Copenhagen symbol for the Shares is "PENNEO".</p> <p>The address and contact details of the Company are Enghavevej 40, 4th floor, 1674 Copenhagen V, Denmark, telephone number: +45 71 99 98 93, email: hello@penneo.com</p>
Competent authority	The Prospectus has been approved on March 31, 2022, by the Danish Financial Supervisory Authority (the "Danish FSA") (in Danish: <i>Finanstilsynet</i>) as competent authority under the Prospectus Regulation. The address and other contact details of the Danish FSA are Århusgade 110, 2100 Copenhagen E, Denmark, telephone number: +45 33 55 82 82, email: finanstilsynet@ftnet.dk

Section B – Key Information on the issuer

Who is the issuer of the securities?	The Company is incorporated in Denmark and operates as a public limited liability company (in Danish: <i>Aktieselskab</i> or <i>A/S</i>) under the laws of Denmark with its registered domicile at Enghavevej 40, 4 th floor, 1674 Copenhagen V, Denmark. The Company's company registration number (" CVR no. ") is 35633766. The Company has the LEI code 894500LB8PNE5C7CEM91.
Principal activities	<p>Penneo is a Danish-based Software-as-a-Service ("SaaS") company offering solutions that digitalize and automate business workflows related to onboarding of clients, signing of documents, along with storing, organizing, and managing these documents in a secure, efficient, and compliant manner. As of the date of this Prospectus, Penneo offers two solutions; Penneo Sign and Penneo KYC.</p> <p>In addition to Penneo Sign and Penneo KYC, Penneo has an aspiration to develop additional solutions in order to become a true end-to-end business process administration platform for the auditing and accounting industry.</p> <p>The Company was founded in 2014 by six Danish entrepreneurs who got together with a shared</p>

ambition to reduce the “hassle to get documents signed” by replacing pen and paper with a digital alternative.

As of the date of this Prospectus, Penneo has evolved into much more than just a digital signature tool. With its two solutions, Penneo ensures secure and convenient digital interactions with digital signing featuring automated signing flows and identity verification, as well as automated client onboarding/KYC processes with risk assessment, record keeping, and continuous data monitoring in compliance with GDPR and AML regulation.

Early on, auditors became a strategic focus for Penneo, and the Company has thus evolved together with the increasing complexity of workflows and requirements related to this industry. However, as companies in many other industries carry out similar workflows and are subject to the same regulation, Penneo now helps more than 2,400 customers across many industries with automating recurring administrative tasks, which ultimately allows them to focus on what really matters to them – their clients.

Major Shareholders The below table presents the most recent information received on Major Shareholders:

Major Shareholder	%	Beneficial owner	Relationship to the Company?
Andersen Advisory Group A/S	9.88%	Michael Moesgaard Andersen	No active relationship (Former Board member)
Biostrat Biotech Consulting ApS	7.43%	Nicolaj Højer Nielsen	No active relationship (Former Board member & former Interim CEO)
Arbejdsmarkedets Tillægspension	6.90%	None	No relationship
Flora IT ApS	6.58%	Jan Flora	Currently employed ¹ (CTO)
Clausen Online ApS	6.38%	Mikkel Clausen	No active relationship (Founder & Former Head of People and Culture)
NH Rasmussen Holding II ApS	5.38%	Niels Henrik Rasmussen	No active relationship (Former CEO)

1) As announced in the Company's Company Announcement no. 3-2022, Jan Flora will step down from his role in the Company as of June 2022. Jan Flora stepped down from the Executive Board as per February 2022.

Managing directors The Company has a two-tier governance structure consisting of the Board of Directors and Executive Management.

The members of the Board of Directors are Chairman Christian Sagild, Morten Elk, and Rikke Birgitte Stampe Skov.

Executive Management is CEO Christian Stendevad.

Statutory auditors The statutory auditors of the Company are Deloitte Statsautoriseret Revisionspartnerselskab. The independent auditor's report included in the Audited Financial Statements were signed by State Authorized Public Accountant Bjørn Winkler Jakobsen (identification number (MNE): mne32127). Deloitte Statsautoriseret Revisionspartnerselskab has been the statutory auditors of the Company since December 29, 2019.

What is the key financial information regarding the issuer?

The key financial information shown below has been derived from the Company's audited financial statements as at and for the year ended December 31, 2021, and the audited financial statements as at and for the year ended December 31, 2020, with comparative figures for the year ended December 31, 2019 (the "Audited Financial Statements").

	As at and for the financial year ended December 31		
Income Statement	2021	2020	2019
DKK			
Revenue	54,280,225	35,533,705	27,597,283
Cost of sales	(9,663,276)	(7,014,327)	(5,352,122)
Gross profit	44,616,950	28,519,378	22,245,161
Other external expenses	(14,445,453)	(8,614,354)	(4,604,246)
Staff costs	(44,239,638)	(28,644,140)	(16,810,195)
Other income	44,785	-	-
Other operating expenses	(1,017,363)	(2,303,555)	(434,314)
Depreciation, amortisation, impairment	(7,682,379)	(5,202,220)	(2,554,531)
Operating profit/(loss)	(22,723,098)	(16,244,892)	(2,158,125)
Financial income	128,363	93,132	43,414
Financial expenses	(1,576,313)	(1,139,027)	(561,099)
Profit/(loss) before tax	(24,171,048)	(17,290,786)	(2,675,811)
Tax for the year	5,536,417	4,488,137	21,081
Profit/(loss) for the year from continuing operations	(18,634,631)	(12,802,649)	(2,654,730)
Total comprehensive income for the year	(18,634,631)	(12,802,649)	(2,654,730)
Balance Sheet	2021	2020	2019
DKK			
Total non-current assets	60,416,763	52,619,085	26,511,594
Total current assets	44,064,299	43,270,005	12,900,366
Total assets	104,481,061	95,889,090	39,411,960
DKK			
Total equity	57,043,664	57,576,051	8,955,475
Total non-current liabilities	28,810,003	21,357,042	18,817,321
Total current liabilities	18,627,395	16,955,997	11,639,164
Total liabilities	47,437,397	38,313,039	30,456,485
Total equity and liabilities	104,481,061	95,889,090	39,411,960
Cash flow statement	2021	2020	2019
DKK			
Cash flow from operating activities	(8,079,301)	(8,737,723)	(967,571)
Cash flow from financing activities	(15,481,131)	(13,438,589)	(4,695,823)
Cash flow from financing activities	17,133,378	45,802,024	9,681,388
Cash and cash equivalents at end of the period	25,415,797	31,842,851	8,217,139

What are the key risks that are specific to the issuer?

- Since its foundation, the Company has focused on growth in existing market and expansion to new markets, and the Company has thus incurred significant losses and expects to continue to incur losses for the foreseeable future and may therefore not generate a positive cash flow in the foreseeable future
- Any cyber security incident such as unauthorized access or data breaches, whether actual or perceived, could harm the Company's reputation, erode confidence in the effectiveness of the security measures, negatively affect its ability to attract new customers, cause existing customers to choose other suppliers or subject it to third-party lawsuits, regulatory fines or other actions or liability
- The Company has only been operating its business at its current scale for a few years, and failure to manage the growth effectively could adversely affect the Company and its dependency on key employees
- The Company cannot assure its investors of the adequacy of its capital resources to successfully complete its contemplated strategy, and delays in or failure to raise additional capital on commercially favorable terms could delay the Company's international expansion and growth
- Disruptions of services or downtime due to lack of personnel or technical failures could cause reputational damage and financial losses for the Company
- Disruptions in the services provided by Amazon Web Services or downtime caused by disruptions of integrated services could harm existing and potential customer relationships
- The Company's results of operations could be adversely affected if it cannot meet changes in market demand or as a result of increasing competition within its services
- The Company's success depends on its ability to onboard new customers and upsell to existing customers
- The Company is exposed to changes in foreign currency exchange rates

Section C – Introduction and warnings

What are the main features of the securities?

As per the date of this Prospectus, the Company's registered share capital is nominally DKK 632,792.18 divided into 31,639,609 Shares of nominally DKK 0.02 each or multiples thereof, which are all issued and fully paid up. The Shares are not divided into share classes and are denominated in DKK. The Shares will be traded on Nasdaq Copenhagen under the permanent ISIN code DK0061283009, CFI code ESVUFN and FISN code Penneo/-.

Rights attached to the Shares

All Shares have the same rights and rank *pari passu* in respect of, *inter alia*, voting rights, pre-emption rights, redemptions, conversion, and restrictions or limitations according to the articles of association of the Company ("**Articles of Association**") or eligibility to receive dividends or proceeds in the event of dissolution or liquidation.

Each Share of nominally DKK 0.02 entitles its holder to one vote at the general meeting.

Restrictions

The Shares are negotiable instruments, and no restrictions under Danish law apply to the transferability of the Shares.

Dividend policy

The Company has not declared or made any dividend payments since its incorporation. Currently, the Company intends to apply all available financial resources and income, if any, towards the Company's current and future business. As per the date of this Prospectus, the Company does not expect to make dividend payments within the foreseeable future. Further, the Company has signed a dividend limitation agreement, which entails that the Company is not entitled to propose a resolution to pay dividends without the consent of Vækstfonden. The dividend limitation agreement applies until all current and future loans are fully repaid. The last scheduled repayment fall due on January 4, 2027.

Where will the securities be traded?	The Shares are currently admitted for trading on Nasdaq First North Growth Market Denmark under the symbol "PENNEO". An application has been made by the Company for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen in connection with a deletion of the Shares from trading on Nasdaq First North Growth Market Denmark. Nasdaq Copenhagen have approved the Company's applications conditional upon the publication of this Prospectus and the Danish FSA's approval of this Prospectus. Accordingly, the Shares will have its last day of trading on Nasdaq First North Growth Market Denmark on April 1, 2022, and its first day of trading and official listing on Nasdaq Copenhagen on April 4, 2022.
What are the key risks that are specific to the securities?	The key risks that are specific to the Shares are: <ul style="list-style-type: none"> • There can be no assurance that an active and liquid market for the Company's Shares will develop, and the price of the Shares may be volatile • The share price may be adversely affected by substantial sales of Shares by the Company's Board of Directors, Executive Management, Management, dependent or independent Major Shareholders, or the perception that substantial sales may occur

Section D – Key Information on the listing and admission

Under which conditions and timetable can I invest in this security?	The purpose of this Prospectus is solely to have the Shares admitted to trading and official listing on Nasdaq Copenhagen, and there is no offering of securities for sale or subscription in connection with this Prospectus.
Terms and conditions of the Listing	An application has been made by the Company for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen in connection with a deletion of the Shares from trading on Nasdaq First North Growth Market Denmark. Nasdaq Copenhagen have approved the Company's applications conditional upon the publication of this Prospectus and the Danish FSA's approval of this Prospectus. Accordingly, the Shares will have its last day of trading on Nasdaq First North Growth Market Denmark on April 1, 2022, and its first day of trading and official listing on Nasdaq Copenhagen on April 4, 2022.
Admittance to trading	The Shares are currently admitted to trading on Nasdaq First North Growth Market Denmark under the symbol "PENNEO" and ISIN code DK0061283009. An application has been made by the Company for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen. The Shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen on April 4, 2022, under the symbol "PENNEO" and ISIN code DK0061283009.
Dilution	Not applicable since the Listing of the Shares on Nasdaq Copenhagen will not result in any dilution.
Estimated expenses	The total expenses in relation to the Listing payable by the Company are estimated to be approximately DKK 3.25 million.
Why is this Prospectus being produced?	The purpose of this Prospectus is solely to have the Shares admitted to trading and official listing on Nasdaq Copenhagen. The main reason for the Listing on Nasdaq Copenhagen is that the Company expects to be able to attract a wider range of national and international institutional investors.
Net amounts and use of proceeds	There is no offering of securities for sale or subscription in connection with this Prospectus. Hence, there are no net proceeds as a result of the Listing.
Material conflicts of interest	Since no offering of Shares will take place in connection with the Listing, no conflicts of interest have been identified in connection with the Listing.

Part II

Risk Factors

Part II – Risk factors

An investment in the Shares involves a high degree of financial risk. Prospective investors should carefully consider all information in this Prospectus (including any information or material incorporated by reference), including the risks described below, before they decide to invest in the Shares. This section addresses both general risks associated with the industries and markets in which the Company operates, and specific risks associated with its business. If any such risks materialize, the Company's business, financial condition, results of operations, cash flow and prospects could be materially and adversely affected, resulting in a decline in the value of the Shares and a loss of part or all of the investor's investment.

Further, this section describes certain risks relating to the Listing and the Shares which could also adversely impact the value of the Shares. With respect to forward-looking statement that involve risks and uncertainties, see Important information; Forward-looking statements.

The risks and uncertainties mentioned below are those currently viewed as material by the Company, but these risks and uncertainties are not the only ones that the Company faces. Additional risks and uncertainties, including risks that are not known to the Company at present or that its Executive Management and Management currently deem immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Shares and a loss of part or all of the investor's investment. The most material risks, as assessed by the Company, taking into account the negative impact on the Company and the probability of their occurrence are set out first in each category.

Risk associated with the industries and markets in which the Company operates

1. The Company's results of operations could be adversely affected if it cannot meet changes in market demand or as a result of increasing competition within its services

The market for IT services is characterized by intense competition, frequent new product launches, changing customer demands, evolving industry standards, and legislative changes from both the EU and national regulatory authorities.

Penneo's future success depends on its ability to continue to develop and market services that have product-market fit and are cost-efficient for its existing and new customers. In particular, the Company's success depends on its ability to continuously evolve its products and services to address the developing market for IT services for AML-regulated industries. Doing so requires the Company to continue to anticipate and respond to ongoing changes in technology, industry developments, and service offerings in order to accommodate the evolving demands of its customers and thus successfully develop new solutions or features for its customers. The Company's international growth strategy assumes that the Company is able to respond to these types of changes by continuing to develop its services to meet industry demands. However, there is a risk that the Company may not be successful in developing new services or that such new services and features may be delayed.

In addition, competitors may be able to respond faster to changes in technology and industry demands

and may have financial capabilities and resources that go beyond those of the Company. Consequently, there is a risk that the Company is unable to adapt faster than its competitors or does not have financial resources at the same level as that of its competitors, which may cause the Company to become less competitive, which could have a material adverse effect on the Company's business, results of operations, and financial position.

The Company operates in an environment currently affected by new entrants – something that the Company expects will be the case in the future as well. New IT services offered by competitors or new entrants may result in the Company's offerings being less competitive compared to the available alternatives. In particular, there is a risk that the technologies offered by the Company may eventually become commoditized and that competitors may be able to develop capabilities within such technologies allowing them to offer the same technologies at potentially lower prices than those charged by the Company, which could impact the competitive strength and profitability of the Company.

If the Company fails to keep up with the technological changes or to convince customers of the value of its services, this could have a material adverse effect on the Company's business, results of operations, and financial position.

Executive Management and Management estimates both the probability of not being able to meet changes in market demand and the probability of increasing competition to be low with a medium impact on the Company's results of operations.

2. The Company's growth and internationalization strategy depends on continued positive developments in the markets for digital signatures and e-KYC

The markets for digital signatures and e-KYC have developed positively in recent years and continue to grow at a rapid pace. There can be no assurance that these markets will continue this positive trend or that the Company will benefit from any continued positive market developments. Any negative development in these markets could have an adverse effect on the Company's revenue and financial position. The Company's growth and internationalization strategy depends on the continuous digitalization across countries in the EU, and as a result, there is a risk that these countries' digital adoption will not develop at a pace matching the Company's growth and internationalization strategy, which could have a material adverse effect on the Company's business, results of operations and financial position.

Executive Management and Management estimates a low probability of the markets for digital signatures and e-KYC not continuing its positive development and that it would have a medium impact on the Company's results of operations.

3. Changes in the regulatory environment may pose a challenge to the Company through restrictions to operations or as a result of compliance costs associated with new regulatory requirements

As a provider of software solutions, the Company is subject to a variety of EU and national regulation on data protection, compliance, and information security. Ensuring continuous compliance with the GDPR and AML regulation may require allocation of significant legal and administrative resources, which may impact the profitability of the Company. Increased costs associated with regulatory requirements may in the future impact the profitability of the Company, and any failure to comply with such requirements could result in fines or other sanctions either from public authorities due to regulatory requirements or from customers on a contractual basis. In addition, there is a risk that changes to these regulations will impose restrictions on the Company's ability to provide its services, which could have a material adverse effect on its business, results of operations, and financial position.

If changes to existing regulation or new regulation are imposed, there is a risk that the Company will be required to invest in additional product development in order to remain compliant and thus prioritize investments in this area higher than other areas within product development or any other area of the business. As a result, there is a risk that changes in the regulatory environment could have a material adverse effect on the Company's business, results of operations, and financial position.

Executive Management and Management estimates a low probability that changes in the regulatory environment would restrict the Company's operations or increase the Company's compliance costs and that it would have a medium impact on the Company's results of operations.

Risk associated with the Company's business

1. Any cyber security incident such as unauthorized access or data breaches, whether actual or perceived, could harm the Company's reputation, erode confidence in the effectiveness of the security measures, negatively affect its ability to attract new customers, cause existing customers to choose other suppliers or subject it to third-party lawsuits, regulatory fines or other actions or liability

The Company's business is based on Software-as-a-Service ("SaaS") applications developed and operated by the Company. The architecture and network components are hosted to Amazon Web Services ("AWS"). As a software provider handling and retaining data and documents on behalf of customers, the Company is exposed to various cyber threats, which are listed below (non-exhaustive):

- The Penneo KYC and Penneo Sign applications applied by the Company and the delivery of its services to the customers may be subject to cyber security threats.
- Even though all documents are encrypted, unauthorized access to customer files in the production environments may result in cyber threats.
- The outsourced infrastructure services host customer documents, which may contain personal data and could be the subject of cyber-attacks.

The financial and strategic importance of the Company's core customers, particularly accounting firms, may increase the Company's exposure to attacks from cybercriminals. Although the Company operates on a hosted infrastructure with the highest security standards, individual cyber-attacks may cause damage and disruption to the hosted infrastructure setup, which may have a material adverse effect on the operation of the KYC and Sign applications, the business, results of operations and financial position.

Human errors by the Company's personnel pose a risk in relation to cyber security, and despite the Company's efforts to establish a capable organization and conduct awareness training on a recurrent basis, it is impossible to eliminate the risk of adverse consequences from human error caused by personnel. There can be no assurance that IT security incidents or breaches will not occur in the future, or that future security incidents, breaches, and other issues will not have a material impact on the Company's business or that its procedures will be sufficient to address such future IT security incidents, breaches, and other issues.

Distributed Denial-of-Service ("DDoS") attacks are cyber-attacks where the perpetrator seeks to make a machine or network resource unavailable to its intended users by disrupting services of a host connected to the internet. The denial-of-service is typically accomplished by flooding the targeted machine or resource with superfluous requests with the purpose of overloading systems to prevent some or all legitimate requests from being fulfilled. Despite the implemented planning and disaster recovery procedures, the occurrence of any DDoS attacks could lead to interruptions, delays, or shutdowns,

potentially causing harm to the customer's business by temporarily obstructing access to confidential data, including personal data.

In order to reduce the risk of cyber-attacks, the Company has engaged with Amazon Web Services, which is considered as one of the highest-ranking IT security hosting partners available. Twice a year, the Company receives a security and compliance report from AWS. The report follows the highest standard of Type II System and Organization Controls ("**SOC 2**"), which is designed to provide assurance about the operational effectiveness of the Company's systems. Each report is signed by an independent system auditor. Even though the Company is collaborating with Amazon Web Services, which is known for its high security standards, it may not be sufficient to defend against DDoS attacks in the future.

Any security incident, whether actual or perceived, could harm the Company's reputation, erode confidence in the effectiveness of the security measures, adversely affect its ability to attract new customers, cause existing customers to choose other suppliers, or subject it to third-party lawsuits, regulatory fines or other actions or liability, which could have a material adverse effect on the Company's business, results of operations and financial position. The occurrence of any cyber security incidents, such as the theft or unauthorized use or publication of customers' data, confidential information, or other proprietary business information, could expose the Company to legal liability, adversely affect the Company's competitive position and reputation, and reduce the demand for the Company's services, whether or not the incident is ultimately determined to be attributable to the Company.

As the risk of cyber threats seems to have generally increased in the market, the Company pays very high attention to Regulation (EU) no. 2016/679 of the European Parliament and the Council ("**GDPR**"), which lays down requirements with respect to the collection, processing, and responsibility for the content and protection of personal data. GDPR entails strict sanctions for breaches of the GDPR, and fines issued in connection with breaches of GDPR may amount to the higher of EUR 20 million or four percent of the Company's global annual revenue.

The Company has implemented various security measures to comply with GDPR and general IT security requirements. Nevertheless, there is a potential risk that the supervisory authorities in each country in which Penneo operates may construe and apply the provisions of GDPR differently. Additionally, the Company risks receiving claims for damages in case of breaches of GDPR and/or other relevant data protection legislation.

Data breaches, unauthorized transfers of personal data to third countries, and unauthorized access to sensitive information may result in investigations from authorities, fines, and prosecution from customers with demands for financial compensation, which could have a material adverse effect on the Company's reputation, business, results of operations, and financial position.

Executive Management and Management estimates a medium probability of cyber security incidents occurring and that it would have a high impact on the Company's results of operations.

2. The Company has only been operating its business at its current scale for a few years, and failure to manage the growth effectively could adversely affect the Company and its dependency on key employees

The Company has only been operating its business at its current scale and scope for a few years, during which the Company has managed to significantly scale its business measured in terms of revenue and employees. As the Company is currently executing on a growth and internationalization strategy, it will be required to continue to improve and enhance its operations, infrastructure, recruitment strategy, and organization to execute on the international scaling and manage the increased complexity of operations. In this process, there is a risk that the Company will neglect to establish and maintain the required

controls and procedures to ensure that the Company can attract and retain key personnel to ensure the execution of the strategy. For example, the success of the Company's business depends to a significant extent upon its ability to attract, hire, integrate, motivate, train, and retain qualified personnel. The nature of Penneo's business entails that the Company employs highly qualified IT professionals. Consequently, the Company must attract, develop and retain an appropriate number of highly talented persons with diverse skills, including project managers, sales representatives, account managers, supporters, software professionals, and IT engineers in order to accommodate customer needs and to grow the Company's business. There can be no assurance that the Company will continue to be able to successfully attract or retain such persons on commercially favorable terms, or at all, in the competitive post-covid market. If the Company is unable to do so, its ability to drive strategic projects and to develop its business and operations may be adversely impacted.

In addition, it may be difficult for the Company to find senior management profiles matching the agility and culture of Penneo. The Company's competitors and, in some cases, customers may also actively seek to recruit senior management personnel or other employees from the Company, which may result in a loss of key employees as well as increased pressure on wages and employment terms. The Company's competitive strength may be impaired if it is unable to retain its highly specialized personnel.

As part of being a publicly listed company, some of the Company's key employees may be required to devote increased attention to compliance requirements, internal controls, and investor relations activities, which means they will be forced to spend less time on the Company's day-to-day operations. Such a situation could adversely affect the Company's development and growth. This, combined with growing customer demand, may result in the Company having to scale up its hiring in markets currently exposed to wage inflation as a result of strong competition for personnel with the highly qualified skill sets that the Company's business requires. Ultimately, this could impact the Company's margins and reduce profitability, which could have a material adverse effect on the Company's business, results of operations, and financial position.

Any failure to effectively manage the increasing size and complexity of the Company's business and operations as a result of continued and future growth, hereinunder the Company's internationalization strategy, could have a material adverse effect on the Company's business, results of operations, and financial position.

Executive Management and Management estimates the probability of the Company failing to manage growth effectively to be medium and that it would have a medium impact on the Company's results of operations.

3. Disruptions of services or downtime due to lack of personnel or technical failures could cause reputational damage and financial losses for the Company

The Company is responsible for developing and operating the SaaS applications offered to its customers. The Company actively plans its personnel resources for development of the applications as well as for maintenance of the infrastructure necessary for operating its services. Despite this proactive resource planning, there is a risk that the Company will have insufficient personnel to operate the services, which in turn could lead to a disruption of the services.

To serve its customers, the Company is responsible for developing and maintaining infrastructure and components, which include load balancers, storage, applications servers, virtual private clouds, and security groups, and it has implemented redundant backups. In addition, an infrastructure engineering team has implemented monitoring of the services in order to be able to react to fluctuations or incidents. Although the Company actively manages its infrastructure and monitors the activity of its services, major system failures, natural disasters, and other force majeure events or other risks could disrupt the

services. Even though a disruption would be detected, any mitigation to avoid adverse effects could take time and therefore lead to downtime for a shorter or longer period.

Disruptions of the services or downtime could cause reputational damage and financial losses, as the Company will be unable to provide 99.9% availability as stated in the Company's terms, which could have a material adverse effect on the business, results of operations, and financial position.

Executive Management and Management estimates the probability of disruptions in its services or downtime to be low and that it would have a high impact on the Company's results of operations.

4. Disruptions in the services provided by Amazon Web Services or downtime caused by disruptions of integrated services could harm existing and potential customer relationships

The Company uses the external service provider AWS as an Infrastructure-as-a-Service ("IaaS") provider to host and operate the infrastructure on which the Company's SaaS applications operate. AWS is, among other things, responsible for maintaining the network, server devices, physical security as well as redundancy of its data centers. Consequently, the Company can be affected by disruptions in the services operated by AWS, which in turn could result in disruptions of the Company's services. Such events could be caused by significant disruptions that may occur as a result of a force majeure event such as fires, acts of terrorism, or natural disasters. AWS offers its customers a broad range of security features that are managed by AWS, such as DDoS prevention. Although such services protect the Company's environment, disruptions at AWS could lead to these security features not being effective, which ultimately poses a risk to the data stored and processed by the Company on the infrastructure operated by AWS.

The Company's SaaS applications integrate services from other external service providers such as Denmark's MitID (NemID), Sweden's Bank ID, Norway's Bank ID, Finnish Trust, It's Me (Belgium), the Danish Central Business Register (in Danish: *Det Centrale Virksomhedsregister*) ("CVR"), and Dun & Bradstreet, which are necessary to operate the services where those services are used. Disruptions to the services provided by the organizations responsible for the integrated services could lead to partial or full disruption of the functionality of the Company's applications, although everything within the Company operates as it is supposed to. The negative impact of the downtime caused by disruptions of integrated services could have a material adverse effect on the Company's business, results of operations, and financial position.

Executive Management and Management estimates the probability of disruptions in the services provided by AWS or downtime caused by disruptions of integrated services to be low and that it would have a high impact on the Company's results of operations.

5. The Company's success depends on its ability to onboard new customers and maintain a high net annual recurring revenue retention rate by upselling to existing customers

The majority of the Company's revenue originates from subscription agreements with customers, which means that the Company must retain customers and be able to upsell to existing customers in order to grow and meet the published financial guidance. Customer contracts related to the Company's services have variable pricing depending on usage of the services and the increase hereof, which means that pricing is variable. The notice period for customer terminations is three months with a standard subscription period of 12 months, which is automatically renewed if the customer does not terminate the agreement. Consequently, subscriptions terminated later than three months before the end of the subscription period will be renewed for another 12 months.

If long-term customers are replaced by new customers on terms that are less favorable to the Company, or if new customers churn within a short period, customer churn could have a material adverse effect on

the Company's business, results of operations, and financial position.

In addition to retaining existing customers, the Company's success to a certain extent depends on its ability to upsell additional services to the existing customer base. In the event that the Company's existing customers are not satisfied with the services provided by the Company, the Company could incur additional costs to remedy the situation and accommodate customer needs. In such event, the profitability of such additional work might be impaired.

Further, as Penneo is positioned particularly within AML-regulated industries, the Company's ability to retain customers and onboard new customers depends on such customers' continued or increased demand for digitalizing AML related workflows through IT services. Should existing or new customers decide to prioritize differently, it could have a material adverse effect on the Company's business, results of operations, and financial position.

New customer contracts have been an important driver of increased profitability during recent years. Even though quality of service, leadership, and technical skills and capabilities influence customer decisions, price continues to be an important factor for many of the Company's customers. Inability to win competitively awarded contracts may result in an under-utilization of the Company's workforce, adversely impacting the Company's profitability.

Executive Management and Management estimates a low probability of not being able to onboard new customers and maintain a high net annual recurring revenue retention rate, and that it would have a high impact on the Company's results of operations.

6. Patents, trademarks, and intellectual property rights

The Company holds a European trademark for the name "PENNEO" as a wordmark in four trademark classes (class 9, 38, 39, 42 of the Nice Classification). The "PENNEO" wordmark is also registered in the UK in the same trademark classes. The trademarks give the Company a registered and enforceable right to prevent companies from using the Penneo name within the EU and UK. The Company monitors trademark infringements by conducting monthly searches for new trademark applications in relevant trademark classes in the trademark databases of the European Union Intellectual Property Office's ("EUIPO") and the UK Intellectual Property Office ("UKIPO").

However, there is a risk that companies may infringe on the trademarks, which could adversely impact the Company's business and reputation. The Company currently does not hold any registered trademarks outside of the EU and UK. Further expansion beyond the EU will therefore require further trademark applications. There is a risk that the "PENNEO" trademark outside the EU and UK will be registered by another party prior to the Company applying for the "PENNEO" trademark, which could have an adverse effect on the Company's business and reputation.

As a software company, there is a risk that a third-party will claim that the Company infringes on other parties' intellectual property rights, for example, patents. This could have an adverse effect on the Company's revenues, financial position, and reputation. The Company currently has one patent application pending, which was made on June 6, 2020. With the Company's current focus on penetration within the EU, the risk of recognized patent infringement in Europe is assessed to be low, which is further supported by the fact that software patents under article 52 of the European Patent Convention ("EPC") are limited albeit not excluded. Once a patent is filed with the European Patent Office ("EPO"), the Company intends to conduct monthly searches in relevant patent classes in the EPO patent database to monitor infringements.

Executive Management and Management estimates the probability of having its patents, trademarks and

intellectual property rights infringed to be low, and that it would have a medium impact on the Company's results of operations.

7. Risk of infringing on third-party intellectual property rights

The Company's services could infringe on third-party intellectual property rights. Third parties may in future assert claims against the company or its customers alleging infringement of patent, copyright, trademark, or other intellectual property rights. Infringement claims could harm the Company's reputation, result in liability or prevent the Company from offering some of its services. Any claims that the Company's services infringe intellectual property rights of third parties, regardless of the merit or outcome of such claims, may result in significant costs to defend and resolve such claims and may divert the efforts and attention of the Company's management and personnel from its business. In addition, the reputation of the Company may be negatively impacted as a result of such claims. If such claims relating to infringement of intellectual property rights of third parties are brought against the Company, it could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Any third-party claim related to intellectual property rights could result in the Company becoming subject to significant litigation. Future disputes or litigations regarding intellectual property rights could be costly and time-consuming due to the uncertainty of intellectual property litigation. In addition, such actions could divert the Group's management and key personnel from its business operations.

Executive Management and Management estimates the probability of the Company infringing on third-party intellectual property rights to be low and that it would have a medium impact on the Company's results of operations.

Risk associated with the Company's financial position

1. Since its foundation, the Company has focused on growth in existing markets and expansion to new markets, and the Company has thus incurred significant losses and expects to continue to incur losses for the foreseeable future and may therefore not generate a positive cash flow in the foreseeable future

Since Penneo was founded in 2014, the Company's primary focus has been to build a market-leading software solution and to grow through penetration of existing markets and expansion to new markets.

For the financial years ended December 31, 2019, 2020, and 2021, the Company has incurred net losses before tax of DKK 2,675,811, DKK 17,290,786, and DKK 24,171,048, respectively, based on revenue levels of DKK 27,597,283, DKK 35,533,705, and DKK 54,280,225 for the same years. The losses incurred are in line with the Company's expectations and have primarily been ascribable to the considerable expenses connected with developing the product, sales, and marketing costs associated with establishing a leading position among auditors in the Nordics, sales and marketing costs associated with establishing a foothold in new European markets, and general administrative costs associated with developing the organization to support the Company's continued growth journey.

The Company's expenses are forecast to increase in the future as the Company develops its offerings and platform features and executes on the next steps of the growth and internationalization strategy. These efforts may be more costly than the Company expects and may not result in increased revenue or growth in the Company's business.

The Company's revenue will, among other things, be dependent on the size of the markets in which the Company operates, the Company's ability to retain and upsell to existing customers, and the Company's ability to onboard new customers. If the market potential in existing or new markets is not as significant

as the Company estimates, or the market is narrowed by competition, and the Company's ability to onboard new customers and upsell to existing customers is correspondingly narrowed, this could have a material adverse effect on the Company's business, results of operations, and financial position.

Executive Management and Management estimates a high probability of the Company not being able to generate a positive cash flow in the foreseeable future, and that it would have a medium impact on the Company's results of operations.

2. The Company cannot assure its investors of the adequacy of its capital resources to successfully complete its contemplated strategy, and delays in or failure to raise additional capital on commercially favorable terms could delay the Company's international expansion and growth

As of the date of this Prospectus, the Company has cash and cash equivalents of DKK 72,757,638.64. The Company believes that it will continue to spend substantial resources in the coming years to penetrate existing markets further and to continue the international growth, which will increase the operating expenses. In addition, the Company will incur expenses in relation to the continued development and maintenance of the software solution.

Based on the Company's current business plan, the Company estimates that the existing cash resources will be sufficient to finance its current operations for at least twelve months following the Listing. The Company intends to continuously seek growth opportunities and raise additional capital to pursue such opportunities where additional financing is needed. The Company expects to achieve this primarily through a combination of public offerings and private placements of Shares.

If the Company needs additional capital and cannot raise it on acceptable terms, the Company may not be able to, among other things:

- Maintain a positive equity position
- Expand the Company's operations in existing or new markets
- Respond to increased competition
- Hire, train, and retain employees
- Maintain continuous development of the Company's solution, sales and marketing setup, and general administrative setup to support the Company's growth

Further, if the Company is unable to raise funds on acceptable terms when required, the Company may not be able to operate and expand as anticipated and may be forced to limit or delay the Company's growth. This could have a material adverse effect on the Company's business, operating results, and financial position.

Executive Management and Management estimates a medium probability that the Company is unable to complete its contemplated strategy and its international expansion and growth being delayed, and that it would have a medium impact on the Company's results of operations.

3. The Company is exposed to changes in foreign currency exchange rates

The Company operates from Denmark with customers in the Nordics, Belgium, and Germany and is thus exposed to exchange rate risk related to foreign currencies in these markets. Customers are invoiced in local currency and the Company currently hedges exchange rate fluctuations by having a bank account

in the most frequently used currencies, i.e., Euros and Norwegian kroner (in Norwegian: *Norske kroner*) for ingoing and outgoing transactions. The Company intends to expand its customer base to other European countries, and with such an increase in activities in Europe, the Company will be exposed to an increased risk of losses from exchange rate fluctuations in currencies, which are currently not hedged by the Company. As a result, exchange rate fluctuations could have a material adverse effect on the Company's business, results of operations, and financial position.

Executive Management and Management estimates a medium probability of incurring losses related to exchange rate fluctuations and that it would have a low impact on the Company's results of operations.

Risk related to the Shares

1. There can be no assurance that an active and liquid market for the Company's Shares will develop, and the price of the Shares may be volatile

The Company's Shares are currently admitted to trading on Nasdaq First North Growth Market Denmark. Previously, the Company's share price has been rather volatile, and in periods, the Company's Shares have been subject to relatively low liquidity as it is the case for other small cap shares admitted to trading in Danish equity markets. The number of transactions and the volume of the trades completed in the Company's Shares fluctuate over time, which means there is a risk that there may not be an active and liquid market for the Company's Shares on Nasdaq Copenhagen and that the price of the Shares may be volatile.

In addition, the trading price of the Company's Shares may fluctuate as a result of many factors, including extraneous factors beyond the Company's control, such as the following:

- Operational results that vary from the expectations of securities analysts and investors
- Operational results that vary from the Company's expectations or guidance
- Changes in expectations for or guidance on the Company's future financial performance, including financial estimates and investment recommendations by securities analysts and investors
- Changes in technology, including the development of services, products or processes by the Company's competitors with significant advantages over the Company
- Changes in economic conditions for companies in the Company's industry
- Announcements by the Company or its competitors of significant contracts, new offerings or new indications for existing markets and new markets, acquisitions, joint ventures, or other strategic relationships
- Changes in business or regulatory conditions affecting the Company and the market for digital signatures and e-KYC
- The public's response to company announcements, press releases, or other public announcements by the Company or third parties

In addition, Nasdaq Copenhagen or the global securities markets may experience significant price and volume fluctuations, which could have a material adverse effect on the market price of the Company's Shares and create a risk that investors may not be able to sell their Shares at a price greater than or equal to the price the investors purchased the Shares for.

2. The share price may be adversely affected by substantial sales of Shares by the Company's Board of Directors, Executive Management, Management, dependent or independent Major Shareholders, or the perception that substantial sales may occur

The market price of the Shares could decline as a result of sales of Shares by shareholders of the Company after the Listing or the perception that such sales could occur. All shareholders that held Shares before the admission to trading on Nasdaq First North Growth Market Denmark are still subject to the agreed lock-up obligations on 2/5 of their shareholdings, obligating the shareholders not to sell, offer for sale, enter into any agreements regarding the sale of, pledge or in any other way directly or indirectly transfer their Shares in the Company or to announce the intention to make any such act without the prior written consent of the Board of Directors of the Company. The remaining Shares under lock-up will be released in two installments with the first installment being released after publication of the Company's financial results for Q1 2022 and the second installment being released after publication of the Company's financial results for H1 2022. As a result, the members of the Board of Directors, Executive Management, and Management could sell their holdings of Shares in whole or in part after the releases.

Any such sales by the members of the Board of Directors, Executive Management, Management or independent Major Shareholders, or the perception that such sales could occur, could adversely affect the trading price of the Shares.

3. The Company currently intends to retain available funds and any future earnings to fund the development and expansion of its business and does not intend to pay dividends, which means that a shareholder's return on investment will depend solely on an appreciation of the price of the Shares

The Company has never declared or paid any dividends on its Shares, and the Company currently intends to retain all available financial resources and any earnings generated by its operations for use in its business and further expansion and does not anticipate paying any dividends in the foreseeable future. Therefore, a shareholder's return on investment in the Company's Shares will depend on a future appreciation of the price of the Shares.

Any future decision about the Company's dividend policy and the declaration of any dividends will be made at the discretion of the Board of Directors and will depend on a number of factors, including the Company's results of operations, financial conditions, future prospects, and other factors the Board of Directors deems relevant. Any dividend payments must be approved by the Company's general meeting.

However, the Company has signed a dividend limitation agreement, which entails that the Company is not entitled to propose a resolution to pay dividends without the consent of Vækstfonden. The dividend limitation agreement applies until all current and future loans are fully repaid. The last scheduled repayment fall due on January 4, 2027.

4. Issuance of additional shares in the Company to fund future expansions, product development, and operations and in connection with share incentive or share option schemes may dilute shareholdings and lead to a fall in the market price

The Company will likely attempt to raise additional capital to fund future operations, further product development, and expansion into new geographic markets. Such additional capital increases may grow in size or occur sooner than the Company currently expects if (i) the Company realizes that the sales and marketing efforts required to execute the Company's growth strategy in new and existing markets are higher than expected and/or (ii) if the Company considers it commercially viable to accelerate the current expansion plan.

The Company may, for this or other purposes, issue additional equity or convertible equity securities. Furthermore, the Company has issued warrants to Executive Management, members of the Board of Directors, and other employees in the Company. Furthermore, an employee share program has been established. Additional warrants or other share-based incentive programs may be issued in the future. Consequently, shareholders may experience dilution of their holding of Shares, or the price of the Shares could be adversely affected.

Part III

Registration Document

1 Responsibility statement and persons responsible

1.1 The Company's Responsibility

The Company is responsible for this Prospectus in accordance with Danish Law.

1.2 The Company's Statement

We hereby declare that we, as the persons responsible for this Prospectus on behalf of the Company, have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of its contents.

We furthermore declare that this Prospectus has been approved by the Danish Financial Supervisory Authority (the "**Danish FSA**") (in Danish: *Finanstilsynet*) as competent authority under the Prospectus Regulation. The Danish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

Copenhagen, March 31, 2022

Board of Directors



Christian Sagild
Chairman of the Board

(Professional board member)



Morten Kenneth Elk
Board member

(CEO at SimpleSite A/S)



Rikke Birgitte Stampe Skov
Board member

(CEO at Impero A/S)

Executive Management



Christian Stendevad
Chief Executive Officer

(See end of document for signatures)

1.3 Third party statements

Not applicable.

1.4 Third party information and market data

This Prospectus contains statistics, data, and other information relating to markets, markets sizes, market shares, market positions, and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple public and external sources, including the following:

- 1) **MarketsandMarkets (2020).** *Digital Signature Market by Component (Solutions and Services), Solution (Software and Hardware), Deployment Mode, Organization Size, Vertical (BFSI, Government, Healthcare and Life Sciences, Legal, Real Estate), and Region - Global Forecast to 2026*
- 2) **Mordor Intelligence (2020).** *Digital Signatures Market - Growth, Trends, Covid-19 Impact, and Forecasts (2021 - 2026)*
- 3) **Fortune business insight (2019).** *Information & Technology, Digital signature market analysis 2026*
- 4) **Fatpos Global (2021).** *E-KYC Market: Market Segments: By Delivery Model (Cloud-based and On-premise); By End-User (Banks, Financial Institutions, E-Payment Service Providers, Telecom Companies, Government Entities, and Insurance Companies); and Region - Global Analysis by Market Size, Share & Trends for 2014 - 2020 and Forecasts to 2030*
- 5) **Danske Bank (2020).** *Debt investor update Q2 2022*
- 6) **McKinsey (2020).** *The recovery will be digital.*
- 7) **Iansiti, M. and Lakhani K. (2016).** *The Digital Business Divide, Analyzing the operating impact of digital transformation. Keystone Strategy*
- 8) **SWZD (2021).** *The 2022 State of IT*
- 9) **CMS.** *Enforcement tracker - Statistics: Fines imposed over time*
- 10) **Fenergo.** *Global Research Report on Financial Institutions and Individual Enforcement Actions in 2020*
- 11) **United Nations (2019).** *Sustainable Development Goals*
- 12) **IBM (2020).** *COVID-19 and the Future of Business*
- 13) **European Commission (2021A).** *Digital technology for businesses, by indicators*
- 14) **European Commission (2021B).** *Overview of Member States' eID strategies*
- 15) **European Commission (2017).** *COM(2017)464: Report from the Commission to the Council, the European Central Bank, the European Systemic Risk Board and the European Parliament on monitoring developments in the EU market for providing statutory audit services to public-interest entities pursuant to Article 27 of Regulation (EU) 537/2014*
- 16) **European Commission (2019).** *The Small Business Act For Europe fact sheets for relevant countries*
- 17) **Company websites, social media profiles, press releases, and presentations**
- 18) **European Commission (2021C).** *COM(2021)290: Report from the Commission to the European Parliament and the Council on the evaluation of Regulation (EU) No 910/2014 on electronic identification and trust services in the internal market (eIDAS)*

Management estimates are derived from publicly available information, the Company's knowledge of the Company's industries and assumptions based on such information and knowledge, which the Company believes to be reasonable. The industry publications and third-party studies generally state that the information that they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Market data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market

conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents. While the Company can confirm that information from external sources has been accurately reproduced, the Company has not independently verified and cannot give any assurance as to the accuracy of market data as presented in this Prospectus that was extracted or derived from these external sources. As far as the Company is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

The Company makes no representation as to the accuracy of such information that was extracted or derived from these external sources. Thus, any development in the Company's activities may deviate from the market developments stated in the Prospectus. The Company does not assume any obligation to update such information.

As a result, persons who come into possession of this Prospectus should be aware that statistics, data, statements, and other information relating to markets, market sizes, market shares, market positions, and other industry data in this Prospectus (and projections, assumptions, and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors. Other forecasts and forward-looking statements obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Prospectus. See also *Important information; Forward-looking statements*. These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described under *Part II - Risk factors*. These and other factors could cause results to differ materially from those expressed in the Company's forecasts or estimates or those of independent third parties. While the Company believes the Company's internal research is reliable and the definition of the Company's markets and industries are appropriate, neither such research nor these definitions have been verified by any independent source.

2 Auditor

The Company's independent auditor are:

Deloitte Statsautoriseret Revisionspartnerselskab

Company registration no. (CVR no.): 33963556
Weidekampsgade 6
2300 Copenhagen S

Deloitte Statsautoriseret Revisionspartnerselskab is represented by:

Bjørn Winkler Jakobsen

State Authorized Public Accountant
Identification number (MNE): mne32127

Bjørn Winkler Jakobsen is a member of FSR – Danish Auditors (In Danish: *FSR – Danske Revisorer*), the Danish association for state authorized public accounts.

Deloitte Statsautoriseret Revisionspartnerselskab has been the statutory auditors of the Company since December 29, 2019.

3 Risk factors

Please refer to *Part II – Risk factors*.

4 Company information

4.1 Name

The legal and commercial name of the Company is Penneo A/S.

4.2 Country of incorporation and registration number

The Company is incorporated in Denmark with company registration no. ("CVR no."): 35633766, and legal entity identifier ("LEI code"): 894500LB8PNE5C7CEM91.

4.3 Date of incorporation

The Company was incorporated on January 9, 2014, as Penneo ApS operating as a private limited company (in Danish: *Anpartsselskab*). On April 8, 2020, the Company was merged with Penneo Holding ApS (dissolved) and Penneo Holding 2 ApS (dissolved), and converted into a public limited liability company (in Danish: *Aktieselskab*) Penneo A/S.

4.4 Domicile, registered office, and website

The Company is incorporated in Denmark and operates as a public limited liability company (in Danish: *Aktieselskab*) under the laws of Denmark with its domicile registered at the following address:

Penneo A/S
Enghavevej 40, 4th floor
1674 Copenhagen V
Denmark

Telephone: +45 71 99 98 93

Website: www.penneo.com. The information on the website do not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

5 Markets

Please refer to “Part III – Registration document; Section 1.4 Third party information and market data” on the use of statistics, data, and other information related to markets, market size, expected market growth, market shares, market positions, and other industry data pertaining to the Company’s business and markets in this Prospectus and the following sub-sections of “Part III – Registration document; Section 5 Markets”.

5.1 Introduction

The Company operates in two distinct markets; the Digital Signature (“**DS**”) market and the Electronic Know Your Customer (“**e-KYC**”) market. Both markets are driven by an increased need and demand for digitization, new digital-oriented legislation, and efforts to tackle climate change and financial fraud. Legislation such as the Electronic Identification, Authentication and Trust Services (“**eIDAS**”) regulation, the General Data Protection Regulation (“**GDPR**”), the Anti-Money Laundering (“**AML**”) Directives, European Single Electronic Format (“**ESEF**”), and the EU’s Digital Single Market aspirations drive the demand for digitization. Additionally, companies, and in particular large enterprises, expect their spending on information technology to increase significantly in the coming years. In sum, the Company taps into these two markets that are forecast to grow by 31% and 22% annually from 2020 to 2026, respectively.

While the early stages of the Company’s growth journey mainly focused on digital signatures and document archival, the Company has recently strengthened its position in the e-KYC market, accelerated by the acquisition of the KYC software activities from CLA Reply in October 2020.

The Company has a proven product-market-fit and a strategic focus on the auditing and accounting industry, the financial institutions industry (primarily banks, payment and loan providers, leasing companies, and debt collectors), and other AML-regulated industries. Traditionally, both accounting firms and financial institutions have been characterized by a low level of digital innovation. However, the gradual digitalization of these industries has shown that time spent on non-value-adding processes can be significantly reduced and enable the auditors, banks, payment and loan providers, and lessors to focus more on value-adding work. As a result, digitalization in these industries has become a strong value driver, and companies are now actively exploring digital innovation and implementing new technologies to increase efficiency and develop their business models. Penneo Sign and Penneo KYC are used to digitalize and automate the workflow for accounting firms and financial institutions in relation to client onboarding as well as signing and handling of various documents, e.g., engagement letters, employee contracts, and annual reports. As of the date of this Prospectus, the Company has +2,400 customers from various industries in Denmark, Norway, Sweden, Finland, Belgium, and Germany.

With a strong foundation and a proven track-record in Scandinavia, the Company is now targeting the broader European auditing and accounting industry together with the financial institutions industry and other AML-regulated industries through a well-defined internationalization strategy. The increase in digitalization, together with many initiatives on cross-border standardization of financial reporting processes and compliance, continues to leverage the scalability of the Company and facilitate rapid entry into new markets.

Below, the two primary markets – the DS market and the e-KYC market – will be described in relation to market size, market growth, and the underlying market drivers for growth with a focus on key strategic industries of Penneo; the auditing and accounting industry, the financial institutions industry (primarily banks, payment and loan providers, leasing companies and debt collectors) and other AML-regulated industries.

5.2 The digital signature market

A digital identity authenticates electronic documents in the same way a handwritten signature verifies printed documents. Digital signatures are a means to authenticate the identity of signers and the integrity of signed electronic documents and messages. They are admissible as evidence in legal proceedings and provide a higher level of security than handwritten signatures.

Key market drivers



Strong demand for safe authentication method



Improved efficiency in key business processes



Ensuring transparency and compliance

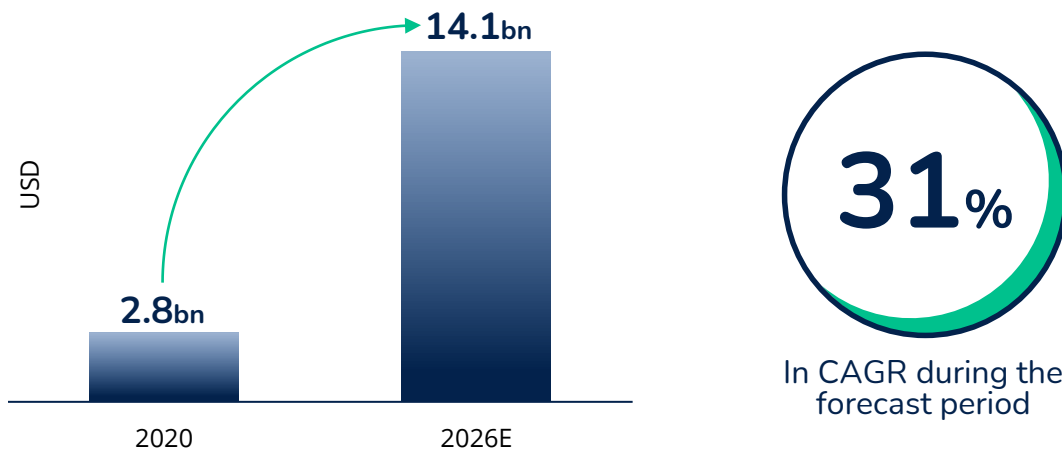


Growing demand for cryptographically encrypted identity solutions

Globally, the DS market was estimated to be worth USD 2.8 billion in 2020 and is expected to be worth USD 14.1 billion by 2026, growing at a compound annual growth rate (“CAGR”) of 31%.¹ The awareness related to digital signatures is being widely addressed in Europe and is further emphasized by strong government regulation. While North America is expected to hold the largest share of the global DS market, Europe accounts for the second-highest market share and is projected to grow at the highest CAGR during the forecast period.

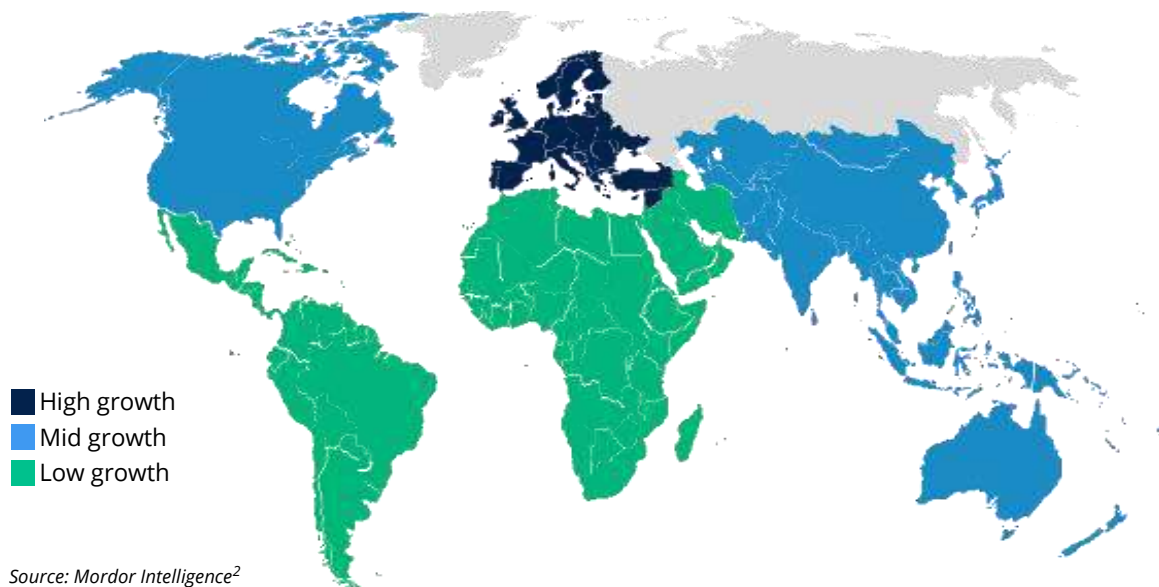
The growing number of digital business processes is increasing the adoption of digital identity technologies across industries. The auditing and accounting industry, as well as the banking, financial services, and insurance (“BFSI”) industry, are expected to be some of the primary segments for growth in the DS market.¹ However, not all organizations in the BFSI industry fall within the target group of Penneo, which primarily focuses on banks, payment and loan providers, leasing companies, and debt collectors.

Expected growth in the digital signature market



Source: MarketsandMarkets¹

The digital signature market growth by region 2019-2024



Source: Mordor Intelligence²

Auditors and accountants deal with slow, paper-based, and document-heavy processes that often take time away from advising clients, for which reason this vertical is expected to continue the shift to effortless digital interactions to get rid of paper-based transactions and simplify regulatory compliance. Through digital signing, auditors and accountants can streamline the workflow around signature collection and ensure that everything happens in a compliant order while keeping track of all document transactions in one place only.

BFSI organizations deal with critical data and information, and these organizations have witnessed large-scale adoption of advanced technologies in recent years. The use of online services, such as internet banking, mobile banking, and stock trading, has soared. The BFSI industry is focusing on understanding digital consumer behavior, preferences, and choices through customer-centric business applications. Digital signatures help BFSI firms simplify complex business processes by offering enhanced security and improved customer experience. Owing to these benefits, digital signatures are gradually gaining increased traction in these verticals.¹

The market growth can be attributed to the global transition toward digitalization which has been strengthened by the outbreak of the COVID-19 pandemic. Furthermore, with the increasingly stringent government regulation with initiatives and regulations such as eIDAS, GDPR, and AML (see section 5.4.2), the EU is creating a united European digital platform to support basic legal recognition of digital authentication systems across borders. Moreover, growth is driven by increasing investments in electronic documents by governments and enterprises and the growing use of digital signatures to eliminate fraud, encourage technological innovations, improve data integrity, scalability, and transparency.³ More companies have taken measures to secure remote contractual, financial, and other associated procedures. Hence, with this surge in the volume of digital transactions, the DS market is growing rapidly.

The Company has established a strong position in the market for digital signatures by capitalizing on the increasing need for online security and authentication. By providing a market-leading solution for the auditing and accounting industry, financial institutions, and other AML-regulated industries in the Nordics, the Company is well-positioned to further capitalize on the potential in the European market for digital signatures.

5.3 The e-KYC market

While the strategic focus of the early stages of the growth journey mainly was on digital signatures and document archival, the acquisition of the KYC software activities from CLA Reply in October 2020 can be seen as a way for Penneo to utilize the existing position within AML-regulated industries to build a strong position as a leading provider of e-KYC solutions.

KYC processes originate from the Markets in Financial Instruments Directive (“**MiFID**”) and refer to a procedure for identifying and verifying the identity of a client. A number of regulations regarding, for instance, AML, Counter Terrorist Financing (“**CTF**”), and eIDAS affect this process. The term e-KYC refers to the digitalization of KYC processes and the electronic and online conception of these.⁴

Companies within the BFSI industry were required to perform KYC to provide their clients with the best advice and to prepare an investment portfolio tailored to their risk profile. Customer Due Diligence (“**CDD**”) measures are regulated within the AML Directive and aim to assess the risk a client represents – i.e., how likely is it that the client will engage in or use the business relationship for financial crimes.

Key market drivers



Surge in online banking increases requirement for KYC & AML when setting up an account



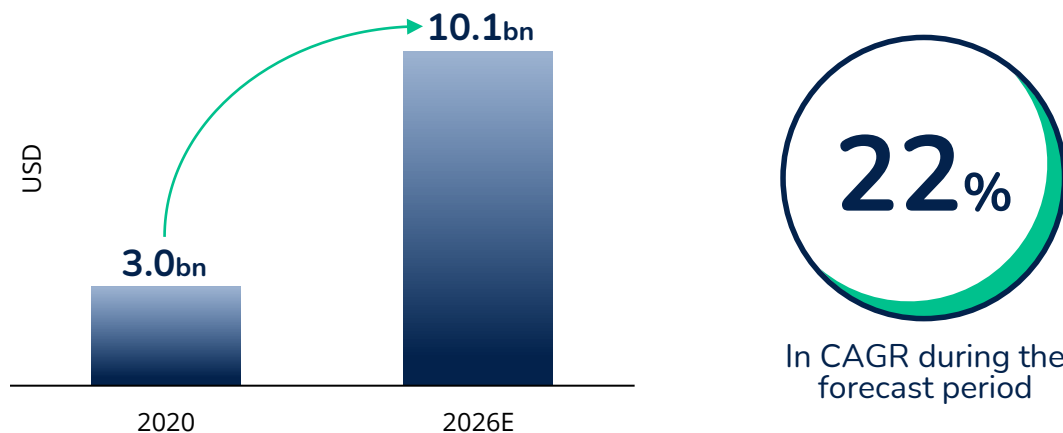
Stringent regulations to prevent money laundering and financial fraud



Increasing importance of compliance management due to an increase in identity-related fraud

The e-KYC market was valued at USD 3.0 billion in 2020 and is expected to surpass USD 10.1 billion by 2026, growing at a CAGR of 22.4%⁴. The growth in the e-KYC market is driven by numerous market trends; (i) more banks are beginning to do business online, meaning that KYC and AML processes must be carried out when clients set up accounts to ensure that they are not used for fraud, (ii) stringent government regulations to prevent money laundering and financial fraud, and (iii) growth in the FinTech industry, which is focused almost exclusively on using apps and websites for traditional bank-like functions such as lending and taking cash deposits. In addition, (iv) the rise in tech budget spend will also contribute to continued market growth.

Expected growth in the e-KYC market



Source: Fatpos Global⁴

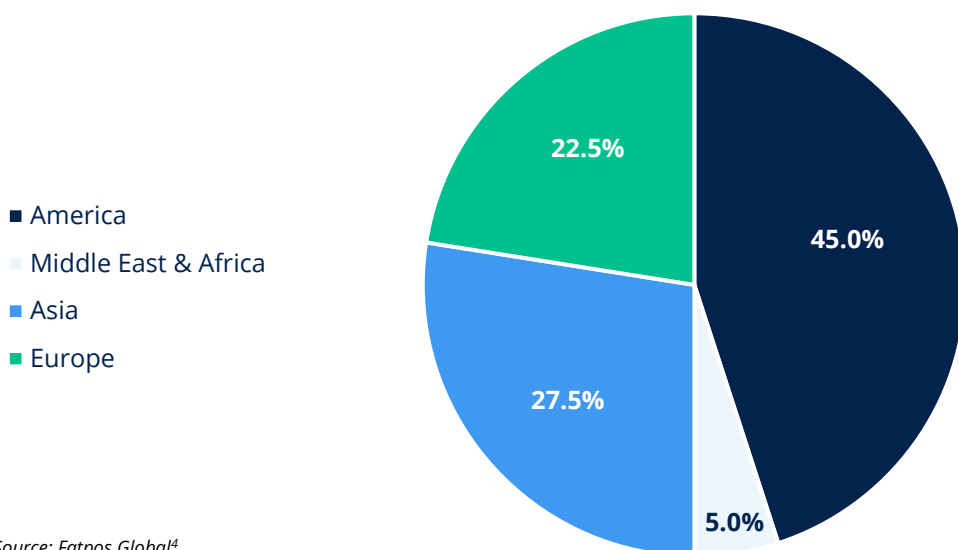
Modern customers require easy and immediate access to the services they need. As delays and long processing time can jeopardize customer relationships, e-KYC helps ensure better customer experiences, while also ensuring a high level of compliance and security. Awareness about where the data are stored and who has access to the data is the basis of AML compliance. A digital solution will increase the reliability and quality of data and allow businesses to export it as an auditable KYC report to document compliance.

Both accounting firms and financial institutions typically have heavy paper-based, document-centric and labor-intensive tasks, and workflows. Digitalizing and automating processes within these industries represent a great opportunity to reduce costs significantly and optimize process potential. The increased focus on digitalizing compliance towards AML regulation and GDPR for both banks, payment and loan providers, leasing companies, debt collectors, and accounting firms has made e-KYC an important area of focus.

With e-KYC solutions, companies can reduce the time spent on onboarding new clients and take care of regulatory compliance. More specifically, these companies are enabled to optimize client onboarding and go through a guided risk assessments in just 5-10 minutes. They can easily retrieve data for current and past interactions and prove that everything is/was done in a compliant manner. These tasks are both time-consuming and labor-intensive, making it costly for auditors and financial institutions to stay on top of the game. The number of employees working with AML/KYC and compliance as their key tasks has increased significantly in recent years and so have the expenses related to AML/KYC and compliance. For example, Danske Bank's expenses related to AML/KYC and compliance increased from DKK 1.8 billion in 2018 to DKK 3.1 billion in 2019 and was expected to reach in the range from DKK 4.0 to 4.2 billion in 2020.⁵ In order to reduce these costs, Danske Bank, among others, plans to invest massively in the digitalization and automation of AML/KYC and compliance processes.

With e-KYC solutions, businesses are enabled to optimize business operations by reducing manual tasks, getting rid of inefficiencies, and speeding up processes. Moreover, benefits related to customization, integrations with existing software and progress status will benefit businesses and make business processes automated and more efficient.

e-KYC regional market share



Source: Fatpos Global⁴

McKinsey places the auditing and accounting industry among the most automatable industries, estimating that 86% of their tasks can potentially be automated.



5.4 Key trends

The two key markets in which Penneo operates today – the DS market and the e-KYC market – fall under three broader and more general markets; the digital identity market, the digital transaction management market, and the business process automation market. These markets are all characterized by high annual growth rates between 12-30% towards 2026. All the above-mentioned markets that Penneo directly or indirectly taps into are driven by several international market trends that have been important for the development of the Company in the past and that will remain key to the Company's growth and internationalization. The four major trends to drive continued market growth are outlined below:

- **Digitalization** – Increased digitalization and automation in the public and private sectors enhances work efficiency and improves cost-saving opportunities.
- **Legislation** – Through regulations such as eIDAS, GDPR, and AML, the EU aims to support and ensure legal recognition of digital identities.
- **Climate change** – Increased focus on climate impact of paper waste, which can be significantly reduced through digitization of document-heavy processes.
- **COVID-19** – COVID-19 has accelerated the digital transformation, and due to the rise in remote work, enterprises are now looking for more flexible business methods that are seamless, efficient, and can be completed from anywhere at any time.

5.4.1 Digitalization

Digitalization is one of the underlying global market trends that drive the growth in the DS and e-KYC markets. Industries are currently undergoing comprehensive digital transformation, moving applications, and information online, and consequently, the demand for these applications is growing. Digitalization is essential for companies to remain competitive as it helps them to improve operating efficiency and reduce costs. According to McKinsey, the auditing and accounting industry expects to allocate additional resources towards technology, and 86% of the current tasks and workflows can be digitalized,⁶ highlighting the market potential as well as the strong strategic position of the Company.

Benefits of digitalized auditing

The auditing and accounting industry is currently undergoing significant change with major digitalization projects across many firms. The auditing and accounting industry has generally shown reluctance to adopt digital solutions, and the shift from manual workflows to automated solutions is driven by strong client demand.⁷ With the Big 10 accounting firms leading the way towards becoming more technology-driven, smaller accounting firms are inspired to follow, which will ultimately set new standards for the use of digital solutions in the industry.

Significant cost reductions for auditors

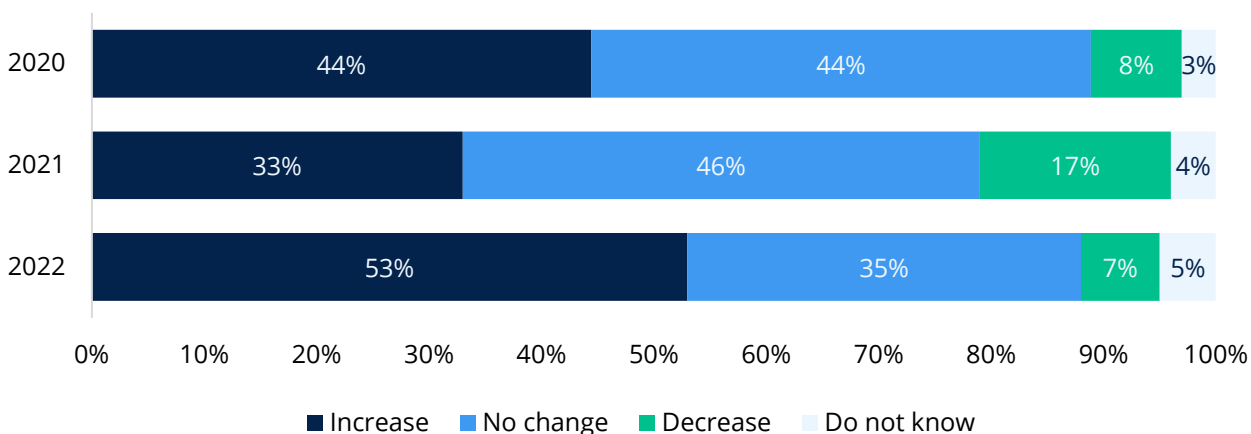
Accounting firms can achieve great benefits by investing in technology as it has a high business optimization potential to save both time and money. McKinsey estimates that 86% of auditors' current tasks and workflows could potentially be automated.⁶

It is still to be determined how technology will shape the future of accounting and finance, but current software solutions like Penneo Sign and Penneo KYC will automate time-consuming, manual, and routine tasks and allow auditors and financiers to deliver a better client experience at a reduced cost.

Accounting firms are allocating more funds towards tech investments

As most corporations are in a process of digitalizing their businesses and gradually becoming technology-driven, they expect the same from their auditors. IT budgets are expected to grow in 2022, with growth expectations being significantly higher than in the past two years (even before the COVID-19 pandemic). Among businesses in North America and Europe, 53% anticipate that their IT budgets will increase, 35% anticipate that their IT budgets will remain unchanged, and just 7% expect their IT budgets will decrease in 2022. On average, a 26% increase in the IT budgets for the businesses increasing their IT budgets is expected. In addition, 67% of businesses in the financial services sector expect their IT budgets to increase in 2022.⁸

Expected IT Budget Change



The increase in budget allocation towards digitalization and automation frees up time from low-value processes that auditors and financiers can instead spend on value-adding advisory services with focus on client issues that require in-depth analysis. Getting agreements signed before, during, or after the auditing process is time-consuming as it requires coordination and follow-ups. With the Company's solutions; Penneo Sign and Penneo KYC, auditors and financiers can automate part of their previously manual work and focus on key tasks.

5.4.2 Legislation

The political ambition is another underlying dynamic driving the market growth. With the eIDAS regulation prescribing that a digital signature has equal legal status as a handwritten signature and the GDPR and AML regulation increasing the requirements that companies have to comply with, software solutions such as Penneo Sign and Penneo KYC are well-positioned to capitalize on these legislative initiatives whilst helping companies stay compliant in an efficient manner.

Digital Single Market

The European Commission launched the Digital Single Market initiative with three purposes; (i) better access for consumers and businesses to digital goods and services across Europe, (ii) creating the right conditions and a level playing field for digital networks and innovative services to flourish, and (iii) maximizing the growth potential of the digital economy. One of the primary goals of the Digital Single Market is to let digital services such as Penneo Sign and Penneo KYC reduce administrative burdens with the "Once Only Principle", which will allow public administrations in Europe to reuse or share data and documents that people have already supplied, in a transparent and secure way.

Electronic Identification and Trust Service Regulation

In 2014, eIDAS regulation was introduced with the aim of facilitating secure and seamless electronic transactions throughout the EU and defining the standards for how trust service providers (“**TSPs**”) are to perform their services of authentication and non-repudiation. eIDAS is a binding legislative act that all EU member states are required to follow.

eIDAS ensures that people and businesses can use their national electronic identification (“**eID**”) scheme to access public services in other EU member states. Hence, eIDAS correspondingly supports the Digital Single Market for Electronic Trust Services (“**eTS**”), including digital signatures, by ensuring that the services will work across borders and have the same legal status as traditional paper-based processes. National electronic identifications such as MitID (NemID) in Denmark and BankID in Sweden and Norway have provided the background for the Company’s eID and eTS services.

TSPs are responsible for assuring the integrity of eID and signatories through well-defined procedures for authentication, digital signatures, and digital certificates. The eIDAS regulation requires that the EU maintain a List of Trusted Lists (“**LOTL**”), including all providers and services assigned with the qualified status. A TSP and the services it provides will only be qualified if the entity appears on the EU trust list.

General Data Protection Regulation

The General Data Protection Regulation came into effect in May 2018. The GDPR aims to strengthen and harmonize the protection of personal data in the EU. Since May 2018, more than 800 fines worth more than EUR 1.2 billion have been given to companies and organizations for GDPR breaches.⁹ GDPR has increased the need for compliance in handling and storing personal data. The Company’s solutions are fully compliant with GDPR regulation and can help companies reduce the risk of receiving fines.

Anti-Money Laundering

The EU’s 6th AML Directive came into effect in December 2020 and introduced a further tightening of the responsibilities related to KYC procedures and CTF. Auditors were already subject to AML rules from previous directives.

Since 2015, annual AML penalty figures have been steadily increasing every year. Multi-million-dollar fines have become commonplace, and penalties of more than USD 1 billion were given thrice in 2020.¹⁰ In total, 56 fines worth more than USD 10 billion were issued for AML violations in 2020.¹⁰ Historically, AML fines have primarily been given to banks, but the proportion of fines given to banks has significantly decreased over the years, demonstrating that money laundering is a concern that affects more types of businesses and is now recognized as a general business issue.

The continuous tightening of AML regulation has increased the requirements for more thorough customer background screenings, which is one of the core KYC procedures. A natural consequence of this is that companies are now forced to handle more sensitive information about their customers, which they are thus required to establish compliant processes for – these KYC processes can efficiently be automated through solutions such as Penneo KYC.

European Single Electronic Format

As of January 2020, issuers on EU regulated markets must prepare their annual financial reports in a single electronic reporting format. The objectives of the provision are to make reporting easier for issuers and to facilitate accessibility, analysis, and comparability of annual financial reports.

CONTINUE TO BE A FRONTRUNNER FOR A GREENER TOMORROW

Penneo works loyally with UN's SDGs, supporting Responsible Production and Life on Land and will continue to save the environment from more printed paper with each new customer

3m documents signed digitally a year.

74 tons of paper saved.

100% paper-free.



A single electronic reporting format contributes to accelerating the digital maturity of the European market and is an essential part of digital signing and reporting to authorities.

The strong focus on compliance within AML gives the Company a competitive edge as auditors and financial institutions are subject to strict misconduct regulation. In addition, the Company's solutions for digital workflows and data storage are compliant with all data protection standards and can automate the otherwise manual tasks during, e.g., KYC procedures for auditors and financiers. Legislation concerning digitization and protection of data rights is likely to remain highly relevant for years to come, and future developments on the subject are only expected to strengthen the value proposition of the Company as the incentive for investing in digital solutions like Penneo Sign and Penneo KYC increases. Ultimately, this will facilitate an improved market position for the Company.

5.4.3 Climate change

Climate change and sustainable business practices have gone from being buzzwords to being integral parts of corporate strategies. The United Nation's ("UN") sustainable development goals have become important benchmarks for companies in most industries. Digitalization removes the need for physical documents and helps companies to become more sustainable by increasing resource efficiency and reducing waste. By becoming entirely paper-free, companies take part in the sustainable agenda and contribute to reducing deforestation.

Sustainable business practices

More and more businesses are discovering that focusing on corporate responsibility helps them maintain a sustainable competitive edge while also contributing to the sustainability agenda. The Company is committed to supporting the UN's Sustainable Development Goals ("**SDGs**"). The Company is addressing UN SDG 12 and SDG 15, "Responsible Consumption and Production" and "Life on Land", respectively. On a global level, the progress of SDG 12 has been disappointing. The consumption of materials worldwide has increased significantly from 8 tons of natural resources used to satisfy a person's need in 1990 to almost 12.2 tons per person in 2017.¹¹ The UN has suggested policies to improve resource efficiency, reduce waste, and streamline sustainability practices across all sectors of the economy.

The Company's solutions remove the need for physical documents, which helps companies increase resource efficiency, reduce waste, and thus generally make business practices more sustainable. SDG 15 targets protection of terrestrial ecosystems and biodiversity. Forests cover c. 30% of the Earth's surface and are an essential part of the global ecosystem. The Company's solutions are based on a completely paper-free vision and will thus contribute to the implementation of sustainable business practices and help reduce deforestation by reducing the global demand for paper.

5.4.4 COVID-19

The outbreak of COVID-19 has changed the dynamics of business operations all over the world. The pandemic has revealed weaknesses in traditional business models across different industries but has also accelerated the digital transformation, offering several new business opportunities. According to IBM, the COVID-19 pandemic has accelerated digital transformation by 59% due to the need of improving business processes and saving time and cost and because businesses rely increasingly on remotely working employees.¹² During the COVID-19 crisis, governments, and regulatory authorities have sought to mandate both public and private businesses to embrace new practices for working remotely and keep social distancing. As a result, most organizations have adopted more digital working practices, and individuals are progressively inclined towards using digital technologies. This has also caused a rising demand for cyber security and robust security policies.

The **COVID-19 pandemic** has accelerated **digital transformation** by **59%** according to IBM



5.5 Addressable geographic market

As of the date of this Prospectus, the Company has a strong presence in Scandinavia and has entered Finland, Belgium, and Germany. The realized growth in the Nordic countries can be explained by the high level of digitalization characterizing these markets. The Nordic markets are some of the most digitalized countries in Europe and have by far the highest adoption of eIDs.

Despite already having gained a strong foothold among auditors, the Company still has a considerable potential to penetrate the Nordic markets further with Penneo Sign and Penneo KYC by focusing on other industries, such as the financial institutions industry (primarily banks, payment and loan providers, leasing companies and debt collectors) and other AML-regulated industries. In line with the broader and ongoing digitalization of Europe, including the rollout and adoption of national eIDs, Penneo is well-positioned to gain market share outside the Nordic region as well.

When assessing the attractiveness of new geographic markets, the Company has three main parameters that need to be evaluated. These are; i) a high degree of digitalization, ii) a developed national eID scheme, and iii) specific local market conditions.



In the following paragraphs, each of these parameters will be described. Currently, seven geographic markets are considered target markets for the Company, in addition to its existing geographic markets – these are France, Ireland, Italy, Lithuania, the Netherlands, Spain, and the United Kingdom.

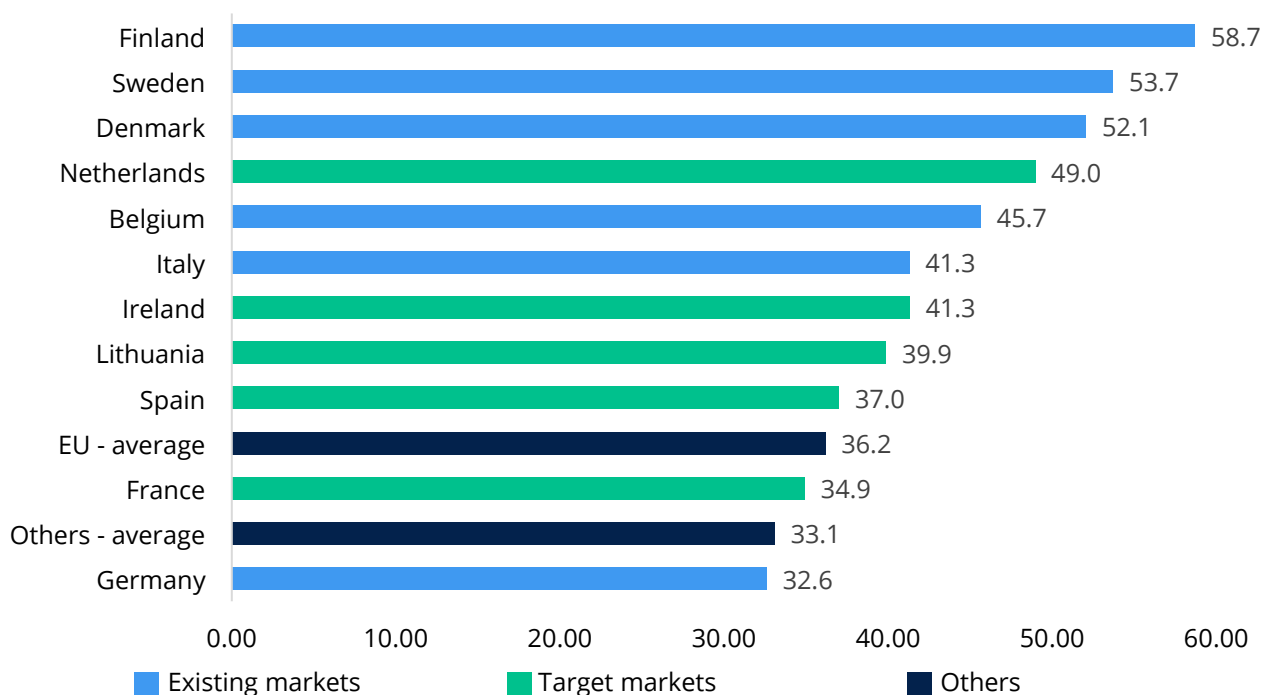
5.5.1 A high degree of digitalization

A relatively high level of digitalization is a prerequisite to ensure the right product-market-fit between the Company's solutions and a given geographic market. The Company's success in Denmark can, to a large extent, be ascribed to the high level of digitalization within both public and private organizations. The Management estimates that most European countries are approximately three to four years behind the Nordic countries in terms of digitalizing their economies.

The Digital Economy and Society Index (DESI) monitors the overall digital performance and tracks the progress of EU member states regarding their competitiveness. The index is a composite of four dimensions; "Human Capital", "Connectivity", "Integration of Digital Technology" and "Digital Public Services", of which "Integration of Digital Technology" is the most relevant when assessing the attractiveness of a given geographic market for the Company. One sub-dimension of this dimension is "Digital technologies for businesses", covering the percentage of companies in the given country that utilizes electronic information sharing, social media, big data, and cloud computing, artificial intelligence, information and communication technology for environmental sustainability, and e-invoicing.

As illustrated on the next page, all of the Company's existing and target markets have a DESI – digital technologies for businesses score higher than the EU average, except for Germany and France. Moreover, it becomes evident how most of the Company's existing markets are performing well in terms of digital technologies for businesses with existing markets making up three out of the top four of the index.

Digital Economy and Society Index (DESI) – Digital technologies for businesses, 2021



Source: European Commission (2021A)¹³

5.5.2 A developed national eID scheme

The second parameter used to evaluate target markets is the existence of a national eID. Most EU countries have at least one type of eID, whereas only two countries do not have any eID yet; Bulgaria and Cyprus. History shows that the earlier a country developed an eID strategy, the more likely the country is to have a well-defined and developed eID solution.¹⁵ Denmark and Finland were the first countries to develop an eID strategy, and both countries have high eID adoption rates among their respective populations. The eID strategies differ from country to country – some are stand-alone strategies, whereas others are a part of a wider digitization strategy focused on introducing eIDs to the broader society. Hence, the eIDs of the countries can be distinguished by several factors. These are; (i) whether the provider of the eID is the state, a private service provider, or a mix between the state and a private service provider, (ii) whether it is mandatory to have an eID, and (iii) the availability of the eID through a mobile application.

In sum, the most reasonable measure of a developed national eID scheme is the adoption rate of the eID among the different countries' populations. All of the Company's existing and target markets have adoption rates of national eIDs that are higher than the EU average - except Belgium, Germany, and Italy.¹⁴

5.5.3 Specific local market conditions

In addition to the two parameters previously outlined, Penneo is always assessing local market conditions before entering new markets. This is a way to ensure the right product-market-fit and that the timing is right. The Company does, of course not consider this parameter in isolation but in relation to the first two parameters.



More than 66% of all annual reports filed to the Danish Business Authority in 2020 were handled by Penneo

Considerations of specific market conditions cover a wide range of different areas. It could, for instance, be the use of electronic filing of annual reports. According to EU regulation concerning the filing of annual reports, public companies are subject to the ESEF, which aims to harmonize and systematize the filing of annual reports across the EU. Despite differences in filing methods, electronic filing of annual reports is mandatory in 13 out of 27 EU countries. Another example of a specific market characteristic to consider could be an existing strategic partnership with either a customer or another strategic player with a strong position in the market, as was the case in relation to the Belgian market entrance, where Penneo teamed up with Silverfin – a cloud platform for accountants founded in Belgium – to get a grasp of local market conditions in Belgium. This approach provides Penneo with the opportunity to gain local knowledge and a good point of entry to local networks. Another determinant of market entrance could be the competitive landscape. All else being equal, it is less attractive for Penneo to enter markets characterized by strong competition and where large incumbents are already dominating the market.

In sum, this parameter, together with the level of digitalization and the rollout of national eID schemes, is used as a benchmark to screen the potential of new target markets. Using these parameters as proxies for market attractiveness enables Penneo to remain agile and responsive to new market developments. This is a way to ensure that Penneo continues to make wise business decisions and that no market is entered before the timing is right.

5.5.4 Overview of existing geographic markets and target markets

Penneo has gained a strong foothold and market position in the Nordics, especially within the auditing and accounting industry where the Company's solutions are used either within all or some Big 4 firms in both Denmark (all), Norway (3 out of 4), and Sweden (2 out of 4). Penneo will continue to be the go-to identity verification solution for the auditing and accounting industry led by the Big 4 and use these as a major distribution channel as they act as gateways to large client bases. There are strong network effects to be harvested in this regard as many audit clients are also facing the increased need to digitally transform to comply with KYC and AML regulation. The strategy to further penetrate existing markets is based on upsell of Penneo KYC to existing audit clients while also targeting other AML-regulated industries.

Penneo was founded in Copenhagen in 2014, and Denmark has been the most important market in the early phase of Penneo's growth journey. On top of being the home market for Penneo, Denmark constitutes an attractive market based on a high DESI score and the second highest eID adoption rate. Moreover, the Company has managed to obtain a very strong position in the Danish auditing and accounting industry having all Big 10 accounting firms as customers. As of the date of the Prospectus, Penneo has +1,750 customers and approximately 73% of annual recurring revenue ("**ARR**") generated in the Danish market.

Penneo started its internationalization journey in 2017 when the Company entered Norway and Sweden. Both countries have many similarities to Denmark and share some of the same characteristics in terms of digital transformation. As of the date of the Prospectus, Penneo has +440 customers in Norway and +200 customers in Sweden, with approximately 17% and 8% of ARR generated from these respective countries.

In 2020, the Company was admitted to trading on Nasdaq First North Growth Market Denmark, raising DKK 50m to fuel its expansion into new markets such as Belgium and Finland in late 2020.














Despite a relatively low eID adoption rate, Belgium has the third highest DESI score, and prior to market entrance, Penneo entered a strategic partnership with Silverfin, a cloud platform for accountants founded in Belgium. As of the date of the Prospectus, Penneo has +20 customers and slightly more than 2% of ARR stemming from the Belgian market.

In terms of DESI score and eID adoption rate, Finland is the most digitalized country in Europe and is thus an attractive market for Penneo to grow its position. Finland consists of only 80 accounting firms, which could be an opportunity for Penneo to utilize the network effects and gain access to a large group of local audit clients through the larger accounting firms. As of the date of the Prospectus, Penneo has 6 customers in Finland, which constitutes a very small share of the overall ARR generated.

Historically, some countries have been more hesitant to push forward digital transformation and it is therefore not all European countries that currently satisfy all parameters described in the previous sections. However, with the aim to become the de facto standard and the market leader within Europe, it is of utmost importance to be ready for the international expansion as prospective markets mature. As an example, the Company followed a cross-border customer into Germany in May 2021. Although this should not be seen as a proactive market entrance, having a German customer can be seen as a good way to gain a deeper understanding of the German market. Germany performs worse than the European average in terms of business digitalization, yet the German market constitutes one of the largest markets in Europe, and hence the Company must be prepared to accelerate efforts in the German market once the level of digitalization and the eID adoption rate improves and reaches a sufficient level.

The Company has identified a list of target markets that are attractive based on the three parameters used to assess the potential of new target markets. These markets are mapped below.

European target markets of Penneo

Country	DESI score	Adoption rate of eID	Number of accounting firms	Number of SMEs
 Denmark	52.1	89%	1,568	26,253
 Sweden	53.7	84%	145	39,247
 Norway	n.a.	79%	n.a.	22,527
 Belgium	45.7	25%	529	31,975
 Finland	58.7	87%	80	20,122
 Germany	32.6	31%	2,992	443,812
 France	34.9	34%	6,019	135,074
 Ireland	41.3	52%	5,272	20,837
 Italy	41.3	29%	463	191,550
 Lithuania	39.9	55%	171	13,265
 Netherlands	49.0	80%	365	51,100
 Spain	37.0	94%	1,395	145,761
 United Kingdom	n.a.	12%	6,331	205,983

Sources: European Commission (2021A)¹³, European Commission (2021B)¹⁴, European Commission (2017)¹⁵ and European Commission (2019)¹⁶

5.6 Competitive landscape

With the Company's current product offering, the competitive landscape can be divided into the different markets (DS and e-KYC) described in sections 5.2 and 5.3 above. The markets for DS and e-KYC have specific characteristics and drivers impacting how the competitive landscape will develop.

The different players operating in the same markets as Penneo often differentiate themselves based on their strategic positioning. Some competitors target large enterprises, whereas others target a broader group of both individuals and businesses of varying sizes.

Furthermore, competitors focus on either having a "conquer all" strategy, offering a platform that provides solutions across sectors, or narrowing in on specific industries or department functions. Currently, Penneo is strongly positioned within the auditing and accounting industry, among financial institutions (banks, payment and loan providers, leasing companies, and debt collectors) and AML-regulated industries in general.

Due to the growth and the early-stage nature in the e-KYC market, it can be expected that more competitors will enter the market, making it essential that current KYC providers maintain a technological lead to avert competition.

To identify the most appropriate direct competitors in the two markets, three criteria have been identified. These criteria are used to recognize and categorize how specific companies could be a threat to the Company.

- **Similar product offerings:** The Company's two solutions are Penneo Sign and Penneo KYC. Therefore, similar products are characterized as digital solutions that digitalize and automate business workflows, including e-signatures, document workflows, and onboarding/KYC processes. In addition to this, companies that offer somewhat similar tailored B2B digital solutions could be viewed as relevant competitors.
- **Geographic presence:** The Company has a strong foothold in the Scandinavian market and aims to expand to the broader European market. When examining the competitive landscape, it is, therefore, relevant to see if any competitors are active or seek to establish a strong presence in any of Penneo's existing or target markets.
- **Customer segmentation:** The Company's current customer segmentation and the updated strategic focus involves a large auditor clientele and an increasing focus on the financial institutions industry. Competitors that primarily focus on the auditing and accounting industry will be more relevant when assessing the Company's competitive situation. Subsequently, competitors who target medium to larger enterprises are most relevant.

5.6.1 Overview of competitors

The competitive landscape includes both small and more mature competitors within both DS and KYC solutions. Based on the three identified criteria, six of the most relevant companies have been mapped out. These competitors are DocuSign, Nitro Connective, Scribe, GetAccept, ZignSec, and Signicat. A comparison of the Company and the competitors is provided below. Further, the strategic positioning of each competitor will be highlighted vis-à-vis the Company.

Please note that the comparison and strategic positioning described for each competitor is based on publicly available information and judgements by the Company's Executive Management and Management.

	PENNEO	DocuSign	Nitro Connective	Scrive	GetAccept	ZignSec	Signicat
GENERAL							
Public	✓	✓				✓	
Founded	2014	2003	2014	2010	2015	2015	2007
HQ Country	Denmark	USA	Belgium	Sweden	USA	Sweden	Norway
Markets	6	+180	+15	+40	+50	8	+30
Customers	+2,400	+1 million	+1,000	+6,000	+5,000	+400	+1,300
Employees	77	~6,200	+50	+200	~160	+85	~400
SOLUTIONS							
eSignatures	✓	✓	✓	✓	✓	✓	✓
KYC/Onboarding	✓	✓	✓	✓		✓	✓
Document automation	✓	✓	✓	✓	✓		
SECURITY LEVEL							
Security level	AES	QES	QES	AES	n.a.	n.a.	AES
Certificate authority	Intesi Group	DocuSign	n.a.	Swisscom & Verimi	n.a.	n.a.	Signicat

Sources: Company websites, social media profiles, press releases, and presentations¹⁷

DocuSign is a listed US-based company that gives organizations the opportunity to manage and automate the digital agreement process. DocuSign offers a variety of signing solutions and document management platforms which can be integrated with SAP, Workday, Salesforce, etc. DocuSign invests heavily in sales and marketing and pursues a “conquer all” strategy, currently having signers in over 180 countries. DocuSign is a Qualified TSP (“**QTSP**”) and thus can ensure the highest level of security in the verification process and thereby offer Simple Electronic Signatures (“**SES**”), Advanced Electronic Signature (“**AES**”) and Qualified Electronic Signatures (“**QES**”). DocuSign differs from Penneo by not having a strategic focus on the audit industry and lacks the security and compliance features required in financial reporting processes. However, DocuSign does have Silverfin and Wolters Kluwer integrations, giving DocuSign a slight presence in the audit industry, but with 350 other integrations, DocuSign is able to target a wide variety of industries. DocuSign targets customers of all sizes ranging from individuals to large enterprises.

Nitro Connective is a Belgian competitor, which has over 1,000 customers and is present in more than 15 countries. Connective's core solutions resemble those of Penneo as Connective's software platform offers identification and identity verification services, digital content generation, and digital signatures. Furthermore, Connective's solutions cover a range of industries, including the auditor vertical, but it neither has specialized solutions for the auditor vertical nor direct sales to the Big 10 firms. Connective also focuses on the usage of eID signatures and offers qualified e-signatures. Connective differentiates itself from its peers by having one of the most comprehensive lists of eID integrations and is the only e-signature provider that supports the French eID; France Connect.

Scrive is a Nordic e-signature provider with more than 6,000 customers across more than 40 countries. Scrive's main products are e-sign and eID hub, where e-sign lives up to the AES standards of the eIDAS regulation but uses a different technology than Penneo, namely the Keyless Signature Infrastructure. Scrive's eID hub product focuses on authentication primarily related to the onboarding of clients and KYC processes. Scrive's platform relies on eID integration in its signing solution and supports eIDs in the Netherlands and Germany. Scrive seeks to become a QTSP itself in the future but currently cooperates with a third-party QTSP to provide the signature certificates. However, Scrive falls short on the aspects of delegated signing and the possibility of signing multiple documents, which are features that are vital for the financial reporting process in accounting firms.

GetAccept is an all-in-one sales engagement platform providing an overview of all active contracts and deals. The platform has many features, including e-signature and contract management. GetAccept was originally founded in Sweden but has moved its headquarters to California. GetAccept supports eIDs but relies mainly on scanning documents and using pictures as an identification and verification method. GetAccept does not directly pose any major threat to Penneo as its main business does not feature any integration that is particularly relevant for the auditing industry. However, GetAccept's product is eIDAS compliant and shares similarities with the Penneo Sign solution.

ZignSec is an all-in-one identification and compliance platform which provides a suite of tools. ZignSec is currently present in seven European countries supporting the same eIDs as Penneo as well as the eID of the Netherlands and the Baltic countries. ZignSec's platform focuses mainly on compliance and the onboarding of new customers. In 2021, ZignSec acquired WebShield Ltd and became a full life cycle management solution providing client due diligence and monitoring solutions.

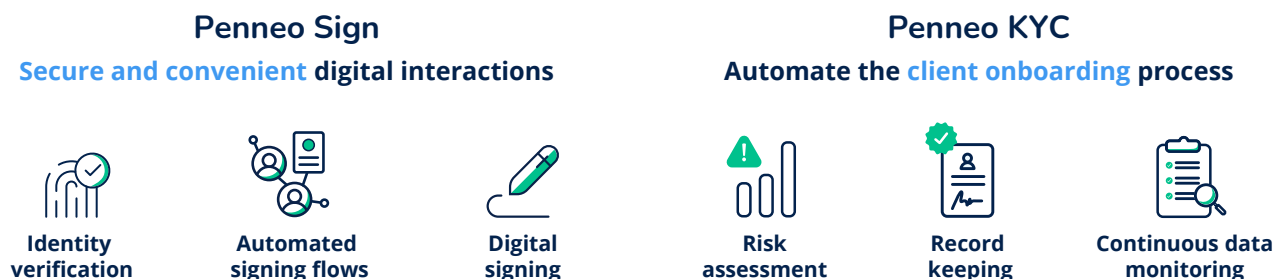
Signicat is a Norwegian digital identity company whose platform incorporates an extensive set of identity verification and authentication systems. Signicat offers a complete set of identity solutions spanning from onboarding to verification to secure authentication in e-signing. Additionally, Signicat's platform consists of over 30 verification options, including more than 15 eID integrations. Penneo and Signicat both use the PAdES technology, which lives up to AES standards, but Signicat differs from Penneo by being a QTSP, thereby being able to provide qualified signature certificates. However, Signicat's similar solutions lack integration with auditing-related software, making Signicat less of a threat to Penneo's strategic focus on the auditing and accounting industry.

When looking at the competitive landscape for digital signatures and KYC/AML providers, the overlap between these two markets becomes evident. Some of the identified competitors challenge Penneo on individual products, while others challenge Penneo on its full solution. These competitors vary in size and have different strategic objectives. Some competitors are specialized digital signature providers, while others support the space for e-KYC solutions. However, competition on enterprise-sized audit customers (top-tier) remains low, even though the digital signature market is maturing. Penneo's full offering, including both Penneo Sign and Penneo KYC, serves as a unique opportunity to leverage the potential synergies between these two products in the Company's target markets. This way, Penneo can utilize its strong position in the audit sector and capitalize on continued growth in the European market for digital signatures and e-KYC.

6 Business

6.1 Overview

Penneo is a Danish-based Software-as-a-Service (“SaaS”) company offering solutions that digitalize and automate business workflows related to onboarding of clients, signing of documents, along with storing, organizing, and managing these documents in a secure, efficient, and compliant manner. As of the date of this Prospectus, Penneo offers two solutions; Penneo Sign and Penneo KYC.



In addition to Penneo Sign and Penneo KYC, Penneo has an aspiration to develop additional solutions in order to become a true end-to-end business process administration platform for the auditing and accounting industry.

6.1.1 History and development of the Company

Penneo was founded in 2014 by six Danish entrepreneurs who got together with a shared ambition to reduce the “hassle to get documents signed” by replacing pen and paper with a digital alternative. As of the date of this Prospectus, Penneo has evolved into much more than just a digital signature tool. With its two solutions, Penneo ensures secure and convenient digital interactions with digital signing featuring automated signing flows and identity verification, as well as automated client onboarding/KYC processes with risk assessment, record keeping, and continuous data monitoring in compliance with GDPR and AML regulation. Early on, auditors became a strategic focus for Penneo, and the Company has evolved together with the increasing complexity of workflows and requirements related to this industry. However, as companies in many other industries carry out similar workflows and are subject to the same regulation, Penneo is now helping more than 2,400 customers across many industries with automating recurring administrative tasks, which ultimately allows them to focus on what really matters to them – **their clients.**

The timetable on the following page presents key milestones of the Company since its inception in 2014.

Milestones



2014

- Penneo was established
- Penneo signed its first Big 10 accounting firm



2016

- Penneo signed its 500th customer



2017

- Penneo expanded into Norway, signing its first Norwegian customer in March
- Penneo became a Nordic player, signing its first Swedish customer in September



2018

- Penneo signed the 10th of 10 Big 10 accounting firms in Denmark underlining the product-market-fit for the auditing and accounting industry
- Penneo reached 437.000 unique users



2019

- Penneo signed its 1,600th customer



2020

- Penneo was admitted to trading on Nasdaq First North Growth Market Denmark in June, raising gross proceeds of DKK 50 million to fuel its internationalization
- Penneo took a big step towards becoming an end-to-end business process administration platform with its acquisition of CLA Reply's KYC software activities in October



2021

- Penneo signed its first international Big 4 accounting firm to Penneo KYC in May
- Penneo secured its first Big 4 accounting firm across all the Nordic countries
- Christian Stendevad joined Penneo as CEO in August

Our why

We want to help companies behave in a more **honest and sustainable** way



Our vision

A world where being **accountable** for the way you do business is a matter of course

Our mission

To make it easy and beneficial to companies to meet **regulatory compliance requirements**



PENNEOTM

6.2 Key strengths

Penneo’s strategy builds on the following key strengths



Facilitation of complex workflows in AML-regulated industries



Being a critical software provider for auditors serves as a clear foundation for growth



Well-positioned for the increased adoption of eID schemes



Network effect unlocks upsell potential and cross-border distribution channel



Organizational backbone in place to accelerate growth

6.2.1 Facilitation of complex workflows in AML-regulated industries

Regulation is constantly evolving following the introduction of new measures promoting digitalization and the tightening of requirements for companies as discussed in section 5 of this Prospectus. The tightening of AML regulation has increased the complexity of workflows, especially for financial and credit institutions, accounting firms, law firms, etc., as they are all obliged to comply with AML regulation. Penneo’s solutions help customers digitalize and automate these complex workflows that typically involve various manual and time-consuming tasks. This way, customers can spend more time on value-adding tasks, minimize the risk of human errors and save costs.

Penneo Sign eases all workflows through the entire signing process; the signing process is 100% digital and can be completed on the go, access to sensitive information can be limited to relevant persons, and the documents can easily be organized and managed. In addition, signing flows are automated, and the signing process can be set up to cover specific signing roles with the signatures collected in a compliant manner with scheduled reminders. Throughout the process, the customer can track the progress of the signing flow to see if documents have been sent, opened, signed, or completed. In addition, Penneo Sign features identity verification and data collection, which allows customers with minimum effort to verify the identities of the persons signing by having them upload photo ID directly from their phones or by confirming their identities with their national eID.

Penneo KYC eases workflows related to carrying out background checks to verify the identity of a client, the purpose of their business relationship, and determination of the level of risk related to the client. Moreover, Penneo KYC enables customers to document, store, and update these background checks to make sure that they are up to date throughout the lifetime of the client relationship and available in the required five-year period following termination of the relationship. As a result, customers do not have to worry about outdated information as data are synchronized with different databases, and notifications are given when changes occur.

6.2.2 Being a critical software provider for auditors serves as a clear foundation for growth

Through a clear strategic focus on auditors and accounting firms, Penneo has managed to establish strong relationships with several accounting firms. Some of these relationships stem from early co-creation partnerships, where the Company consulted with the accounting firms on how to enhance the solution to ease the workflows related to the signing processes performed by the auditor. As a result, Penneo has established a position as a critical software provider for auditors. In particular, Penneo Sign has become a critical solution for auditors with approximately 66% of all annual reports filed to the Danish Business Authority in 2020 handled through Penneo. This number, together with the significant historical uplift in ARR from accounting firms, highlights the importance of the Company's product within the auditing and accounting industry. As a critical software provider for auditors, Penneo has managed to achieve strong product stickiness, which is expected to serve as a clear foundation for growth – both through continuous uplift from Penneo Sign and from upselling of Penneo KYC to audit customers.

6.2.3 Well-positioned for the increased adoption of eID schemes

With the increased and ongoing digitalization across Europe as well as tailwinds from European legislation on the roll-out of national eID schemes, more European countries are expected to significantly increase the adoption of eIDs in the coming years. As of the date of this Prospectus, the Company integrates with eIDs in Denmark (MitID (NemID)), Norway (BankID), Sweden (BankID), Finland (Finnish Trust Network), and Belgium (itsme), which clearly proves that the Company possesses the necessary commercial and technological structure to enter other new markets across Europe as they mature. Thus, Penneo is well-positioned to exploit the structural growth and increased adoption of eIDs to increase its European foothold.

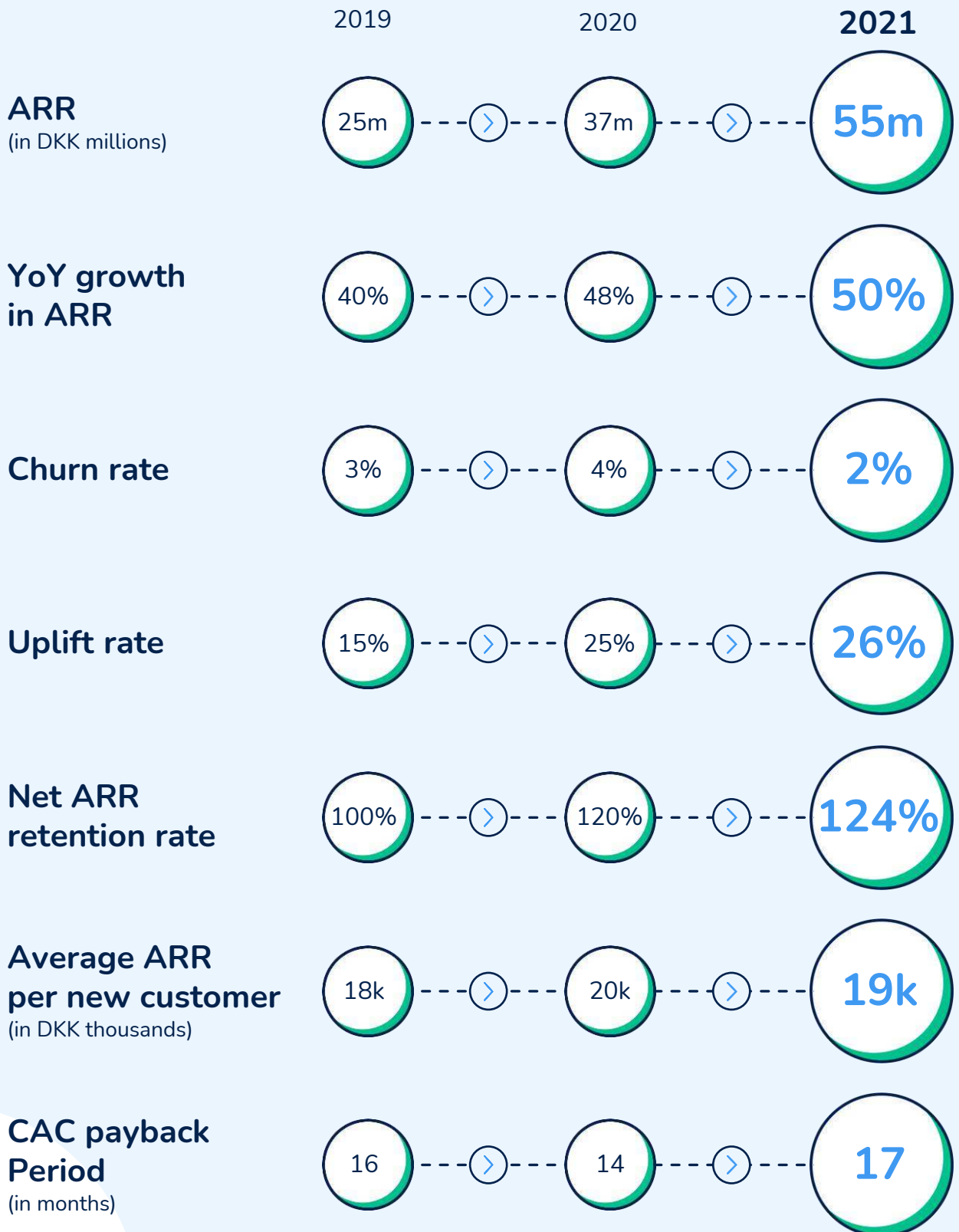
6.2.4 Network effect unlocks upsell potential and cross-border distribution channel

With more than 740,000 unique annual users in Denmark alone, the extensive network of decision-makers with exposure to Penneo created by customers and their respective clients constitutes a strong growth platform for the Company to continue its growth and internationalization journey. For every new user, new network opportunities appear, which enable Penneo to introduce its offerings to a wide range of new customers across multiple industries. In addition, the network effect may be leveraged in a cross-border setting through existing customers' regional offices across several European countries. Once Penneo has successfully onboarded a customer in one country, the upsell potential in other countries is more likely to be utilized. For instance, when the Company onboarded its first Big 4 accounting firm in Finland, the sales cycle was significantly shortened due to the Company's existing relationship with the same Big 4 accounting firm in Denmark, Norway, and Sweden.

6.2.5 Organizational backbone in place to accelerate growth

In connection with the admission to trading on Nasdaq First North Growth Market Denmark, the Company raised gross proceeds of DKK 50m. In accordance with what was communicated in the Company Description from May 2020, a substantial part of the proceeds has been invested to fuel growth and scale the organization. Considerable effort has been put into making the Company more data-driven, and the implementation of new market-leading solutions, such as Salesforce and Oracle NetSuite, together with the addition of best-practice guidelines, has helped support the rapid ramp-up of employees from 46 as of the date of the Company Description to 85 as of the date of this Prospectus. In addition to the hiring of new employees, the Company has also strengthened its leadership with the appointment of Christian Stendevad as CEO, Christian Sagild as Chairman of the Board, and Rikke Birgitte Stampe Skov as member of the Board. As a result, Penneo now has the organizational backbone in place to continue the Company's internationalization and growth journey.

Development in SaaS metrics



6.3 SaaS metrics

Selected SaaS metrics that the Company considers key for evaluating its performance are described below.



Continuous high ARR growth rates

Development in ARR stems from three sources: (i) the Company maintaining a low **churn**, (ii) the Company securing **uplift** from the existing customer base, and (iii) the Company's ability to attract **new customers** from various industries across existing markets.

Penneo has significantly increased ARR each year since its inception. From 2019 to 2020, the Company increased ARR by 48% from DKK 25m to DKK 37m, and 2021 was no exception, with Penneo realizing ARR of DKK 55m, corresponding to a growth of 50%.



Significant uplift from existing customers

Historically, Penneo has secured considerable uplift from existing customers. In absolute terms, Penneo more than doubled its uplift for existing customers from DKK 2.6m in 2019 to DKK 6.3m in 2020 and further realized an uplift of DKK 9.5m in 2021. The uplift in 2021 is driven by two factors; (i) existing customers increasing their usage of the Penneo Sign solution and upgrading their subscription plans, and (ii) existing Penneo Sign customers subscribing to Penneo KYC.



Low churn rate

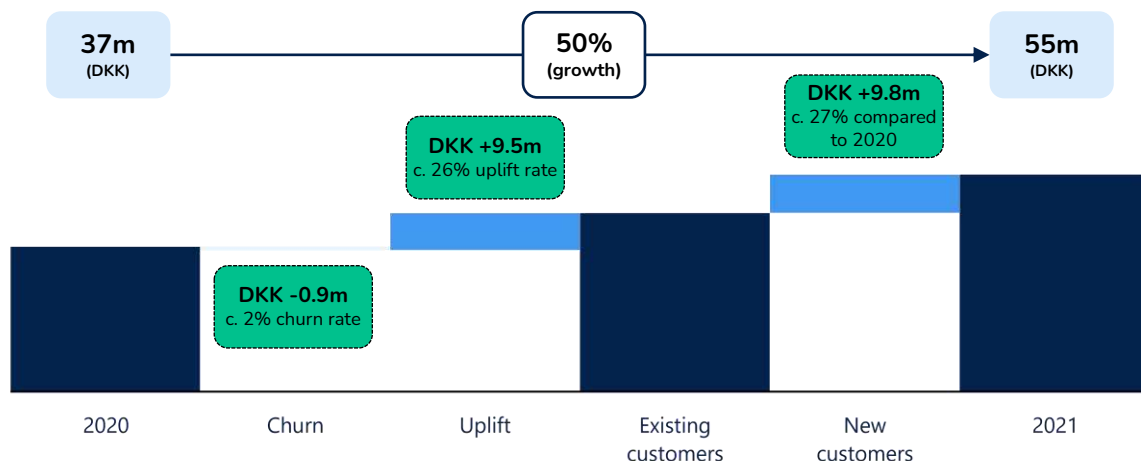
Through continuous enhancement of its solutions and excellent customer service, Penneo has maintained a low churn rate of 3%, 4%, and 2% for 2019, 2020, and 2021, respectively. The churned customers are primarily customers falling outside of the Company's strategic focus areas, which emphasizes the strength and competitiveness of the software for the auditing and accounting industry and other AML-regulated industries, as this substantially increases the stickiness of the solutions among these target customers.



Considerable number of new customers onboarded

As illustrated in section 6.6, Penneo has expanded its customer base considerably over the years. In 2020, 421 new customers were onboarded, accounting for DKK 6.7m of the ARR increase. In 2021, DKK 9.8m of the increase in ARR derived from the onboarding of 530 new customers across several industries and geographic markets. Despite onboarding more customers, Penneo has maintained a stable customer acquisition cost ("CAC"). As average ARR per new customer has increased, the CAC payback time has been decreased.

Development in ARR from 2020 to 2021



6.4 Strategy

In connection with the admission to trading on Nasdaq First North Growth Market in June 2020, Penneo disclosed its two-fold go-to-market strategy. The two steps in this strategy were:

- i. Attract Big 10 accounting firms outside the Nordics by capitalizing on the Company’s strong relationship with the Big 10 accounting firms in the Nordic countries,
- ii. After securing agreements with the first Big 10 firms in a given country; establish a regional sales force to continue to target the broader auditing and accounting industry together with other industries with heavy document workflows in new markets outside the Nordics as well as in existing markets.

This approach ensures that there is a product-market-fit prior to entering a new market.

Since June 2020, Penneo has successfully improved its market position in Denmark, Sweden, and Norway, and has secured the first Big 10 customers in Belgium and Finland. Penneo has thus managed to attract several new large accounting firms to the platform and at the same time successfully generated uplift in the existing customer base of Penneo Sign. As a result, the Company has realized ARR growth of 50% from 2020 to 2021 and achieved a net ARR retention rate of 124% in 2021.

Another key strategic delivery outlined in the Company Description was the addition of Penneo KYC to the Company’s product offering. Penneo KYC provides customers within AML-regulated industries, such as the auditing and accounting industry and the financial institutions industry, with a digital and efficient solution for handling the otherwise very time-consuming KYC process. Penneo expects to utilize its strong existing presence in the auditing and accounting industry to distribute the KYC product to a very large group of target customers.

The existing go-to-market strategy has been updated by the Board of Directors, Executive Management, and Management with three crucial pillars that the Company will utilize to accelerate the internationalization of Penneo as well as facilitate ARR growth. These three pillars are described below.

The Company’s two-fold go-to-market strategy...



Geographic expansion into new markets

Attract Big 10 accounting firms outside of the Nordics by capitalizing on the strong relationship with Big 10 accounting firms in the Nordic countries

Growth in existing markets

After securing agreements with the first Big 10 accounting firms and proving a product-market-fit, target the broader auditing and accounting industry as well as other AML-regulated industries

... supported by three primary growth pillars



Upsell Penneo KYC to audit customers



Financial institution industry as a strategic focus



Additional investments in the auditing and accounting industry

6.4.1 Upsell Penneo KYC to audit and accounting customers

In October 2020, Penneo announced the acquisition of the KYC software activities from CLA Reply, which has since then been included in the product offering as Penneo KYC. Penneo KYC is a new growth lever for the Company to further strengthen its dominant position in the auditing and accounting industry across Scandinavia and consolidate its position as a critical software provider for auditors. Penneo has, through a strong demand for its services, achieved a high product-market-fit and identified a solid potential for upselling Penneo KYC to existing Penneo Sign customers as all auditors have to comply with AML regulation. In addition, Penneo expects auditors to value the possibility of having client onboarding and signing/processing of documents related to the client at the same software platform. Ultimately, Penneo expects that this upselling opportunity will help secure an even stronger foothold among auditors in existing markets. To leverage this upselling potential, the Company will invest heavily in expert teams within the sales and marketing department to facilitate a structured roll-out across the industry. Furthermore, Penneo will invest in the product development department to develop Penneo KYC to become enterprise-grade by enabling easy integrations into customers' current IT infrastructures and making the product internationally scalable by ensuring compliance with different regional requirements across the European markets.

6.4.2 Financial institutions as a strategic focus

Approximately 10% of the existing customer base consists of financial institutions, which include banks, payment providers, loan providers, leasing companies, and debt collectors. A common characteristic of these customers is that they are all obliged to comply with AML regulation. Therefore, Penneo intends to leverage the already proven traction within the industry to execute on a structured and controlled roll-out to (i) upsell Penneo KYC to existing Penneo Sign customers and (ii) target new financial institution customers with the full solution of both Penneo Sign and Penneo KYC. The Company plans to strengthen the solutions for financial institutions further to ensure an increased product-market-fit by scaling the product team and building integrations tailored to the financial institution industry to meet industry standards and needs. Penneo expects to be able to leverage its existing knowledge of the regulatory framework that is also applicable to the auditing and accounting industry as well as engage with large existing financial institution customers to tailor the existing solutions to the industry.

6.4.3 Additional investments in the auditing and accounting industry

To secure a leading position in the audit and accounting industry in Belgium and Finland and thus keep pursuing the ambition of becoming the de-facto standard for auditors in Europe, the Company deems it necessary to increase investments in these markets from both a commercial and a technological perspective. Specifically, Penneo will increase commercial efforts in sales and marketing and focus on ensuring that both solutions are fully capable of meeting local industry standards and complying with local regulatory requirements. Penneo considers it imperative to capitalize on the momentum in Belgium and Finland to quickly secure its position in the local auditing and accounting industry. This way, Penneo can capitalize on network spillover effects to facilitate penetration of the financial institutions industry and other AML-regulated industries in Belgium and Finland before entering other new markets. Penneo has chosen this approach to lower the risk of scattering commercial and product development resources. While penetrating Belgium and Finland, the Company will cultivate the German market and assess and prepare its entries into other target markets evaluated on the parameters set out and described in *Part III – Registration document; Sections 5.5.1 to 5.5.3.*

6.4.4 Aspirations

Penneo has a long-term goal of becoming a full end-to-end business process automation platform for accounting firms, which involves digitalizing the entire administrative workflow of an auditor; beginning with the onboarding processes through Penneo KYC and moving on to facilitating the entire signing and filing process with Penneo Sign in order to enable the auditor to meet the requirements and fulfill key tasks with just a few clicks without any human interactions.

More specifically, Penneo has three medium-term plans supporting its goal of becoming an end-to-end business process automation platform, as described below:

- **Fully integrate Penneo Sign and Penneo KYC:** To draw on the synergies between Penneo's two solutions, the Company aims to integrate the solutions on both a technological level and a customer experience level to provide a seamless and smooth customer experience. This will allow customers to perform their client onboarding in Penneo KYC and sign the engagement letter with Penneo Sign to complete the client relationship in one platform.
- **Create more value for auditors and accounting firms:** The integration of Penneo Sign and Penneo KYC is the first step for Penneo on its journey of creating a platform that automates and digitalizes several of the customers' client-facing processes. Taking on a client perspective creates an edge for the Company towards its competitors as it offers better possibilities for creating fully automated processes. To automate more of these client-facing tasks is a continuous aspiration for Penneo.
- **Further explore and develop integration partnerships:** In the pursuit of geographic expansion and new market entries, Penneo aims to engage with integration partners in new markets to facilitate the preparation step of the annual report workflows. Pursuing this approach is expected to provide Penneo with the ability to scale and distribute its solutions through local Big 4 customer relations and roll out the solutions across these Big 4 customers regional offices, which is an integral part of the go-to-market strategy presented in *Part III – Registration document; Section 6.4 Strategy*.

Becoming an end-to-end business process automation platform provider will add significant value for both Penneo's customer and their respective clients on multiple levels; (i) enhancing the user experience for both the auditor and the auditor's clients, (ii) provide significant cost savings for the accounting firms, (iii) minimize the risk of human errors, and (iv) ensure compliance with increasingly tight regulations.

Additionally, becoming an end-to-end provider is expected to provide Penneo with a strong competitive edge within the European auditing and accounting industry by propelling Penneo steps ahead of competitors, as well as significantly increasing the stickiness.

6.4.5 Future challenges

The realization of the Company's aspirations may be challenged by a number of factors, such as changes in market demand, increasing competition, changes in the regulatory environment, the Company's failure to manage growth, its ability to onboard new customers, and its ability to upsell to existing customers. For further information on these potential challenges, please refer to *Section II - Risk factors* of this Prospectus.

6.5 The Company's current solutions

Initially, Penneo was founded with the intention to provide customers with the possibility to sign documents digitally. Since then, the Company's first solution, Penneo Sign, has evolved into a critical software solution in the signing and document management process for auditors, as well as a highly value-adding solution for financial institutions and many other industries.

Penneo's current solutions comprise Penneo Sign and Penneo KYC.

Penneo Sign

Secure and convenient digital interactions



Digital signing



Automated signing flows



Identity verification

In 2020, Penneo acquired CLA Reply's KYC software activities and thus added Penneo KYC to its product offering.

In short, KYC processes are used by companies to identify and screen their customers or the ultimate beneficial owners of a business during the onboarding phase. KYC and AML requirements are continuously developed and tightened by the European Commission and other regulatory bodies. Complying with AML requirements can be very time-consuming as it involves many manual and repetitive processes.

Penneo KYC helps automate the KYC process so customers can meet requirements and comply with AML regulation. Customers are guided through the risk assessment, securing effortless retrieval of data for the customer due diligence, and guaranteeing secure and compliant storage of information. This reduces the time spent on onboarding new clients and ensures compliance with regulatory requirements.

Penneo KYC

Automate the client onboarding process



Risk assessment



Record keeping

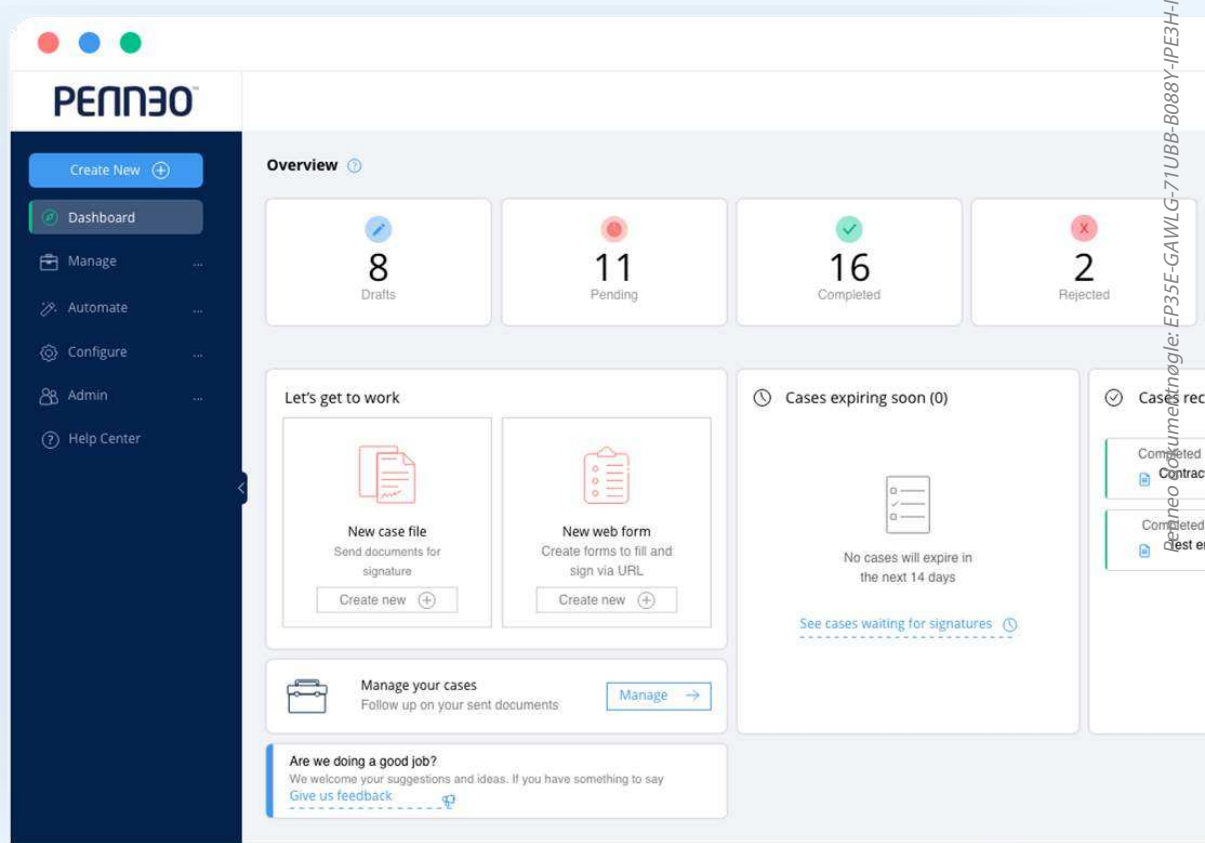


Continuous data monitoring

The key features of Penneo Sign and Penneo KYC are described on the following pages.

Penneo Sign

- ✓ Industry & custom signing flows
- ✓ Multi-signing & reminders
- ✓ Audit trail to document compliance
- ✓ Fraud detection



Penneo Document Management: EP35E-GAWLG-71UBB-B0888Y-IPE3H-N1TOF

6.5.1 Penneo Sign



Digital signatures

Penneo Sign allows customers to get documents signed faster without emailing people back and forth or trying to book them for a physical meeting. Signers can sign from any place and any device. In fact, customers can also sign multiple documents at a time. Customers can easily limit access to sensitive information to ensure that the right person is viewing and signing the document – this is achieved by requesting identity verification. Documents are easily organized by the customers, and signers also get a personal archive for free.



Automated signing flows

The signing flow varies depending on what type of document needs to be signed. With Penneo Sign, specific signing roles are easily set up, and the necessary signatures are collected in a compliant manner. From the Penneo Sign dashboard, which is accessible in any web browser, customers can track the entire signing process and set up scheduled and automatic reminders, choosing when and how often the signer is reminded to sign.



Identity verification and data collection

Penneo Sign enables customers to verify the identity of signers with minimum efforts. Signers verify their identity by using their national eID in the same way they log in to their online banking and public websites. Currently, Penneo integrates with Denmark’s MitID (NemID), Norway’s BankID, Sweden’s BankID, Belgium’s itsme® and Finland’s Finnish Trust Network, and the list is constantly growing.

Data collected are securely and compliantly stored, as well as easily accessed in the Penneo Sign dashboard.



Legality, security, and compliance

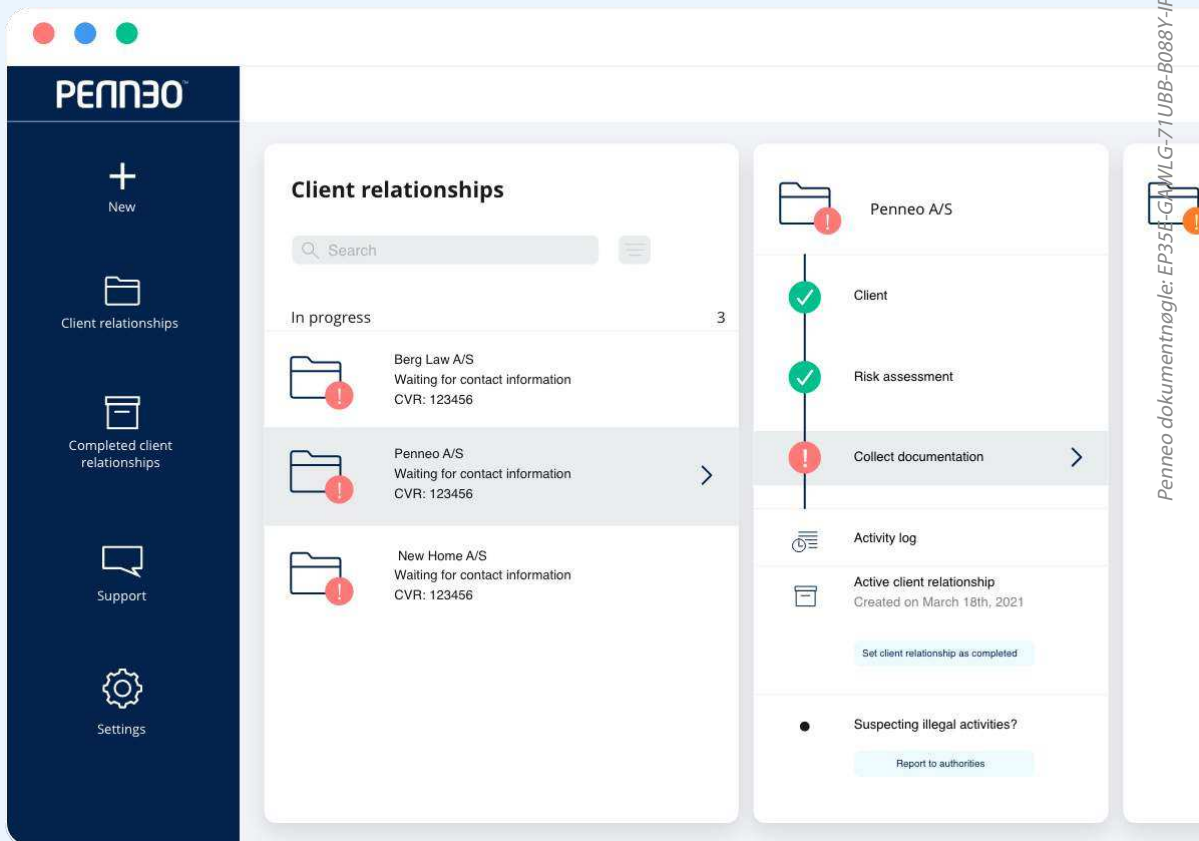
Penneo Sign introduces a much higher level of security into the document signing process. To secure the process, Penneo Sign utilizes the latest initiatives within secure digital signatures, such as the national eIDs as they provide the highest degree of assurance of the signer’s identity as well as the integrity of the content. Digital signatures use a certificate-based digital ID to authenticate the identity of the signatures by binding each signature to the document with encryption. The signatures are legally binding and compliant with major global standards such as the EU eIDAS regulation, US Esign Act and UETA Act. With Penneo Sign, companies ensure compliance with both GDPR and AML regulation and thus significantly reduce risks related to fines or to mishandling of critical data information.

Secure and convenient digital interactions



Penneo KYC

- ✓ AML compliant KYC process
- ✓ PEP & EU Sanctions List check
- ✓ Guided risk assessment
- ✓ Secure client data collection
- ✓ Ongoing data monitoring



6.5.2 Penneo KYC



**KYC and risk assessment
in one solution**

Penneo KYC provides customers with a guided, step-by-step risk assessment with automatic Politically Exposed Person (“PEP”) and EU Sanctions List checks. All the customers’ actions are automatically documented and archived in compliance with GDPR to secure that records of active and completed client relationships are securely stored and archived for continuous monitoring in compliance with KYC legislation.



**Customer due diligence
made easy**

Penneo KYC enables customers to import client data with just a few clicks to ensure a seamless process. Penneo KYC is integrated with business register lookups to automatically retrieve company information and identify beneficial owners. Further, customers receive notifications if there are changes in the data to guarantee that all data is up to date.



**Professional and secure
customer experience**

With Penneo KYC, customers can have their clients conveniently submit information from any location, on any device, within minutes. Further, they can be sure that their data are handled with the highest level of security, as it is end-to-end encrypted. As a result, customers of Penneo KYC can build trust with their clients from the first point of interaction.



**Effortless, secure,
and compliant**

Penneo KYC is end-to-end encrypted, and all information is thus stored securely, and customers ensure compliance with both GDPR and AML regulation, significantly reducing risks related to fines or to mishandling of critical data and information.

KYC compliant in minutes



6.6 Customers

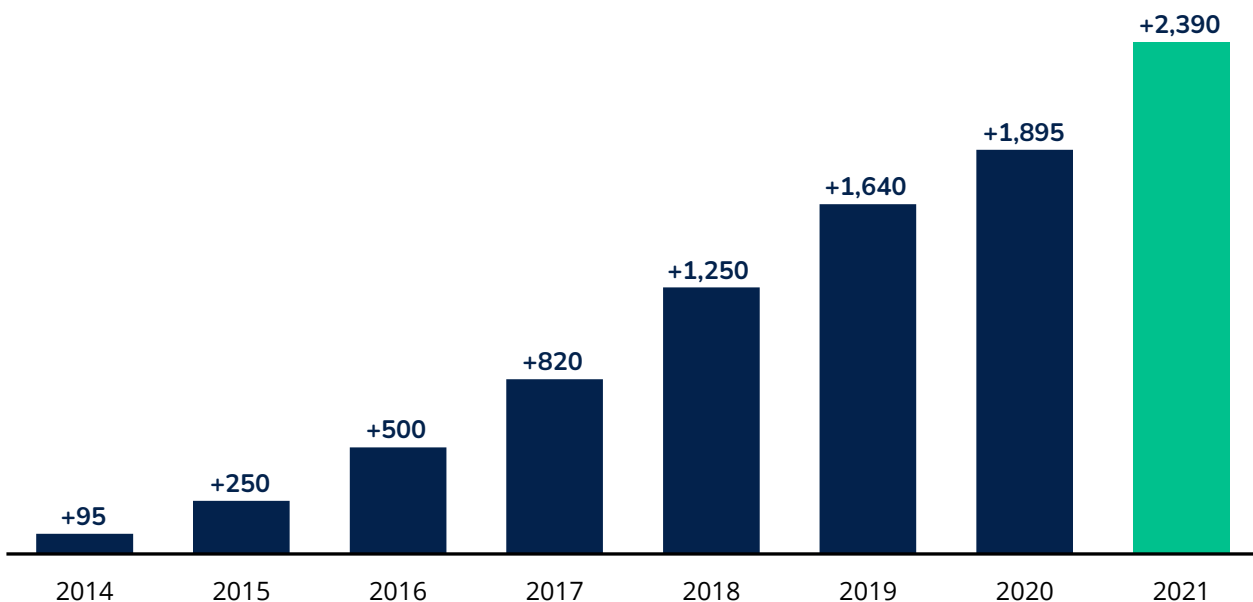
Penneo digitalizes and automates tasks and workflows across multiple industries every day for more than 2,400 customers across Denmark, Sweden, Norway, Finland, Belgium and Germany. Despite the Company's strategic focus on the auditing and accounting industry and the financial institutions industry, several other industries are using both Penneo Sign and Penneo KYC in their day-to-day operations.

The Company's customers by industry
(as per the date of this Prospectus)



As illustrated below, the Company has steadily increased its customer base since the inception. More specifically, the Company has grown its customer base at a CAGR of 59% from 2014 to 2021.

Development in customers from 2014 to 2021
(as at the financial year ended December 31)



6.7 Value creation

Penneo’s customer base spans several industries, with the auditing and accounting industry representing the Company’s largest customer segment – an industry that is known for labor-intensive and time-consuming manual processes.

However, in recent years a general realization of the potential available through process automation has spread across the industry. The industry now recognizes the need for technological development to remain competitive and accommodate customer demands. Specifically, Penneo’s solution helps users streamline operations and eliminate inefficiencies, which allows the auditor to focus on more value-adding tasks that require professional judgment, analysis, and insight.

Penneo Sign and Penneo KYC create value for customers in several ways – the most significant of these are described below.

Value creation for customers



Increasing efficiency through automation

Penneo’s solutions increase efficiency and automate the otherwise manual and time-consuming workflows related to onboarding, signing, handling, and storing of documents, making the Penneo solutions available and accessible from anywhere at any time, requiring only an internet connection. By doing so, Penneo helps customers to establish more efficient processes to save time and costs. Approximately half the time spent on onboarding is used for collecting data manually – a tedious process that is eliminated with Penneo KYC.



Stay compliant and fully secure

Both Penneo Sign and Penneo KYC comply with the highest security standards. With Penneo, customers ensure compliance with both GDPR and AML regulation and thus significantly reduce risks related to fines or to mishandling of critical data and information. In document-heavy and strongly regulated industries, any reduction in uncertainties related to compliance leaves more time and resources to focus on clients and other core business activities.



Minimizing the risk of human errors

The transition to digitized electronic signatures, document handling, client-onboarding, and KYC processes has greatly reduced the risk of error linked to the physical document handling process. The reduced risk of error helps customers ensure continuous compliance, secure storage and retrieval of customer data, preventing document and data loss.



Reducing carbon footprint from digitizing documents

Penneo’s digital solutions have created a 100% paper-free document handling process. By implementing Penneo’s solutions, customers can reduce their corporate carbon footprint and move one step closer to carbon neutrality. Every year, more than three million documents are signed digitally with Penneo, which saves more than 74 tons of paper, or the equivalent of 592 tons of CO₂.

Our company



An innovative tech culture



A bunch of pioneers



A shared mission



A customer-oriented
mindset



A diverse workforce

PENNEOTM

6.8 Organization and culture

Penneo has always emphasized and welcomed the importance of culture and diversity, which has led to an innovative tech culture based on transparency, humility, a flat hierarchy, and an informal work atmosphere. This DNA runs through all employees in the Company.

Since its inception, Penneo has been confident that the key to building a high-growth tech company lies with the people. Therefore, the people of Penneo have been a strategic focus ever since the six founders started the Company in 2014. The values of Penneo have served and will continue to serve as cornerstones to ensure alignment through everything from employer branding to team happiness and employee commitment. It is the inherent DNA of Penneo to make all employees feel part of one organization, in which everyone contributes and works toward a common goal and thus together propel the Company towards achieving its main objectives.

By hiring globally and executing locally, Penneo optimizes the size of its talent pool, while the cultural diversity is to the benefit of both innovation, creativity, talent, and product development. Since the admission to trading on Nasdaq First North Growth Market Denmark in June 2020, Penneo has grown from 46 to 86 employees as of the date of this Prospectus. As Penneo continues its journey, the organization will grow accordingly but will always be based on the values set out by the founders.

Employee count across departments

(as per the date of this Prospectus)

21

Sales

22

Tech & Product

9

Marketing

10

Customer Success & Support

3

Leadership

5

Finance

7

Business Development & governance

6

People & Culture

2

Legal



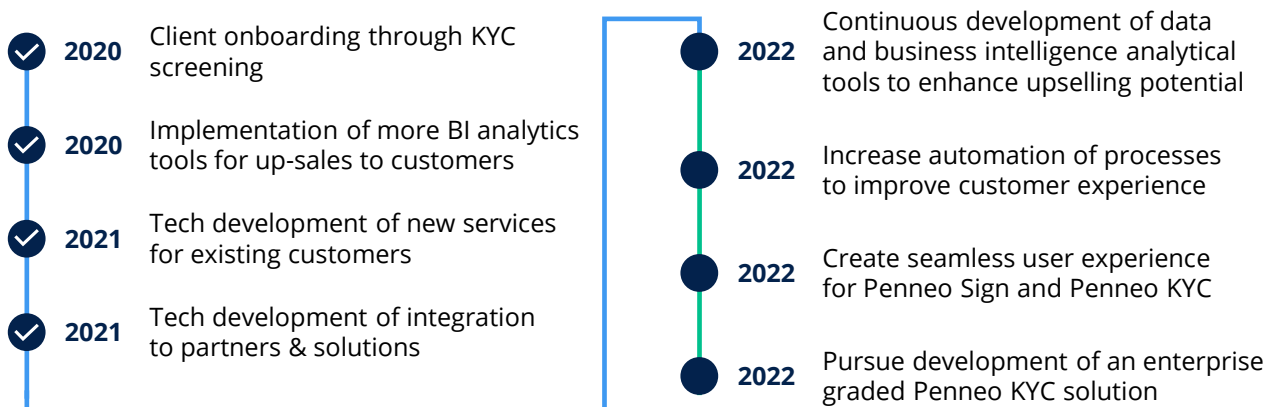
6.9 Technology and development

Penneo has maintained a customer-centric approach towards the technological development of its solutions, which has served as a key contributor to the Company’s strong product-market-fit underpinning the high growth.

Penneo’s strategic focus on the auditing and accounting industry has been clearly reflected in the technological development of its solutions, as they have been customized to fit the specific needs within this industry. As a result, Penneo has successfully managed to become a critical software solution for auditors – something which has increased product stickiness among audit customers and provided the Company with a competitive edge against competitors.

In its Company Description from May 2020, the Company presented a roadmap for continued growth. Below, this roadmap has been updated with the expected activities to be executed in the remainder of 2022.

Penneo’s updated roadmap for continued growth



6.10 Investments

The table below shows the Company’s investments for the three financial years ended December 31, 2021, December 31, 2020, and December 31, 2019.

DKK	As at and for the financial year ended		
	2021	2020	2019
Intangible fixed assets	45,048,292	35,256,287	14,317,819
Right-of-use-assets	12,852,335	15,369,359	10,838,646
Deposits	1,288,942	1,258,700	1,112,672
Property, plant and equipment	494,966	734,739	242,457
Total investments	59,684,535	52,619,085	26,511,594

6.10.1 Investments in 2021

In 2021, Penneo invested in development projects in order to improve its solutions. The total amount invested was DKK 14,763,630.

6.10.2 Investments in 2020

Penneo made an asset purchase of CLA Reply ApS in October 2020. CLA Reply had developed a KYC/AML software. The agreement included rights to the software, branding, and employees. The asset purchase had a total value of DKK 15,000,000.

In addition, Penneo also invested in development projects in order to improve its solutions. The total amount of the investment was DKK 8,930,476.

Penneo also invested in more office space in order to continue the growth of the organization. The additional right-of-use-assets investment had a total value of DKK 6,787,094.

6.10.3 Investments in 2019

In 2019, Penneo invested in development projects in order to improve its product offerings. The total amount invested was DKK 3,423,528.

Penneo also invested in more office space in order to continue the growth of the organization. The additional right-of-use-assets investment had a total value of DKK 10,722,875.

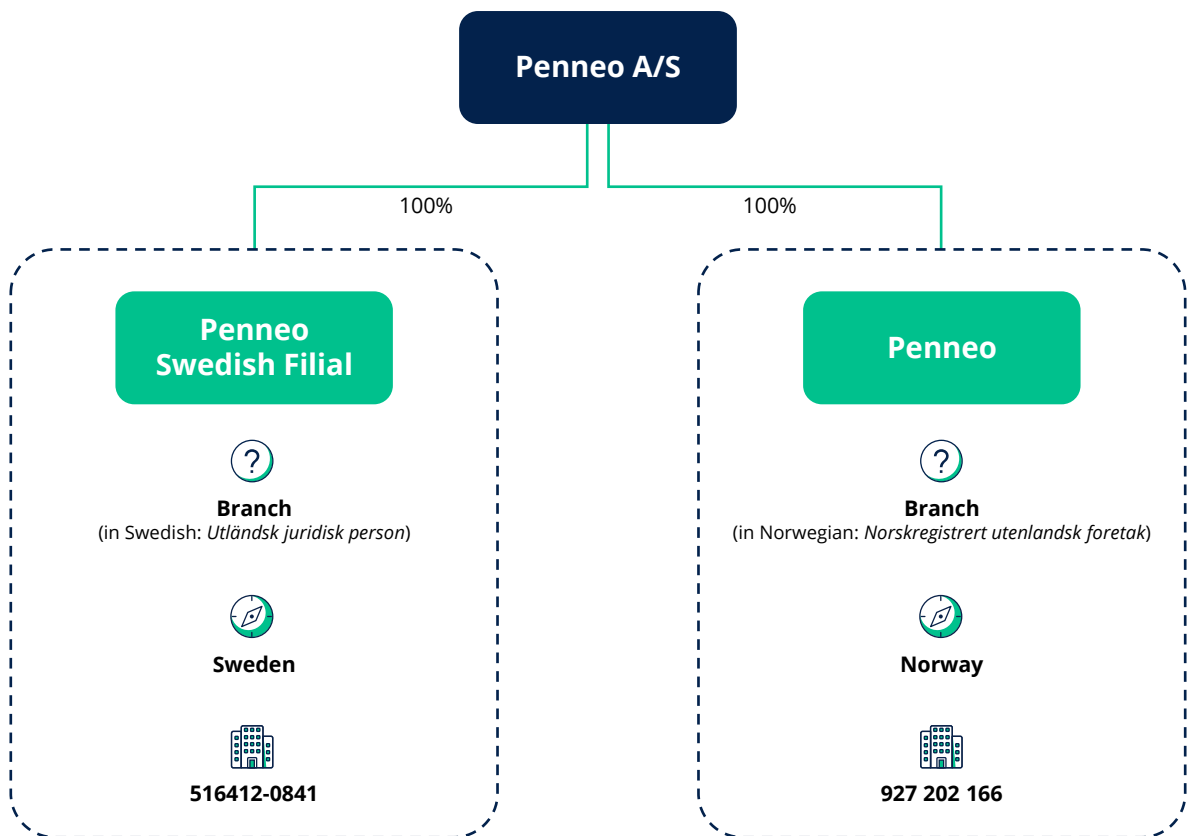
6.10.4 Significant current and future investments

Penneo is continuously striving for developing new solutions and features and improving its current product offerings. This will continue in the future as well. In addition, Penneo expects to invest in more office space.

7 Organizational structure

7.1 Overview

The Company does not have any subsidiaries. However, it has two branches; one in Sweden with the legal name Penneo Swedish Filial and one in Norway with the legal name Penneo. None of the two branches employs any individuals. Below, an organizational chart is shown, including selected relevant information on the branches:



= Company type

= Country of incorporation

= Registration number

8 Operating and financial review

The following is a discussion of Penneo's financial condition and results of operations and cash flows for the financial year ended December 31, 2021, with comparable figures for the financial years ended December 31, 2020, and December 31, 2019. This discussion should be read in conjunction with the Audited Financial Statements and related notes incorporated by reference in the Prospectus. For information on the basis of preparation of the financial statements, see Part III – Registration document; Section 15 Financial information concerning the Company's assets and liabilities, financial position and profits and losses.

Some of the information contained in the following discussion contains forward-looking statements that are based on the assumptions and estimates and are subject to risks and uncertainties. Investors should read Important information; Forward-looking statements for a discussion of the risks and uncertainties related to those statements. Investors should also read Part II – Risk factors for a discussion of certain factors that may affect the Company's business, results of operations, financial conditions and prospects.

The following discussion contains certain financial measures that are not recognized measures of financial performance or liquidity under IFRS and have been derived from the Company's regularly maintained records and operating systems. These measures, which are unaudited, are presented as they are utilized by Management to monitor the underlying performance of Penneo's business. For definitions of these non-IFRS financial measures, see Part III – Registration document; Section 8.6 Non-IFRS financial measures.

8.1 Overview of selected financial information

The selected financial information comprising income statements, balance sheets, and cash flow statements as at and for the financial years ended December 31, 2021, December 31, 2020, and December 31, 2019, shown below have been extracted for the i) the Company's Audited Financial Statement for the financial year ended December 31, 2021, and ii) the Company's Audited Financial Statement for the financial year ended December 31, 2020, with comparative figures for the financial year ended December 31, 2019. Both Audited Financial Statements have been prepared in accordance with IFRS as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act. The Audited Financial Statements were published on February 21, 2022, and March 25, 2021, respectively, and are incorporated by reference into this Prospectus.

The following information should be read together with the information contained in *Part III – Registration document; Section 9.1 Overview of the Company's capitalization and indebtedness*, including the notes thereto, included in *Part III – Registration document; Section 15 Financial information concerning the Company's assets and liabilities, financial position and profit and losses*.

As at and for the financial year ended

DKK	2021	2020	2019
Revenue	54,280,225	35,533,705	27,597,283
Cost of sales	(9,663,276)	(7,014,327)	(5,352,122)
Gross profit	44,616,950	28,519,378	22,245,161
Other external expenses	(14,445,453)	(8,614,354)	(4,604,246)
Staff costs	(44,239,638)	(28,644,140)	(16,810,195)
Other income	44,785	-	-
Other operating expenses	(1,017,363)	(2,303,555)	(434,314)
Depreciation, amortisation, impairment	(7,682,379)	(5,202,220)	(2,554,531)
Operating profit/(loss)	(22,723,098)	(16,244,892)	(2,158,125)
Financial income	128,363	93,132	43,414
Financial expenses	(1,576,313)	(1,139,027)	(561,099)
Profit/(loss) before tax	(24,171,048)	(17,290,786)	(2,675,811)
Tax for the year	5,536,417	4,488,137	21,081
Profit/(loss) for the year from continuing operations	(18,634,631)	(12,802,649)	(2,654,730)
Total comprehensive income for the year	(18,634,631)	(12,802,649)	(2,654,730)

As at and for the financial year ended

DKK	2021	2020	2019
Other intangible assets	45,048,292	35,256,287	14,317,819
Property, plant and equipment	1,227,193	734,739	242,457
Right-of-use assets	12,852,335	15,369,359	10,838,646
Deposits	1,288,942	1,258,700	1,112,672
Total non-current assets	60,416,763	52,619,085	26,511,594
Trade receivables	11,830,821	8,660,841	3,460,894
Income tax receivables	4,756,084	1,964,811	727,491
Receivable from affiliated companies	-	-	21,193
Other receivables	22,325	1,016	41,469
Prepayments	2,039,272	800,486	432,180
Cash	25,415,797	31,842,851	8,217,139
Total current assets	44,064,299	43,270,005	12,900,366
Total assets	104,481,061	95,889,090	39,411,960

As at and for the financial year ended

DKK	2021	2020	2019
Share capital	542,579	502,615	135,995
Reserve for development	30,600,906	15,928,604	11,167,899
Retained earnings	12,050,329	35,227,386	(3,891,111)
Treasury shares	7,177	7,177	-
Other capital reserve	13,842,673	5,910,269	1,542,693
Total equity	57,043,664	57,576,051	8,955,475
Deferred tax liabilities	-	-	3,405,000
Interest-bearing liabilities	14,366,991	4,695,526	5,070,430
Provisions	442,790	432,267	317,796
Lease liabilities	11,212,840	13,560,555	8,886,782
Other payables	2,384,316	2,220,843	689,462
Contract liabilities	403,066	447,851	447,851
Total non-current liabilities	28,810,003	21,357,042	18,817,321
Contract liabilities	4,216,457	4,063,593	4,636,042
Lease liabilities	2,347,715	2,003,508	1,824,939
Trade payables	4,487,375	2,665,906	2,370,974
Other payables	7,245,187	7,848,086	2,807,209
Interest-bearing liabilities	330,660	374,904	-
Total current liabilities	18,627,395	16,955,997	11,639,164
Total liabilities	47,437,397	38,313,039	30,456,485
Total equity and liabilities	104,481,061	95,889,090	39,411,960

As at and for the financial year ended

DKK	2021	2020	2019
Operating profit/(loss)	(22,723,098)	(16,244,892)	(2,158,125)
Depreciation, amortization and impairment	7,682,379	5,202,220	2,554,531
Share-based payment expense	8,227,765	1,367,576	271,547
Other income	(44,785)	-	-
Change in working capital	(2,895,167)	954,105	(729,086)
Income taxes received	2,745,144	727,385	(422,455)
Financial income received	128,363	93,132	43,414
Financial expenses paid	(1,199,901)	(837,249)	(527,397)
Cash flow from operating activities	(8,079,301)	(8,737,723)	(967,571)
Investments in intangible assets	(14,763,630)	(8,930,476)	(3,423,528)
Investments in property, plant and equipment	(687,259)	(612,085)	(242,454)
Deposits	(30,242)	(146,028)	(1,029,841)
Acquisition of business	-	(3,750,000)	-
Cash flow from investing activities	(15,481,131)	(13,438,589)	(4,695,823)
Proceeds from borrowings	10,000,000	5,000,000	4,000,000
Repayment of borrowings	(372,778)	(5,000,000)	(162,346)
Payment of principal portion of lease liabilities	(2,368,323)	(2,122,058)	(361,343)
Transaction costs from capital increase	(30,000)	(4,095,872)	(300,000)
Cash increase from capital	9,904,480	52,019,954	6,505,077
Cash flow from financing activities	17,133,378	45,802,024	9,681,388
Cash and cash equivalents beginning of period	31,842,851	8,217,139	4,199,145
Net cash flow	(6,427,054)	23,625,712	4,071,994
Cash and cash equivalents end of period	25,415,797	31,842,851	8,217,139

8.2 Segment information

The below tables presents the Company's revenue split on (i) Penneo Sign, Penneo KYC, and Other, and (ii) domestic market and foreign markets for the financial years ended December 31, 2021, December 31, 2020, and December 31, 2019, respectively. The Company acquired the KYC software activities from CLA Reply in October 2020. Other comprise one-time fees related to onboarding and training of customers.

As at and for the financial year ended

DKK ('000)	2021	2020	2019
Penneo Sign	48,911	34,348	26,545
Penneo KYC	3,502	229	-
Other	1,868	957	1,052
Revenue	54,280	35,534	27,597

DKK ('000)	2021	2020	2019
Domestic market	39,937	28,455	22,492
Foreign geographical markets	14,344	7,078	5,105
Revenue	54,280	35,534	27,597

8.3 Principal factors affecting the Company's results of operations

The Company's results of operations have been affected in the periods under review and could be affected by the following principal factors related to the Company's business, industries, and markets.

Prospective investors should also read *Part II – Risk factors*, *Part III – Registration document; Section 5 Markets*, and *Part III – Registration document; Section 6 Business* for further information relating to factors, which may affect the Company's business, financial condition, and results of operations.

8.3.1 Customer onboarding, uplift, and churn

Historically, three factors have been controlling the commercial performance of Penneo. These are the Company's ability to acquire new customers, secure uplift of existing customers, and maintain a low churn.

The acquisition of new customers has historically been and is expected to continue to be an important enabler for Penneo's commercial growth. The acquisition of new customers is both important for the growth in the year that the new customers are acquired, but also a key enabler for the potential future uplift. Historic cohorts show that customer, on average, uplift their ARR by 17.5% annually within their first five years as a customer at Penneo. Furthermore, the largest uplift can be observed during the customer's first two years with Penneo, which outlines that the Company's ability to continue to acquire new customers will have both an immediate effect and a long-term effect on the Company's results of operations.

The impact of the strong historical uplift on existing customers emphasizes the importance of Penneo's ability to continuously secure uplift on the existing customer base. An important parameter for the

Company's ability to secure uplift is the Company's addition of the Penneo KYC solution following the acquisition of CLA Reply's KYC software activities in October 2020. With more than 65% of the Company's current customer base obliged to comply with AML regulation, and the fact that Penneo KYC is early to market, means that the Company expects Penneo KYC to be a key contributor for the Company's future results of operations.

Finally, Penneo's ability to maintain a low churn, as seen historically, is important for the Company's results of operations. The Company expects to maintain a low churn in the future.

Specifically for the periods under review, the Company increased its customer base from +1,640 customers as at the financial year ended December 31, 2019, to +1,895 customers as at the financial year ended December 31, 2020, to +2,390 customers as at the financial year ended December 31, 2021, corresponding to an increase of 46% over the period under review. In addition, the Company secured uplift of approximately DKK 6,300 thousand in the financial year ended December 31, 2020, and approximately DKK 9,500 thousand in the financial year ended December 31, 2021, whilst maintaining a churn rate in the range from 2% to 4% throughout the periods under review.

8.3.2 Pricing model

As of the date of this Prospectus, Penneo sells its solutions on a fully subscription-based model with the possibility of smaller one-time fees. Historically, Penneo also sold its Penneo Sign solution on a transaction-based model (a transaction being a signature), where customers would have a smaller subscription fee and buy an inventory of signatures to be used over time. The previously used transaction-based model accounted for 47% of ARR as at the financial year ended December 31, 2019, 35% as at the financial year ended December 31, 2020, and decreased to accounting for 25% of ARR as at the financial year ended December 31, 2021.

8.3.3 Growth and internationalization strategy

As the Company has focused on increasing its customer base as part of its go-to-market strategy, the staff base has been significantly increased. Specifically, the Company has increased the average number of full-time employees from 33 for the financial year ended December 31, 2019, to 54 for the financial year ended December 31, 2020, to 78 for the financial year ended December 31, 2021. Following this ramp-up of employees, the Company has increased staff costs in the periods under review, which has resulted in an increased operating loss in the periods under review.

8.3.4 IPO costs

The Company's results of operations in the periods under review were affected by the Company incurring costs related to advisors, mainly related to the process of being admitted to trading on Nasdaq First North Growth Market Denmark in 2020. More specifically, the Company incurred costs of DKK 434 thousand in the financial year ended December 31, 2019, and DKK 2,304 thousand in the financial year ended December 31, 2020.

8.3.5 Implementation of Salesforce and Oracle NetSuite

In the financial year ended December 31, 2020, the Company incurred costs of DKK 600 thousand related to the implementation of Salesforce and Oracle NetSuite, which was booked under other external expenses, hence affecting the Company's results of operations in the financial year ended December 31, 2020.

8.3.6 Share-based payments

In accordance with IFRS 2, the Company books costs related to share-based payments under staff costs. The costs amounted to DKK 272 thousand, DKK 1,368 thousand, and DKK 7,632 thousand for the financial years ended December 31, 2019, 2020, and 2021, respectively. Hence, the Company's results of operations have been affected in the periods under review. Costs related to share-based payments will continue to affect the Company's results of operations in future periods.

8.4 Summary of the key financial development in the financial year ended December 31, 2021, compared to the financial year ended December 31, 2020

8.4.1 Income statement

Revenue for the financial year ended December 31, 2021, amounted to DKK 54,280 thousand compared to DKK 35,534 thousand for the financial year ended December 31, 2020, equaling a 52.8% growth.

The growth was driven by:

- The onboarding of 530 new customers
- Securing uplift at existing customers corresponding to an uplift rate of 26%
- Maintaining a low churn with a churn rate of 2%

8.4.1.1 Other comments to the income statement

Gross profit for the financial year ended December 31, 2021, amounted to DKK 44,617 thousand, corresponding to a gross margin of 82.2%. In comparison, gross profit for the financial year ended December 31, 2020, amounted to DKK 28,519 thousand, corresponding to a gross margin of 80.3%. The increase in gross margin was due to revenue increasing at a higher rate than the cost of sales.

Staff costs increased by DKK 15,595 thousand or 54.4% from the financial year ended December 31, 2020, to the financial year ended December 31, 2021. The increase was driven by the planned heavy investments within hirings related to sales, marketing, and software development. As for the financial year ended December 31, 2021, the Company had an average of 78 full-time employees, compared to 54 full-time employees in the financial year ended December 31, 2020.

Other external expenses increased by DKK 5,831 thousand from the financial year ended December 31, 2020, to the financial year ended December 31, 2021. The increase was mainly due to a 103% increase in direct online marketing costs, as well as investments in automation and optimization of Salesforce and Oracle NetSuite.

Other operating expenses totaled DKK 1,017 thousand for the financial year ended December 31, 2021, compared to DKK 2,304 thousand for the financial year ended December 31, 2020. The other operating expenses in the financial year ended December 31, 2021, primarily related to costs for the preparation of the migration to Nasdaq Copenhagen.

Tax for the year for the financial year ended December 31, 2021, amounted to DKK 5,536 thousand compared to DKK 4,488 thousand for the financial year ended December 31, 2020. For the financial year ended December 31, 2021, the amounts solely related tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

8.4.2 Balance sheet

Other intangible assets amounted to DKK 45,048 thousand at the end of the financial year ended December 31, 2021, compared to DKK 35,256 thousand at the end of the financial year ended December 31, 2020, corresponding to an increase of DKK 9,792 thousand. The increase was driven by increased investments in development projects.

Trade receivables amounted to DKK 11,831 thousand at the end of the financial year ended December 31, 2021, compared to DKK 8,661 thousand at the end of the financial year ended December 31, 2020, corresponding to an increase of DKK 3,170 thousand. The increase was driven by December 2021 being the highest invoicing month so far in the Company's operating history.

Cash amounted to DKK 25,416 thousand at the end of the financial year ended December 31, 2021, compared to DKK 31,843 thousand at the end of the financial year ended December 31, 2020, corresponding to a decrease of DKK 6,427 thousand. The decrease is mainly due to the Company increasing its investments in accordance with the strategy laid out in the Company Description.

Total equity amounted to DKK 57,044 thousand at the end of the financial year ended December 31, 2021, compared to DKK 57,576 thousand at the end of the financial year ended December 31, 2020, corresponding to a decrease of DKK 532 thousand.

Other payables (non-current) amounted to DKK 2,384 thousand at the end of the financial year ended December 31, 2021, compared to DKK 2,221 thousand at the end of the financial year ended December 31, 2020. The amounts relate to provision for the 'frozen' holiday allowance in relation to the new Danish Holiday Act.

Other payables (current) amounted to DKK 7,245 thousand at the end of the financial year ended December 31, 2021, compared to DKK 7,848 thousand at the end of the financial year ended December 31, 2020, corresponding to a decrease of DKK 603 thousand. The decrease is mainly due to a decrease in payable withholding tax (A-skat) and labour market contributions (AM-bidrag) offset by an increase in accrued holiday pay and VAT payable.

8.4.3 Cash flow

Cash flow from operating activities showed a cash outflow of DKK 8,079 thousand for the financial year ended December 31, 2021, compared to a cash outflow of DKK 8,738 thousand for the financial year ended December 31, 2020. The increase was mainly related to the Company increasing its number of employees and increasing its marketing spend as a result of the strategy laid out in the Company Description.

Cash flow from investing activities showed a cash outflow of DKK 15,481 thousand for the financial year ended December 31, 2021, compared to a cash outflow of DKK 13,439 thousand for the financial year ended December 31, 2020. The increase was mainly due to further investments in developing the Penneo Sign and Penneo KYC solutions in accordance with the strategy laid out in the Company Description.

Cash flow from financing activities amounted to a cash inflow of DKK 17,133 thousand for the financial year ended December 31, 2021, compared to a cash inflow of DKK 45,802 thousand for the financial year ended December 31, 2020. The decrease was mainly related to the Company's cash increase of DKK 52 million from the proceeds from being admitted to trading on Nasdaq First North Growth Market Denmark in June 2020. In the financial year ended December 31, 2021, the Company had cash increases of DKK 9.9 million from warrants being exercised and DKK 10.0 million from a loan from Vækstfonden in order to facilitate the continuous growth of the Company.

8.5 Summary of the key financial development in the financial year ended December 31, 2020, compared to the financial year ended December 31, 2019

8.5.1 Income statement

Revenue for the financial year ended December 31, 2020, amounted to DKK 35,534 thousand compared to DKK 27,597 thousand for the financial year ended December 31, 2019, corresponding to a 28.8% growth. However, revenue for the financial years ended December 31, 2020, and December 31, 2019, respectively, does not compare well due to the transition from recognizing revenue upfront for longer consecutive subscription periods to revenue being annualized and recognized over a shorter deal length.

The growth was driven by:

- The onboarding of 421 new customers
- Securing uplift at existing customers corresponding to an uplift rate of 25%
- Maintaining a low churn with a churn rate of 4%

8.5.1.1 Other comments to the income statement

Gross profit for the financial year ended December 31, 2020, amounted to DKK 28,519 thousand corresponding to a gross margin of 80.3%. In comparison, gross profit for the financial year ended December 31, 2019, amounted to DKK 22,245 thousand corresponding to a gross margin of 80.6%.

Other external expenses increased by DKK 4,010 thousand from the financial year ended December 31, 2019, to the financial year ended December 31, 2020. The increase was primarily due to an increased marketing spend and changes made to facilitate the internationalization of the Company, e.g., implementation of Salesforce and Oracle NetSuite.

Staff costs increased by DKK 11,834 thousand or 70.4% from the financial year ended December 31, 2019, to the financial year ended December 31, 2020. The increase was due to the significant ramp-up of employees within the sales, marketing, and product development. As for the financial year ended December 31, 2020, the Company had an average of 54 full-time employees, compared to 34 full-time employees in the financial year ended December 31, 2019.

Other operating expenses totaled DKK 2,304 thousand for the financial year ended December 31, 2020, compared to DKK 434 thousand for the financial year ended December 31, 2019. The other operating expenses in the financial year ended December 31, 2020, primarily related to the admission to trading on Nasdaq First North Growth Market Denmark.

Tax for the year for the financial year ended December 31, 2020, amounted to DKK 4,488 thousand compared to DKK 21 thousand for the financial year ended December 31, 2019. For the financial year ended December 31, 2020, the amount related to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act and change in deferred tax.

8.5.2 Balance sheet

Other intangible assets amounted to DKK 35,256 thousand at the end of the financial year ended December 31, 2020, compared to DKK 14,318 thousand at the end of the financial year ended December 31, 2019, corresponding to an increase of DKK 20,938 thousand. The increase was driven by the acquisition of the KYC software activities from CLA Reply ApS and increased investments in development projects.

Trade receivables amounted to DKK 8,661 thousand at the end of the financial year ended December 31, 2020, compared to DKK 3,461 thousand at the end of the financial year ended December 31, 2019, corresponding to an increase of DKK 5,200 thousand. The increase was driven by the Company's invoicing being 68% higher in December of 2020 than in December of 2019.

Cash amounted to DKK 31,843 thousand at the end of the financial year ended December 31, 2020, compared to DKK 8,217 thousand at the end of the financial year ended December 31, 2019, corresponding to an increase of DKK 23,626 thousand. The increase is mainly due to the capital raised in connection with the Company being admitted to trading on Nasdaq First North Growth Market Denmark.

Total equity amounted to DKK 57,576 thousand at the end of the financial year ended December 31, 2020, compared to DKK 8,955 thousand at the end of the financial year ended December 31, 2019, corresponding to an increase of DKK 48,621 thousand. The increase is mainly due to the shares issued in connection with the Company being admitted to trading on Nasdaq First North Growth Market Denmark.

Other payables (non-current) amounted to DKK 2,221 thousand at the end of the financial year ended December 31, 2020, compared to DKK 689 thousand at the end of the financial year ended December 31, 2019. The amounts relate to provision for the 'frozen' holiday allowance in relation to the new Danish Holiday Act.

Other payables (current) amounted to DKK 7,781 thousand at the end of the financial year ended December 31, 2020, compared to DKK 2,807 thousand at the end of the financial year ended December 31, 2019, corresponding to an increase of DKK 4,974 thousand. The increase is mainly due to the mandatory postponed deadlines for withholding tax (A-skat) and labour market contributions (AM-bidrag) by the Danish Government due to COVID-19.

8.5.3 Cash flow

Cash flow from operating activities showed a cash outflow of DKK 8,738 thousand for the financial year ended December 31, 2020, compared to a cash outflow of DKK 968 thousand for the financial year ended December 31, 2019. The increase was mainly related to the Company increasing its number of employees and increasing its marketing spend as a result of the strategy laid out in the Company Description

Cash flow from investing activities showed a cash outflow of DKK 13,439 thousand for the financial year ended December 31, 2020, compared to a cash outflow of DKK 4,696 thousand for the financial year ended December 31, 2019. The increase was mainly due to the acquisition of the KYC software activities from CLA Reply ApS and increased investments in development projects.

Cash flow from financing activities amounted to a cash inflow of DKK 45,802 thousand for the financial year ended December 31, 2020, compared to a cash outflow of DKK 9,681 thousand for the financial year ended December 31, 2019. The increase was mainly related to the capital raised in connection with the Company being admitted to trading on Nasdaq First North Growth Market Denmark.

8.6 Non-IFRS financial measures

This Prospectus contains non-IFRS financial measures. The non-financial measures presented herein are not defined as or measures of financial performance under IFRS, but are measures used by the Company to monitor the performance of its business and operations.

None of these measures have been audited or reviewed, and they may not be indicative of the Company's historical results of operations, nor are such measures meant to be predictive of the Company's future results of operations. The Company has presented these non-IFRS financial measures

in the Prospectus as they are considered both important measures to the Company and are widely used by investors when assessing the performance of companies. Unless otherwise indicated, tables with financial measures included in this Prospectus are presented on an IFRS basis.

Not all companies calculate non-IFRS measures in the same manner or on a consistent basis. Hence, these measures may not be completely comparable to measures used by other companies under the same or a similar name. Therefore, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus, and they should not be considered as a substitute for financial measures computed in accordance with IFRS.

The following definitions apply throughout the Prospectus and include reconciliations from the relevant IFRS financial measures to the defined non-IFRS financial measures, where applicable.

8.6.1 Annual recurring revenue (non-IFRS)

Annual recurring revenue (non-IFRS) is calculated as the total recognized revenue for one month multiplied by twelve.

In example, total recognized revenue for the period from October 1, 2021, to October 31, 2021, multiplied by twelve equals annual recurring revenue as per October 2021, and total recognized revenue for the period from December 1, 2021, to December 31, 2021, multiplied by twelve equals annual recurring revenue as per December 2021 and/or as at per financial year ended 2021.

The below table provides an overview of annual recurring revenue (non-IFRS) for the historical financial years:

	As at and for the financial year ended		
DKK	2021	2020	2019
Annual Recurring Revenue (non-IFRS)	55,483,494	36,980,304	24,900,165

8.6.2 EBITDA (non-IFRS)

EBITDA (non-IFRS) is defined as earnings before interest, tax, depreciation, amortization, impairment of intangible assets, other income, and other external expenses as these are not considered part of the Company's normal operations.

The table on the following page provides a reconciliation of operating profit/(loss) as reported under IFRS to EBITDA (non-IFRS):

	As at and for the financial year ended		
DKK	2021	2020	2019
Operating profit/(loss)	(22,723,098)	(16,244,892)	(2,158,125)
Add back of other operating expenses	1,017,363	2,303,555	434,314
Add back of other income	44,785	-	-
Add back of depreciation, amortization and impairment	7,682,379	5,202,220	2,554,531
EBITDA (non-IFRS)	(14,068,142)	(8,739,116)	830,720

8.6.3 Net interest-bearing cash/(debt) (non-IFRS)

Net interest-bearing cash/(debt) (non-IFRS) is defined as cash less interest-bearing liabilities, lease liabilities and provisions. Cash includes cash and cash equivalents on bank accounts. Interest-bearing liabilities relate debt to credit institutions, more specifically Vækstfonden, lease liabilities mainly relate the lease of the headquarter premises and provisions relate decommissioning costs associated with an office lease.

The following table presents the calculation of net interest-bearing cash/(debt) (non-IFRS) based on the above definitions:

DKK	As at and for the financial year ended		
	2021	2020	2019
Cash	25,415,797	31,842,851	8,217,139
Interest-bearing liabilities	(14,697,651)	(5,070,430)	(5,070,430)
Lease liabilities	(13,560,555)	(15,564,063)	(10,711,721)
Provisions	(442,790)	(432,267)	(317,796)
Net interest-bearing cash/(debt) (non-IFRS)	(3,285,199)	10,776,091	7,882,808

8.6.4 Net working capital (non-IFRS)

Net working capital (non-IFRS) is defined as the sum of trade receivables, prepayments, other receivables, other payables, contract liabilities, trade payables, and payables to affiliated companies.

The following table presents the calculation of net working capital (non-IFRS) based on the above definitions:

DKK	As at and for the financial year ended		
	2021	2020	2019
Trade receivables	11,830,821	8,660,841	3,460,894
Prepayments	2,039,272	800,486	432,180
Other receivables	22,325	1,016	41,469
Receivables from affiliated companies	-	-	21,193
Other payables	(9,629,503)	(10,068,929)	(3,496,671)
Contract liabilities	(4,619,523)	(4,511,444)	(5,083,893)
Trade payables	(4,487,375)	(2,665,906)	(2,370,974)
Net working capital (non-IFRS)	(4,843,983)	(7,783,936)	(6,995,802)

8.6.5 Other definitions

- **Churn** is defined as the value of annual recurring revenue for terminated customers and is calculated by the sum of annual recurring revenue of the terminated customers.
- **Churn rate** is defined as churn in percentage of the value of annual recurring revenue at the beginning of a given period and is calculated by churn divided by the value of annual recurring revenue at the beginning of a given period.
- **Uplift** is defined as the increase in annual recurring revenue from customers active at the beginning of a given period still active at the end of the same given period, hence not taking terminated customers into account, and is calculated as the sum of annual recurring revenue at the end of a given period for customers active at both the beginning and the end of the period less the sum of annual recurring revenue from these customers at the beginning of the same given period.
- **Uplift rate** is defined as uplift in percentage of the value of annual recurring revenue at the beginning of a given period of the still active customers, and is calculated by uplift divided by annual recurring revenue at the beginning of a given period of the still active customers.
- **Net ARR retention rate** is defined as, and is calculated by the annual recurring revenue from the existing customer base at the end of a given period divided by the annual recurring revenue from the existing customers at the beginning of the same given period.
- **CAC** is defined as, and is calculated by, inbound lead spend and staff costs directly related towards the onboarding of new customers divided by the number of new customers.
- **Average ARR per customer** is defined as the average annual recurring revenue for customers in the customer's first subscription month, and is calculated by the annual recurring revenue for customers in the customer's first subscription month divided by the number of new customers.
- **CAC payback period** is defined as the period it takes to repay CAC measured in months, and is calculated by the average annual recurring revenue per customer divided by CAC.

8.7 Significant accounting judgements and estimates

Preparation of the financial statements in accordance with IFRS requires that assessments, estimates, and assumptions affecting the application of accounting policies and the recognized amounts of assets, liabilities, income, and expenses, are made. The actual outcome may differ from these estimates and assessments, however, estimates and assumptions are regularly reviewed.

For a discussion of the Company's significant policies, please refer to note 1 in the Audited Financial Statements incorporated by reference to this Prospectus. Changes to estimates are recognized in the period in which the change is made, if the change affects only that period, or in the period in which the change is made and future periods, if the change affects both current periods and future periods.

Assessments made by the Board of Directors and Executive Management in the application of IFRS that have a material impact on the financial statements and estimates that may lead to significant adjustments in the financial statements of future financial years primarily consists of the following:

8.7.1 Development costs

Penneo capitalizes costs for software development projects. Initial capitalization of costs is based on Management's judgement on whether technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established product management model. In determining the amounts to be capitalized, Management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. As at the end of the financial year ended December 31, 2021, the carrying amount of capitalized development costs was DKK 30,873 thousand compared to DKK 20,421 thousand as at the end of the financial year ended December 31, 2020.

8.7.2 Determining the lease term of contracts with renewal and termination options – Penneo as lessee

Penneo determines the lease term as the non-termination period of the lease together with any periods covered by an option to terminate or extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Penneo applies judgement in evaluation whether it is reasonably certain whether or not the option to renew or terminate the lease.

8.7.3 Share-based payments

Estimating the fair value of share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option or appreciation right, volatility, and dividend yield, and making assumptions about them.

9 Capital resources

9.1 Overview of the Company's capitalization and indebtedness

9.1.1 General

The following tables present the Company's capitalization and indebtedness as at the end of the financial year ending December 31, 2021.

- On an actual basis reflecting the carrying amount on the balance sheet of the Company
- On an adjusted basis reflecting the expected effect of the net proceeds from the private placement carried out in March 2022

As at December 31, 2021

DKK	Actual	Adjustment	As adjusted
Capitalization:			
Equity			
Share capital	542,579	89,584	632,163
Reserve for development	30,600,906	-	30,600,906
Retained earnings	12,050,329	59,035,909	71,086,238
Treasury shares	7,177	-	-
Other capital reserve	13,842,673	-	-
Total equity	57,043,664	59,125,493	116,169,157
Current debt			
Guaranteed	-	-	-
Secured	330,660	-	330,660
Unguaranteed/unsecured	-	-	-
Total current debt	330,660	-	330,660
Non-current debt			
Guaranteed	-	-	-
Secured	14,366,991	-	14,366,991
Unguaranteed/unsecured	-	-	-
Total non-current debt	14,366,991	-	14,366,991
Total capitalization	71,741,315	59,125,493	130,866,808

As at December 31, 2021

DKK	Actual	Adjustment	As adjusted
Net liquidity and indebtedness:			
Liquidity			
Cash	25,415,797	59,125,493	84,541,290
Trade receivables	11,830,821	-	11,830,821
Income tax receivables	4,756,084	-	4,756,084
Other receivables	22,235	-	22,235
Total liquidity	42,024,937	59,125,493	101,150,430
Current indebtedness			
Lease Liability	(2,347,715)	-	(2,347,715)
Other payables	(7,245,187)	-	(7,245,187)
Trade payables	(4,487,375)	-	(4,487,375)
Total current indebtedness	(14,080,277)	-	(14,080,277)
Non-current indebtedness			
Lease Liability	(11,212,840)	-	(11,212,840)
Other payables	(2,384,316)	-	(2,384,316)
Total non-current debt	(13,597,156)	-	(13,597,156)
Net liquidity/(indebtedness)	14,347,504	59,125,493	73,472,997

9.1.2 Material changes since December 31, 2021

The Company has no reason to believe that there have been any changes to its actual capitalization since December 31, 2021, other than changes resulting from the ordinary course of business and changes resulting from the capital increase in March 2022.

The net proceeds from the capital increase are reflected in the above tables.

9.2 Borrowing requirements and funding structure

The Company mainly relies on its cash flow from operating activities, its cash balances amounting to DKK 72,757,638.64 as per the date of this Prospectus, and its credit facility of DKK 5,000,000 to finance its operations and its planned investments for the financial year ending December 31, 2022. As announced in the Company's Company Announcement no. 16-2021, Penneo intended to raise DKK 100 million to accelerate its growth journey. However, as announced in the Annual Report for the financial year ended December 31, 2021, published on February 21, 2022, the Board of Directors assessed that a capital raise of DKK 100 million in the current capital market conditions would not contribute to the long-term value creation for its existing shareholders. Instead, as announced in the Company's Company Announcements no. 6-2022 and no. 7-2022, the Company raised gross proceeds of approximately DKK 60 million from four institutional investors in March 2022. The proceeds from the capital raise will be invested in facilitating the three primary growth pillars, as described in Part III – Registration document; Section 6.4.1 Upsell Penneo KYC to audit and accounting customers, Part III – Registration document;

Section 6.4.2 Financial institutions as a strategic focus and Part III – Registration document; Section 6.4.3 Additional investments in the auditing and accounting industry. Consequently, the operating expenses will increase over the next several years as the Company expands its business and marketing activities in new geographical markets and existing geographical markets. In addition, the Company will continue to incur expenses for its development efforts.

Based on the Company's strategy, as described in Part III – Registration document; Section 6.4 Strategy, and anticipated conditions, the Company is in the opinion that the Company's existing cash resources as of the date of this Prospectus are sufficient to fund its current operations, operating expenses, financial expenses and capital expenditure requirements for at least the twelve months following the first day of trading and official listing on Nasdaq Copenhagen on April 4, 2022.

If sufficient funds on acceptable terms are not available when needed, or at all, the Company may be required to delay or limit the Company's future growth, marketing capabilities, or other activities that may be necessary to expand as anticipated.

10 Profit forecasts or estimates

10.1 Statement by the Board of Directors and Executive Management

We have prepared and presented the prospective financial information for the financial year ending December 31, 2022, including the principal assumptions stated under the headings “methodology and assumptions” on the following pages. The prospective financial information has been compiled and prepared on a basis which is both comparable with the annual report for the financial year ended December 31, 2021, and consistent with the accounting policies applied herein. The prospective financial information has been prepared for the annual report for the financial year ended December 31, 2021, with the purpose of providing guidance to the market on the non-IFRS measures annual recurring revenue (ARR) and earnings before interest, tax, depreciation, amortization, impairment of intangible assets and other external expenses (EBITDA) for the financial year ending December 31, 2022.

The prospective financial information for the financial year ending December 31, 2022, is based on a number of factors, including certain estimates and assumptions. The principal assumptions upon which we have based the prospective financial information for the financial year ending December 31, 2022, are described under the headings “methodology and assumptions” on the following pages. The prospective financial information for the financial year ending December 31, 2022, is based on a number of assumptions, primarily historic experience, and current market expectations, and many of the significant assumptions we have used in preparing this information are outside of the Company's control or influence.

The prospective financial information for the financial year ending December 31, 2022, represents the best estimates of the Board of Directors and Executive Management at the date of publication of this Prospectus. Actual results are likely to be different from the prospective financial information for the financial year ending December 31, 2022, since anticipated events may not occur as expected, and the variation may be material. You should read the prospective financial information for the financial year ending December 31, 2022, in conjunction with the risk factors included in *Section II - Risk factors* of this Prospectus. See also *Important information; Forward-looking statements*.

Copenhagen, March 31, 2022

Board of Directors

Christian Sagild
Chairman of the Board

Morten Kenneth Elk
Board member

Rikke Birgitte Stampe Skov
Board member

Executive Management

Christian Stendevad
Chief Executive Officer

(See end of document for signatures)

10.2 Introduction

The Company's Board of Directors and Executive Management have prepared the prospective financial information for the financial year ending December 31, 2022, which is included in this Prospectus, in accordance with applicable laws, rules, and regulations.

While this prospective financial information is presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, this prospective financial information is inherently subject to significant business, operational, economic, and competitive uncertainties and contingencies and based upon future business decisions that are subject to change.

The Company's expectations presented in the prospective financial information as to future developments may deviate substantially from actual developments, and the Company's actual results of operations are likely to be different from the prospective financial information since anticipated events may not occur as expected or may materially differ from the forecast provided. Accordingly, existing shareholders and prospective investors should treat this information with caution and not place undue reliance on the expectations set forth below.

10.3 Non-IFRS financial measures

ARR and EBITDA presented within the prospective financial information are not defined as or a measure of financial performance under IFRS but are measures used by the Company to monitor the performance of its business and operations. The Company has presented these non-IFRS measures within the prospective financial information because they are considered both important measures of the Company's expected performance and are widely used by investors in comparing performance between companies.

Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS measures contained in the prospective financial information, and it should not be considered a substitute for financial measures computed in accordance with IFRS. The non-IFRS financial measures ARR and EBITDA are defined in *Part III – Registration document; Section 8.6 Non-IFRS financial measure*.

10.3.1 Annual recurring revenue

The Company expects annual recurring revenue to be between DKK 77 million and 82 million.

10.3.1.1 Methodology and assumptions

The overall assumption for the expected annual recurring revenue is based on historical performance figures for the latest six months adjusted for seasonality and the continuous ramp-up of the sales organization. The intermediate output based on the historical performance figures is then discussed with the commercial team, who reviews it based on their knowledge of the Company's current pipeline as well as their qualitative and specific knowledge on the current conditions in Penneo's market. The input from the commercial team is applied to adjust the intermediate output to get the most precise forecast of expected annual recurring revenue. Lastly, the adjusted forecast and the underlying drivers are presented to the Executive Management, who makes the final adjustments before presenting it to the Board of Directors for final approval.

The expected growth in annual recurring revenue is expected to be driven by both sales to new

customers, uplift of existing customers whilst maintaining a low churn rate, as described further below:

- **A continued ability to onboard new customers across industries and markets:** An important contributor to achieving the expected growth in annual recurring revenue is the Company's ability to continuously attract new customers. The Company's forecast for onboarding of new customers is based on historical performance figures combined with an assessment of the current resource level and market presence. This assumption is partially within the Company's control.
- **A continued level of engagement with the platform:** Historically, a significant part of the Company's growth in annual recurring revenue has been generated from uplift of existing customers. The Company assumes that it will be possible to continue to uplift existing customers as it requires time for larger customers to fully implement their Penneo solution to their operations and workflows, which creates a natural uplift of customer usage over time. In addition, Penneo expects that the addition of Penneo KYC will facilitate considerable and continuous uplift of annual recurring revenue from existing customers as more than 65% of the Company's existing customers are subject to AML regulation and thus represents the target group for Penneo's new KYC solution. This assumption is partially within the Company's control.
- **A continued low churn rate:** Historically, the Company has maintained a low churn rate of 2-4%. The Company assumes to be able to continue retaining customers by delivering high-quality solutions relevant for its customers' needs. This assumption is partially within the Company's control.

The growth is expected to be distributed between Penneo Sign and Penneo KYC and across various industries – however, with the audit and accounting industry as the strongest contributor. In terms of geographical markets, the majority of the expected growth in annual recurring revenue is expected to originate from existing geographical markets, including Denmark, Norway, Sweden, Finland, and Belgium.

10.3.2 EBITDA

The Company expects EBITDA to be between DKK negative 5 million and negative 10 million.

10.3.2.2 Methodology and assumptions

In addition to the Company's assumptions for the expected increase in annual recurring revenue for the financial year ending December 31, 2022, the Company's expectation for EBITDA is based on the following assumptions:

- The Company's expected EBITDA correlates with the Company's expectations for annual recurring revenue as the Company expects to ramp up the team to secure and utilize as many growth opportunities as possible within the cash flow limits of the Company, considering the projected time of breakeven from a cash flow perspective. The Company adjusts its hiring plan, and correspondingly the staff costs according to the expected annual recurring revenue and cash flow generated from the expected annual recurring revenue. Thus, the expected EBITDA is subject to change in accordance with changes in the relation between expected annual recurring revenue, cash flow, and staff costs.
- The Company follows the development in annual recurring revenue closely on a monthly basis and ensures to adjust the hiring plan accordingly to reflect a matching level, which means that EBITDA will not be directly impacted following a change in expected annual recurring revenue. Should the expected annual recurring revenue be lower than expected, fewer hirings will be executed, and contrarily, should the expected annual recurring increase, additional hirings will be executed. Hence, the Company assumes no change in the relation between annual recurring revenue, cash flow, and staff costs.

11 Regulatory environment

11.1 Introduction

The Company is subject to numerous laws, rules and regulations at national and international level governing its business activities in the countries in which the Company operates.

This section contains selected information on certain important aspects of the regulatory and legal environment in the jurisdictions in which the Company operates. The information in this section is intended to provide a brief overview of certain of the regulations to which the Company is subject and is neither intended to provide a comprehensive nor complete description of the regulatory and legal requirements in the relevant jurisdictions which are applicable to the Company.

Given that the Company is operating internationally, the legal environment may differ substantially in the countries in which it operates. This may also be the case with respect to European legislation, even though European legislation – as a general rule – is intended to apply concordantly in the European member states.

In addition, many of the Company's customers are subject to industry-specific regulations, and accordingly, these customers' use of the Company's services is subject to industry regulation. Some customers are also public entities and are subject to both national and European procurement process rules. In addition, when delivering large-scale products to customers in the private sector, procurement procedures may be used to select suppliers, although they are not subject to the same procurement rules.

11.2. Data Protection and Privacy

Both the Penneo Sign and Penneo KYC solutions involve the processing of sensitive personal data. Ensuring secure and compliant processing of information and personal data as well as a high standard of cyber security constitute a high priority for Penneo.

In recent years, regulations and laws regarding the processing of personal data have increased. The national and European regulators have adopted Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 ("**GDPR**"), which came into effect in May 2018. GDPR lays down requirements regarding the collection, use, transfer, security, storage, destruction, and other processing of personal data and other data relating to individuals.

GDPR implements several strict requirements in relation to companies' use of personal data relating to individuals ("**data subjects**"). Under the GDPR, the definition of personal data includes information such as name, identification number, email address, location data, etc., that can either directly or indirectly identify an individual.

The GDPR and supplementary European member state laws impose a number of requirements, which

include compliance with general principles relating to the processing of personal data, a lawful ground for each processing of personal data, higher standards for organizations to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities, providing expanded information about how data subjects' personal data are or will be processed, preparation of data processing agreements, preparation of written risk assessments, carrying out data protection impact assessments for operations which present specific risks to data subjects due to the nature or scope of the processing operations, an obligation to appoint data protection officers in certain circumstances, rights for data subjects e.g., right to access, right to be "forgotten" and right to data portability, as well as enhanced current rights, a mandatory data breach reporting regime and specific additional requirements in case of transfers of personal data to third countries outside of EU/EEA.

Infringements of the GDPR may be subject to administrative fines up to EUR 20,000,000, or in the event of a company, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher.

11.3 Cyber security

As a provider of software solutions, where the processing of personal data constitutes an integral part of the Company's operations, general rules on cyber security apply to the Company's activities and operations. For example, certain technical and organizational measures must be implemented to protect the security of personal data. These measures may include, inter alia, physical security against unauthorized access and manipulation, password assignment, authorization concepts, logging of subsequent changes of data, reasonable encryption as well as protection against accidental loss, destruction, or damage.

In addition, according to general corporate laws, companies must implement appropriate risk management systems that also cover the detection and control of IT-related risks.

11.4 Anti-Money Laundering

AML refers to the laws, regulations, and procedures designed to prevent criminals from disguising illegal funds as legitimate income.

AML measures aim to deter illicit activities by making it harder for criminals to hide or launder the money derived from criminal activities or from an act of participation in such activity. To this end, regulated sectors need to meet an increasing number of AML requirements.

Regulated sectors (banks and other financial institutions, etc.) must apply measures to prevent money laundering and terrorist financing. The traceability of financial information has a substantial deterrent effect. The European Union adopted the first Anti-Money Laundering Directive (Council Directive 91/308/EEC) in 1991 in order to prevent the use of the financial system for the purpose of money laundering. It provides that entities subject to the directive shall apply CDD requirements when entering into a business relationship (i.e., identify and verify the identity of clients, monitor transactions, and report suspicious transactions). The legislation related to AML has been revised repeatedly over the last 30 years in order to mitigate risks relating to money laundering and terrorist financing. Today, the fourth and fifth Anti-Money Laundering Directive (Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015, AND Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, respectively) applies. The fourth and fifth AML directives also aim to prevent the use of the European Union's financial system for the purposes of money laundering and terrorist financing. These directives materially expand the requirements laid down in the previous AML directives. The AML directives have been transposed into Danish law via the Danish Anti-Money Laundering Act (in Danish: *Hvidvaskloven*).

The Company's KYC solution is developed in order to assist the customers in regulated sectors in meeting their obligations related to AML, such as KYC procedures, risk assessment, CDD, data collection and monitoring, and record-keeping. Hence, and although the Company is not directly subject to the AML regulations, the regulations are critical to the Company, as the Penneo KYC solution taps directly into AML compliance for the Company's KYC solution customers.

11.5 Regulations regarding electronic signatures

Regulation (EU) no. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market (or eIDAS) lays down the conditions under which European Union member states recognise eID means for natural and legal persons falling under a notified eID scheme of another European Union member state. The regulation also lays down the rules for trust services, particularly for electronic transactions, and it establishes a legal framework for electronic signatures, electronic seals, electronic time stamps, electronic documents, electronic registered delivery services, and certificate services for website authentication.

Being a regulation and not a directive, eIDAS has been enforced throughout the EU Member States without the need for national laws for internal implementation.

As referred to above, the eIDAS aims to create a legal framework for digital transactions as a step to develop a modern European Union where people, businesses, and public authorities can interact safely online.

Pursuant to section 25 of the eIDAS regulation, an electronic signature shall not be denied legal effect and admissibility as evidence in legal proceedings solely on the grounds that it is in an electronic form or does not meet the requirements for qualified electronic signatures.

Despite having a game-changing role in creating a more digital single market, the eIDAS regulation has not reached its full potential. The doubts about its effectiveness have arisen mainly due to the limited number of member states that have implemented eID schemes.

About 59% of the European Union population were covered by eID schemes as per mid-2021, and the actual cross-border use of eIDs is minimal and rarely works at all.¹⁸

Considering these issues, the European Commission launched a public consultation on the eIDAS regulation in October 2020, aiming to collect feedback from a broad range of stakeholders on a possible revision of the eIDAS regulation.

Furthermore, on June 3, 2021, the European Commission has adopted a proposal for a regulation amending the eIDAS regulation to establish a framework for a European Digital Identity. The regulation aims to expand and develop the eIDAS regulation.

This proposal unveiled the EU plan for a European Digital Identity Wallet, designed as a pan-European app that all European Union citizens will be able to apply for and install on their smartphones. With the EU Digital Identity Wallet, people will be able to store all their ID documents and eID data (including driver's license, academic records, bank account details) in a single digital place.

The European Union member states are invited to discuss the EU Wallet initiative and prepare a set of technical standards by September 2022 to launch pilot projects then.

12 Board of Directors, Executive Management, and Management

12.1 Overview and biographies

The Company has a two-tier governance structure consisting of the Board of Directors and Executive Management. The two bodies are separate and have no overlapping members.

12.1.1 Board of Directors

As of the date of this Prospectus, the Board of Directors is comprised of the following three members elected by the general meeting comprising the Chairman and two Board members:

Name	Position	Independent	Year of 1 st appointment	Expiration of term
Christian Sagild	Chairman	Yes	2021	2022
Morten Kenneth Elk	Member	Yes	2018	2022
Rikke Birgitte Stampe Skov	Member	Yes	2021	2022

All members of the Board of Directors are considered independent to the Company under the definition set out by the Committee on Corporate Governance.

12.1.2 Executive Management

According to article 6.4 of the Articles of Association, the Board of Directors appoints an Executive Management consisting of one to three members. The following table presents an overview of the current member of Executive Management:

Name	Position	Year of 1 st appointment	Year of current appointment
Christian Stendevad	Chief Executive Officer	2021	2021

On the following pages, the biographies of the Board of Directors, Executive Management, and members of Management are presented.



Christian Sagild

CHAIRMAN OF THE BOARD

Profession: Professional board member

Christian Sagild is a professional board member with significant managerial experience from his executive positions within the insurance industry, most recently as CEO at Topdanmark from 2009 to 2017.

In addition, Christian Sagild has significant experience as a board member from various previous and current board positions at large Danish companies, e.g., Danske Bank, Royal Unibrew, and Ambu, and from his position as chairman of the board in Nordic Solar.

Shares and warrants: Christian Sagild owns 200,000 Shares corresponding to 0.63% of the Company's Shares. 406,377 warrants have been issued to Christian Sagild.

Involvements with commitments to companies over the past five years

Company	Position	Time period
Penneo A/S	Chairman of the Board	28.04.2021 - Present
Sagild ApS	Beneficial owner	28.06.2013 - Present
AMBU A/S	Vice Chairman of the Board	09.12.2020 - Present
Nordic Solar A/S	Chairman of the Board	04.05.2018 - Present
Royal Unibrew A/S	Board member	24.04.2018 - Present
N2F Management ApS	Board member	17.03.2021 - 01.09.2021
Danske Bank A/S	Board member	18.03.2019 - 16.03.2021
AMBU A/S	Board member	13.12.2012 - 08.12.2020
Blue Ocean Robotics ApS	Board member	22.10.2018 - 03.12.2020
Blue Ocean Robotics Holding ApS	Board member	22.10.2018 - 03.12.2020
Kapitalforeningen SDG Invest	Board member	27.11.2017 - 26.02.2019

Penneo dokumentnøgle: EP35E-GAWLG-71UBB-B088Y-IPE3H-N1TOF

Involvements with commitments to companies over the past five years, continued

Company	Position	Time period
Forsikringsorganisationernes Fællessekretariat F.M.B.A	Board member	03.12.2015 - 12.01.2018
Topdanmark EDB A/S	Board member	02.05.2016 - 31.12.2017
Topdanmark EDB II ApS	Board member	02.05.2016 - 31.12.2017
Kapitalforeningen SDG Invest	Board member	27.11.2017 - 26.02.2019
Forsikringsorganisationernes Fællessekretariat F.M.B.A	Board member	03.12.2015 - 12.01.2018
E. & G. Business Holding A/S	Chairman of the Board	01.06.2009 - 31.12.2017
Topdanmark Liv Holding A/S	Chairman of the Board	01.06.2009 - 31.12.2017
Topdanmark Forsikring A/S	Chief Executive Officer	01.06.2009 - 31.12.2017
Topdanmark Invest A/S	Chairman of the Board	01.06.2009 - 31.12.2017
NS Global II ApS	Chief Executive Officer	23.09.2019 - 23.09.2019
NSE Flandern ApS	Chief Executive Officer	18.12.2018 - 07.03.2019
Mad & Møder, Forsikring og Pension ApS	Board member	01.12.2017 - 01.12.2017
Forsikring & Pension	Beneficial owner	30.11.2017 - 16.01.2018
Topdanmark Kapitalforvaltning A/S	Chairman of the Board	01.06.2009 - 31.12.2017
Topdanmark A/S	Chief Executive Officer	01.06.2009 - 31.12.2017
Topdanmark Ejendomsadministration A/S	Chairman of the Board	01.06.2009 - 31.12.2017
Topdanmark Livsforsikring A/S	Chairman of the Board	01.06.2009 - 31.12.2017
Forsikringsorganisationernes Fællessekretariat F.M.B.A	Board member	03.12.2015 - 12.01.2018
Topdanmark EDB A/S	Board member	02.05.2016 - 31.12.2017

Liquidations, bankruptcies or receiverships during the past five years

Company	Status	Position	Time period
Nordic Solar Global A/S	Dissolved due to merger	Chairman of the Board	04.09.2018 - 10.06.2021
GoBike A/S	Dissolved due to bankruptcy	Deputy Chairman of the Board	28.06.2013 - 15.03.2017
Topdanmark Invest II ApS	Dissolved after declaration	Chairman of the Board	01.06.2009 - 31.12.2017

Christian Sagild has not been convicted of fraudulent offences, been involved in any official public incrimination and/or sanctions, or been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.



Morten Elk

BOARD MEMBER

Profession: CEO at SimpleSite

Morten Elk is a serial entrepreneur, board member and business angel. He started his career in 1997 after leaving a postdoctoral position in Physics to co-found what became a leading Danish digital agency that was exited to Swedish Adcore in 1999. In 2003, Morten Elk co-founded SimpleSite, a global player in the Do-It-Yourself website building services, where he remains the CEO.

Alongside, Morten Elk has invested in several startups and is the initiator and driver behind the event series Nordic Growth Hackers where participants in the Copenhagen tech community gather to share growth experience and tactics.

Shares and warrants: Morten Elk owns 18,083 Shares corresponding to 0.06% of the Company's Shares. 283,167 warrants have been issued to Morten Elk.

Involvements with commitments to companies over the past five years

Company	Position	Time period
Penneo A/S	Board member	14.09.2018 - Present
123MIWEB.ES ApS	Beneficial owner	11.01.2011 - Present
SimpleSite GM ApS	Beneficial owner	01.07.2004 - Present
123HEMSIDA.SE ApS	Beneficial owner	01.08.2007 - Present
123HJEMMESIDE.NO ApS	Beneficial owner	01.08.2007 - Present
123WEBSEITE.DE ApS	Beneficial owner	16.01.2012 - Present
SimpleSite ApS	Beneficial owner	04.12.2001 - Present
123WEBSITE SALB ApS	Beneficial owner	16.01.2012 - Present
123HOMEPAGE.IT ApS	Beneficial owner	11.01.2011 - Present
123KOTISIVU.FI ApS	Beneficial owner	11.01.2011 - Present
EVP INVEST ApS	Beneficial owner	10.06.2011 - Present

Involvements with commitments to companies over the past five years, continued

Company	Position	Time period
123WEBSITE.NL ApS	Beneficial owner	02.06.2009 - Present
123SITEWEB.FR ApS	Beneficial owner	11.01.2011 - Present
M. Elk Holding A/S	Beneficial owner	15.10.2007 - Present
MEHI ApS	Beneficial owner	21.12.2018 - Present
Elks Holding ApS	Beneficial owner	21.12.2018 - Present
Tibalo ApS	Chairman of the Board	09.02.2017 - 06.05.2021

Liquidations, bankruptcies or receiverships during the past five years

Company	Status	Position	Time period
Kunai Ads ApS	Voluntarily liquidated	Chief Executive Officer	20.02.2019 - 05.07.2021

Morten Elk has not been convicted of fraudulent offences, been involved in any official public incrimination and/or sanctions, or been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.

Rikke Birgitte Stampe Skov

BOARD MEMBER

Profession: CEO at Impero

Rikke Skov has spent several years as a partner in PwC, co-heading the Risk Assurance Services department and later as a partner with Odgers Berndtson. Before this, Rikke Skov co-founded the IT security consulting company, Protego, which was successfully exited to PwC in 2006. Rikke Skov's career also includes positions with Mærsk, ISS, and Siemens.

In 2018, Rikke Skov was appointed CEO of Impero where she has been a force in taking the company public on Nasdaq First North Growth Market and growing the company significantly.

Shares and warrants: Rikke Skov owns 1,615 Shares corresponding to 0.01% of the Company's Shares. 0 warrants have been issued to Rikke.

Involvements with commitments to companies over the past five years

Company	Position	Time period
Penneo A/S	Board member	05.03.2021 - Present
RS Consulting ApS	Fully liable partner	01.09.2016 - Present
Union Bulk A/S	Chairman of the Board	25.11.2020 - Present
Impero A/S	Chief Executive Officer	01.06.2018 - Present
VL64	Beneficial owner	30.09.2020 - 28.09.2021
Impero A/S	Board member	22.01.2016 - 01.06.2018

Liquidations, bankruptcies or receiverships during the past five years

Company	Status	Position	Time period
Blue Squared ApS	Dissolved after declaration	Beneficial owner	10.01.2019 - 20.04.2021

Rikke Skov has not been convicted of fraudulent offences, been involved in any official public incrimination and/or sanctions, or been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.



Christian Stendevad

CHIEF EXECUTIVE OFFICER

Before joining Penneo, Christian Stendevad gained significant execution and management expertise from his roles as managing consultant at PwC and IBM Business Consulting Services, and as Chief Operating Officer at the Identity Governance and Administration tech company Omada.

From Omada, Christian Stendevad holds a successful track record of co-heading the international scaling and growth of the company from 2004 until joining Penneo in 2021.

Shares and warrants: Christian Stendevad owns 12,112 Shares corresponding to 0.04% of the Company's Shares. 630,000 warrants have been issued to Christian Stendevad.

Involvements with commitments to companies over the past five years

Company	Position	Time period
Penneo A/S	Chief Executive Officer	18.08.2021 - Present
Omada A/S	Executive Board	03.02.2010 - 01.07.2021
Omada Services A/S	Board member	31.10.2017 - 01.07.2021
Omada Services A/S	Executive Board	03.02.2010 - 30.10.2017
Omada GmbH (Germany)	Geschäftsführer	21.08.2012 - 06.08.2021
Omada Solutions Inc (United States)	Director	01.02.2013 ¹ - 18.04.2021
Omada Solutions Ltd (United Kingdom)	Director	25.07.2011 - 06.08.2021
Framework Digital A/S	Chief Executive Officer	01.05.2017 - 30.10.2017
Framework Digital A/S	Board member	30.10.2017 - 21.02.2018
Fonden 1 Juli 1981	Beneficial owner	30.10.2017 - Present

1) The start date at Omada Solutions Inc is estimated as no record of the actual start date has been available

Liquidations, bankruptcies or receiverships during the past five years

Company	Status	Position	Time period
Omada International ApS	Dissolved after declaration	Chief Executive Officer	01.07.2011 - 22.06.2017

Christian Stendevad has not been convicted of fraudulent offences, been involved in any official public incrimination and/or sanctions, or been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.



Casper Nielsen Christiansen

CHIEF FINANCIAL OFFICER

Before joining Penneo in 2018, Casper Christiansen was CFO at SpotOn Marketing, where he played a vital role in the disposal of the company to the private equity firm Adelis.

Casper Christiansen has more than a decade of financial and commercial experience, the majority of which has been spent on developing and growing startups and SMEs.

Since joining Penneo in 2018, he has been one of the key drivers behind the continued development of structured financial processes and preparing Penneo for the growth journey and internationalization, including successfully implementing the new pricing model.

Shares and warrants: Casper Christiansen owns 46,413 Shares corresponding to 0.15% of the Company's Shares. 78,560 warrants have been issued to Casper Christiansen.

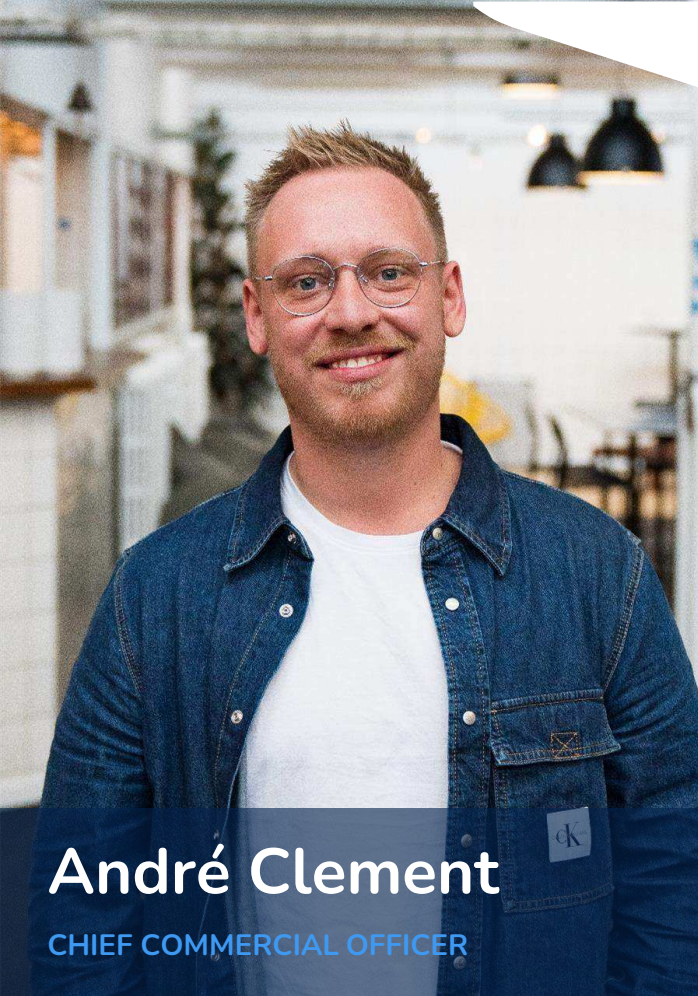
Involvements with commitments to companies over the past five years

Company	Position	Time period
Penneo A/S	Chief Financial Officer	01.12.2018 - Present

Liquidations, bankruptcies or receiverships during the past five years

Company	Status	Position	Time period
SpotON Marketing ApS	Dissolved after merger	Chief Financial Officer	01.12.2015 - 11.01.2018

Casper Christiansen has not been convicted of fraudulent offences, been involved in any official public incrimination and/or sanctions, or been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.



André Clement

CHIEF COMMERCIAL OFFICER

André Clement is one of the co-founders of Penneo and has been a key factor in driving the Company forward. In addition, he has been able to provide Penneo with valuable insights from the auditing industry.

André Clement is a gifted salesperson, and with unique relationship management skills, he has played an essential role in the high growth rates related to the attraction of new customers.

Further, André Clement plays a leading role in the internationalization of the Company.

Shares and warrants: André Clement owns 1,840,779 Shares corresponding to 4.55% of the Company's Shares. 787,029 warrants have been issued to André Clement.

Involvements with commitments to companies over the past five years

Company	Position	Time period
Penneo A/S	Chief Commercial Officer	09.01.2014 - Present
André Clément Holding ApS	Beneficial owner	09.01.2014 - Present

Liquidations, bankruptcies, or receiverships during the past five years

André Clement has had no liquidations, bankruptcies, or receiverships during the past five years.

Further, André Clement has not been convicted of fraudulent offences, been involved in any official public incrimination and/or sanctions, or been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company.

12.1.3 Business address

The business address of the members of the Board of Directors, Executive Management, and Management is Enghavevej 40, 4th floor, 1674 Copenhagen V, Municipality of Copenhagen, Denmark.

12.2 Conflicts of interests

No actual or potential conflicts of interest exist between any of the duties of the members of the Board of Directors and Executive Management and their private interests or other duties, and the Company is not aware of any members of the Board of Directors or Executive Management having been appointed to their current position pursuant to an agreement or understanding with Major Shareholders, customers, suppliers or others except for financial interest in the Company through holdings of Shares and warrants, as set out in the table in *Part III – Registration document; Section 12.7 Shareholdings and share-based instruments*.

Moreover, the Company may do business in the ordinary course with companies in which members of the Board of Directors or Executive Management may hold positions as directors, officers, or employees. Please refer to *Part III – Registration document; Section 14 Related party transactions* for a description of such related party transactions.

It follows from the Rules of Procedure of the Company's Board of Directors and the Danish Companies Act that a member of the Board of Directors or Executive Management shall not participate in the preparation, discussions, or the decision-making process concerning an agreement between the Company and the member in question or concerning legal proceedings between the member in question and the Company, or an agreement between the Company and any third party or legal proceedings brought against any third party if the member in question has a significant interest therein that may conflict with its interests.

No trading restrictions have been applied to the shareholdings of members of the Board of Directors or Executive Management, except as agreed under the lock-up undertaking described in *Part IV – Security note; Section 7.3 Lock-up arrangements* and as provided by law and the Company's internal rules.

12.3 Remuneration and benefits

The extraordinary general meeting in the Company on March 5, 2021, approved the remuneration policy applicable for the Board of Directors and Executive Management of the Company (the "**Remuneration Policy**"), which satisfies the requirements for a remuneration policy set out in sections 139 and 139a of the Danish Companies Act. The compensation of the Board of Directors and Executive Management of the Company described herein for 2021 has been determined in accordance with the principles set out in the Remuneration Policy.

The Remuneration Policy is available on the Company's website www.penneo.com. Information included on the Company's website does not form part of and is not incorporated by reference into this Prospectus.

12.3.1 Board of Directors

All members of the Board of Directors receive a fixed annual cash remuneration (the "**Annual Base Fee**"). The Chairman can receive a fee of up to 200% of the Annual Base Fee.

The remuneration to the Board of Directors will be presented for approval by the Company's shareholders at the annual general meeting.

In order to ensure alignment of interests between the Board of Directors and the Company's shareholders, and to ensure that the Company's short and long-term goals are met, members of the Board of Directors may, in addition to the Annual Base Fee, receive a share-based remuneration in the form of warrants in the Company.

As of the date of this Prospectus, the shareholdings and warrants held by members of the Board of Directors are presented in the table in *Part III – Registration document; Section 12.6 Shareholdings and share-based instruments*.

In respect of the financial year ended December 31, 2021, the current members of the Board of Directors received cash compensation for their services to the Company in the total amount of DKK 349,444.42. Rikke Birgitte Stampe Skov received DKK 82,222.20, Morten Kenneth Elk received DKK 132,222.20, and Christian Sagild received DKK 135,000.02 as well as 406,377 warrants with a strike price of DKK 53.7864.

For the financial year ending December 31, 2022, members of the Board of Directors will receive the Annual Base Fee of DKK 100,000, while the Chairman will receive an additional fee of DKK 100,000.

The value of the annual grant of warrants to a member of the Board of Directors may represent a value of up to 300% of the board members' Annual Base Fee.

The Company has not granted any loans, issued any guarantees, or undertaken any other similar obligations to or on behalf of the Board of Directors or any of its members. No member of the Board of Directors is entitled to any kind of compensation upon resignation as a member of the Board of Directors.

The Company has not allocated funds or made provisions for any pension benefits, severance scheme, or the like for the Board of Directors and has no obligation to do so.

12.3.2 Executive Management

During the financial year ended December 31, 2021, the current member of Executive Management, CEO Christian Stendevad, received compensation from the Company for his position held in the Company which consisted of a total fixed annual cash salary of DKK 968,700 and share-based awards in the form of totally 630,000 warrants with a strike price of DKK 58.94, as well as customary benefits in accordance with market standards, including a company car. It should be noted that CEO Christian Stendevad started in his position on August 18, 2021. According to the service agreement between Christian Stendevad and the Company dated March 22, 2021, Christian Stendevad's fixed annual cash salary amounts to DKK 2,500,000.

For the financial year ending December 31, 2022, the compensation of the CEO may under the service agreement entered into with the CEO also consist of a combination of a fixed annual cash salary, a cash bonus, and share-based awards in the form of warrants, as well as customary benefits in accordance with market standards, including a company car.

As of the date of this Prospectus, the shareholdings and warrants held by the member of Executive Management are presented in the table in *Part III – Registration document; Section 12.6 Shareholdings and share-based instruments*.

The CEO is not entitled to any kind of remuneration upon termination of employment, other than salary and pro-rata bonus payments during his notice period. In the event of the death of the CEO during the term of employment, the Company shall pay the fixed cash salary for the current month plus the 3 following months to the CEO's spouse.

Pursuant to the Company's Remuneration Policy, the Board of Directors may, at its own discretion, decide to grant members of Executive Management a discretionary bonus to reward exceptional achievements or events. The extraordinary bonus is maximized at 50% of the fixed annual salary. In special circumstances, the Board of Directors can decide to allocate extraordinary remuneration – such as retention bonus, compensation for relocation, or severance pay – if deemed to promote the long-term interests of the Company.

The CEO is, under the service contract, entitled to a notice period of 12 months if the employment is terminated by the Company. The CEO may terminate the employment with 6 months' notice.

The CEO does not receive pension contributions by the Company.

The Company has not allocated funds or made provisions for any pension benefits, severance scheme, or the like for the CEO and has no obligation to do so.

The CEO is subject to a non-competition clause for a period of 12 months after expiry of the notice period. Other than the CEO, no employees at the Company are subject to non-competition clauses.

The Company has not granted any loans, issued any guarantees, or undertaken any other similar obligations to or on behalf of the CEO.

No amount has been set aside or accrued by the Company to provide for pension, retirement, or similar benefits.

12.3.3 Management

The remuneration of members of Management is determined by Executive Management and approved by the Board of Directors in line with the remuneration policy approved at the annual general meeting. The Management consists of CFO Casper Nielsen Christiansen and CCO André Clement.

During the financial year ended December 31, 2021, the current members of Management received compensation from the Company for their position held in the Company in this period, which consisted of a fixed annual cash salary and a cash bonus as well as customary benefits in accordance with market standards. The compensation was distributed as follows:

DKK	Cash salary	Bonus
Casper Nielsen Christiansen	1,080,000	0
André Clement	1,020,000	100,000

For the financial year ending December 31, 2022, the compensation of Management may under the service contracts entered into with Management also consist of a combination of a fixed annual cash salary, a cash bonus, as well as customary benefits in accordance with market standards.

As of the date of this Prospectus, the shareholdings and warrants held by members of Management are presented in the table in *Part III – Registration document; Section 12.6 Shareholdings and share-based instruments*.

The members of Management are not entitled to any kind of remuneration upon termination of employment, other than salary and pro-rata bonus payments during their notice period.

Management are, under their respective service contracts, entitled to a notice period of 5-7 months if the employment is terminated by the Company. The members of Management may terminate the employment with 1-3 months' notice.

Management does not receive pension contributions by the Company, and the Company has not allocated funds or made provisions for any pension benefits, severance scheme, or the like for the members of Management and has no obligation to do so.

The Company has not granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of members of Management.

No amount has been set aside or accrued by the Company to provide for pension, retirement, or similar benefits.

12.4 Board practices

12.4.1 Recommendations on Good Corporate Governance

The Company is committed to exercising good corporate governance at all times, and the Board of Directors will on a regular basis, assess rules, policies, and practices according to the Corporate Governance Recommendations. Nasdaq Copenhagen has incorporated the Corporate Governance Recommendations in Nasdaq Issuer Rules.

Consequently, as a company with shares admitted to trading and official listing on Nasdaq Copenhagen, the Company will be required to comply with or explain deviations from the Corporate Governance Recommendations as also required pursuant to Section 107b of the Danish Financial Statements Act.

In connection with the Admission, the Board of Directors has prepared a statutory statement on corporate governance reflecting the compliance of the Company with each of the Corporate Governance Recommendations. The statement is available on the Company's website www.penneo.com.

The Company intends to comply with the Corporate Governance Recommendations in all material respects, however with the following exceptions:

Recommendation 2.2.1 – Vice Chairman of the Board of Directors

Due to the size of the Company and the current composition and collaboration of the Board of Directors, the Board of Directors assesses the relevance of appointing a vice chairman to be low.

It is the intention of the Board of Directors to appoint a vice chairman in the future to comply with this recommendation.

Recommendation 3.4.3 – Audit Committee

Due to the size of the Company, the Board of Directors has not found it relevant to establish a separate audit committee. The tasks of an audit committee are handled by the Chairman of the Board of Directors, who will submit proposals to the entire Board of Directors.

Recommendation 3.4.4 – Nomination Committee

Due to the size of the Company, the Board of Directors has not found it relevant to establish a separate nomination committee. The tasks of a nomination committee are handled by the Chairman of the Board

of Directors, who will submit proposals to the entire Board of Directors.

Recommendation 3.4.5 – Remuneration Committee

Due to the size of the Company, the Board of Directors has not found it relevant to establish a separate remuneration committee. The tasks of a remuneration committee are handled by the Chairman of the Board of Directors, who will submit proposals to the entire Board of Directors.

Recommendation 4.1.5 – Share Options and warrants

In order to align the interests of the members of the Board of Directors with those of the Shareholders and in order to support the long-term interests of the Company, members of the Board of Directors may in accordance with the Company's Remuneration Policy be granted warrants.

12.5 Employees

The Company does not employ any persons outside of Denmark. Hence, the following table presents the average number of employees as per the end of the financial years ending December 31, 2019, December 31, 2020, and December 31, 2021, respectively, and the total number of employees as of the date of this Prospectus:

	As of date of this Prospectus	As at and for the financial year ended		
		2021	2020	2019
Denmark	85	78	54	33

12.6 Shareholdings and share-based instruments

The below table sets out the holdings of Shares and Warrants in Penneo held by the members of the Board of Directors, Executive Management, and Management, either personally or through controlled companies as well as other employees and other shareholders as of the date of this Prospectus.

Name	Shares	(%)	Warrants	Shares in the event of exercise of outstanding warrants	(%) on a fully diluted basis
Board of Directors					
Christian Sagild	200,000	0.63%	406,377	606,337	1.72%
Morten Kenneth Elk	18,083	0.06%	283,167	301,250	0.86%
Rikke Birgitte Stampe Skov	1,615	0.01%	0	1,615	0.00%
Executive Management					
Christian Stendevad	12,112	0.04%	630,000	642,112	1.82%
Management					
Casper Nielsen Christiansen	46,413	0.15%	78,560	124,973	0.36%
André Clement	1,440,779	4.55%	787,029	2,227,808	6.33%
Total	1,719,002	5.43%	2,185,133	3,904,135	11.09%

12.7 Incentive programmes

12.7.1 Employee Share Programme

In 2021, the employees were offered to participate in an employee share program with a vesting period from January 1, 2022, to December 31, 2022. The employee share program applies to all current full-time employees in the Company. The employee share program makes it possible for employees to have part of their salaries paid in the Company's shares. The Company's treasury shares will be used for the share program, and no new shares will be issued in connection with the share program.

Every employee was offered to subscribe for shares within a maximum of 20% of the yearly pre-tax salary before deduction. 52,768 shares were requested by the employees corresponding to a nominal value of DKK 1,049.36. The share price that is used to calculate the number of shares an employee will receive is DKK 25.64 per share based on the average of the daily average share price in the 5-day trading period from November 22, 2021, to November 26, 2021.

The shares will be transferred to the share depository of the individual employee participating in the share program when the Company publishes the 2022 Annual Report in the beginning of 2023. Thereafter, the shares will be at the free disposal of the employees without any restrictions.

The program is covered by section 7 P of the Danish Tax Assessment Act (in Danish: *Ligningslovens § 7 P*).

12.7.2 Warrants 2020

The Company has over the years introduced warrant programmes aimed at members of the Board of Directors, Executive Management, and key employees. Under the warrant program of April 30, 2020, (corrected May 26, 2020), the warrants were granted in full to the warrant holders, as the warrants were issued as "parallel warrants" to several existing warrants programs (now lapsed).

The programme consisted of 4,502,603 warrants. The warrants could be exercised after the publication of the interim report for the first half-year of 2021 on August 27, 2021, at the earliest and can be exercised no later than 14 days after publication of the quarterly report for the third quarter of 2023. Following the exercise of 1,942,953 warrants on September 13, 2021, the exercise of 55,250 warrants on December 13, 2021, and the exercise of 31,474 warrants on March 10, 2022, 2,472,926 warrants outstanding remain under the program.

Further, in accordance with the provisions of the warrant programme, the Board of Directors has required the warrant holders to sign lock-up agreements on terms equivalent to the terms of the Lock-Up Obligation applying to the existing shareholders, cf. *Part IV – Securities Note; 7.3 Lock-up agreements*. If not exercised within 14 days after the publication of the quarterly report for the third quarter of 2023, all non-exercised warrants will lapse.

The exercise price of the remaining warrants is fixed between DKK 4.28 and DKK 4.74 per share.

The terms of the warrants are described in further detail in the Company's Articles of Association.

On October 31, 2020, 37,500 warrants were granted in connection with the acquisition of the KYC software activities from CLA Reply. The warrants vest upon the fulfillment of 5 tranches with different performance conditions. The warrants could be exercised after the publication of the interim report for the first half-year of 2021 on August 27, 2021, at the earliest and can be exercised no later than 14 days after publication of the quarterly report for the third quarter of 2023.

The exercise price is fixed at DKK 32.932 per share. Subsequent to the warrant issue of October 31, 2020, an employee and warrant holder has resigned from his position before the warrants have been fully vested. Consequently, 15,000 warrants out of the 37,500 warrants will lapse automatically.

The terms of the warrant issues are described in further detail in the Company's Articles of Association.

12.7.3 Warrants 2021

On March 22, 2021, the Board of Directors exercised part of its authority under article 4.1.3 of the Company's Articles of Association by granting 630,000 warrants to CEO Christian Stendevad.

The exercise price is fixed at DKK 58.94 per share, corresponding to the average of the average share price for the 5 days prior to the date on which the Board of Directors decided to grant the warrants. The warrants vest over 36 months. Warrants that have not been exercised before March 22, 2029, will lapse automatically. Warrants can be exercised in periods of four weeks starting the day after the publication of the Company's annual report, half-yearly report, or quarterly report, respectively.

The terms of the warrants are described in further detail in the Company's Articles of Association.

On April 28, 2021, the Board of Directors exercised part of its authority under article 4.1.3 of the Company's Articles of Association by granting 406,377 warrants to Chairman of the Board Christian Sagild.

The exercise price is fixed at DKK 53.7864 per share, corresponding to the average of the average share price for the 5 days prior to the date on which the Board of Directors decided to grant the warrants. The warrants will vest over 36 months. Warrants that have not been exercised before April 28, 2029, will lapse automatically. Warrants can be exercised in periods of four weeks starting the day after the publication of the Company's annual report, half-yearly report, or quarterly report, respectively.

The terms of the warrants are described in further detail in the Company's Articles of Association.

On December 8, 2021, the Board of Directors exercised part of its authority under article 4.1.3 of the Company's Articles of Association by granting 25,000 warrants to Vækstfonden. The exercise price is fixed at DKK 23.199 per share of nominal DKK 0.02. The warrants can solely be exercised in connection with one of the following three events: (i) in a period of fourteen days following repayment of the loan, (ii) in a period of fourteen days from the due date of repayment in which repayment has not been completed or (iii) in a period of ten working days following the Company's announcement of delisting from Nasdaq First North Growth Market with no simultaneous listing of the Company on Nasdaq Copenhagen Main Market.

The terms of the warrants are described in further detail in the Company's Articles of Association.

The table on the next page shows the total warrants outstanding as per the date of the Prospectus.

Warrant holder	Warrants	Date granted	Strike price	Vesting period	Exercise period
Morten Kenneth Elk	283,167	28.05.2020	4.74	Fully vested	Aug2021 - Nov2023
Christian Trolle Andersen	133,182	28.05.2020	4.67	Fully vested	Aug2021 - Nov2023
Casper Nielsen Christiansen	78,560	28.05.2020	4.67	Fully vested	Aug2021 - Nov2023
Jesús David Otero Gómez	98,046	28.05.2020	4.67	Fully vested	Aug2021 - Nov2023
Øyvind Dyrnes	64,174	28.05.2020	4.28	Fully vested	Aug2021 - Nov2023
Gautier Garin	61,273	28.05.2020	4.67	Fully vested	Aug2021 - Nov2023
Mads Aabling	51,061	28.05.2020	4.67	Fully vested	Aug2021 - Nov2023
Morten Nybye-Petersen	35,000	28.05.2020	4.28	Fully vested	Aug2021 - Nov2023
Dennis Højland Mortensen	33,132	28.05.2020	4.28	Fully vested	Aug2021 - Nov2023
Erik Munk Selmann	61,273	28.05.2020	4.67	Fully vested	Aug2021 - Nov2023
André Clement	787,029	28.05.2020	4.33	Fully vested	Aug2021 - Nov2023
Jan Flora	787,029	28.05.2020	4.33	Fully vested	Aug2021 - Nov2023
Shum Ivan Ingemann Stra	18,750	13.10.2020	32.93	Oct2021 - Jun2023	Aug2021 - Nov2023
Henrik Asbak Boensvang	3,750	13.10.2020	32.93	Oct2021 - Jun2023	Aug2021 - Nov2023
Christian Stendevad	630,000	22.03.2021	58.94	Aug2021 - Jul2024	Aug2021 - Mar2029
Christian Sagild	406,377	28.04.2021	53.79	Oct2021 - Mar2024	Apr2021 - Apr2029
Vækstfonden	25,000	08.12.2021	23.20	Fully vested	Dec2021 - Jan2027
Total	3,556,803				

13 Major Shareholders

13.1 Overview

Pursuant to section 55 of the Danish Companies Act, the Company has received notifications of holdings of 5.0% or more of the share capital or voting rights from the shareholders included in the table below. Other than those persons, the Company is not aware of any person who, directly or indirectly, owns or controls an interest in the Company's share capital or voting rights that is notifiable under Danish law or of any agreements that could later result in others taking over the control of the Company.

The following table presents an overview of the most recent information received on Major Shareholders:

Major Shareholder	Ownership interest	Voting rights	Beneficial Owner	Relationship to the Company?
Andersen Advisory Group A/S	9.88%	9.96%	Michael Moesgaard Andersen	No active relationship
Biostrat Biotech Consulting ApS	7.43%	7.48%	Nicolaj Højer Nielsen	No active relationship
Arbejdsmarkedets Tillægspension	6.90%	6.95%	None	Not applicable
Flora IT ApS	6.58%	6.63%	Jan Flora	Currently employed
Clausen Online ApS	6.38%	6.42%	Mikkel Clausen	No active relationship
NH Rasmussen Holding II ApS	5.38%	5.42%	Niels Henrik Rasmussen	No active relationship

The percentage of voting rights described above is based on the entire registered share capital of the Company, excluding treasury shares. All Shares in the Company will rank parri passu and carry one vote per share of a nominal value of DKK 0.02, and the Shares held by the Major Shareholders do not carry different voting rights.

The Company has implemented a governance structure with a majority of independent members of the Board of Directors to ensure that the Company is managed in accordance with good corporate governance principles.

14 Related party transactions

14.1 Overview

The Board of Directors, Executive Management, and Management are considered related parties of the Company as they exercise a significant influence on the Company's operations. Related parties also include such persons' relatives as well as undertakings in which such persons have significant interests. Further, related parties include associated companies. No transactions between the Company and related parties exist, except as stated in the following:

14.1.1 Guarantees and personal guarantees

The Company has a credit facility of DKK 5,000,000 at Danske Bank A/S. The following related parties have issued guarantees as security for the payment of the credit:

- Penneo Holding ApS, former shareholder (dissolved by merger with the Company)
- Penneo Holding 2 ApS, former shareholder (dissolved by merger with the Company)

The following related parties have issued subordinated guarantees:

- André Clement (Chief Commercial Officer)

Each guarantee is limited to DKK 250,000. The guarantors are jointly and severally liable.

15 Financial information concerning the Company's assets and liabilities, financial position and profits and losses

15.1 Historical financial information in Prospectus incorporated by reference

The historical financial information included in this Prospectus, including the statements of profit and loss and other comprehensive income, the statements of financial position, the statements of changes in shareholder's equity, and the cash flow statements, consists of or has been extracted from:

- The audited financial statement of the Company prepared in accordance with IFRS as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act as at and for the financial year ended December 31, 2021, and the audited financial statement of the Company prepared in accordance with IFRS as at and for the financial year ended December 31, 2020, with comparative figures as at and for the financial year ended December 31, 2019, as incorporated by reference (the "**Audited Financial Statements**")

The functional currency of the Company is DKK, and the financial statements are presented in DKK.

The information explicitly listed in the table below has been incorporated by reference into this Prospectus pursuant to Article 19 of the Prospectus Regulation. Non-incorporated parts of the documents incorporated by reference are either not deemed relevant for existing shareholders and other investors or are covered elsewhere in this Prospectus. Direct and indirect references in the documents included in the table below to other documents or websites are not incorporated by reference and do not form part of this Prospectus. The documents speak only for the period in which they are in effect and have not been updated for purposes of this Prospectus. Existing shareholders and prospective investors should assume that the information in this Prospectus, as well as the information incorporated by reference herein, is accurate only in the period in which they are in effect.

The information incorporated by reference into this Prospectus is exclusively set out in the cross-reference table below and available on the Company's website:

	Audited Financial Statement for the financial year ended December 31, 2021	Audited Financial Statement for the financial year ended December 31, 2020
Independent auditor's report	Pages 34 to 37	Pages 23 to 26
Financial Statements	Pages 38 to 42	Pages 27 to 36
Notes	Pages 43 to 84	Pages 37 to 73

15.2 Auditing and review of financial information

The Audited Financial Statements have been audited in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class B enterprises with addition of certain provisions for reporting class C, cf. the Danish Executive Order on Adoption of IFRS issued in accordance with the Danish Financial Statements Act.

Apart from the historical financial information in and extracted from the Audited Financial Statements, this Prospectus does not contain financial information which has been audited or reviewed by the Company’s auditor.

15.3 Change of accounting framework

No change of accounting framework is expected. The Audited Financial Statements are presented and prepared in a form consistent with the accounting standards framework that will be adopted in the Company’s annual report for the financial year ended December 31, 2022.

15.4 Pro-forma financial information

No pro-forma financial information has been included in this Prospectus.

15.5 Dividend policy

The Company has no intention to pay dividends in the coming years as the Company intends to reinvest any profit in order to pursue its growth and internationalization strategy.

The Company’s ability to pay dividends will depend, among other things, on its financial condition, working capital requirements, and the availability of distributable profits and reserve and cash available, as well as other factors as the Board of Directors, may deem relevant. Payment of dividends are decided by the Annual General Meeting following a proposal from the Board of Directors.

There can be no guarantee that the Company’s revenue, profit, and cash flow may support the payment of dividends. The payment of dividends is at the discretion of the Board of Directors solely and may be subject to, among other things, applicable law, regulations and restrictions, the Company’s financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors that the Board of Directors of the Company deems to be of significant importance of the Company from time to time.

Finally, the Company has signed a dividend limitation agreement, which entails that the Company is not entitled to propose a resolution to pay dividends without the consent from Vækstfonden. The dividend limitation agreement applies until all current and future loans are fully repaid. The last scheduled repayment fall due on January 4, 2027.

15.6 Legal and arbitration proceedings

Penneo may, from time to time, become subject to governmental, legal, and/or arbitration proceedings which may arise in the ordinary course of business. Within the preceding 12 months of the publication of this Prospectus, Penneo has not been, and is currently not, a party to any governmental, legal, and/or arbitration proceedings.

Further, as of the date of publication of this Prospectus, Penneo is not aware of any threatening

governmental, legal, and/or arbitration proceedings, which could – in the future – have an adverse effect on the Company’s business, reputation, results of operation, and financial condition.

15.7 Significant change in the issuer’s financial position

The Company has no reason to believe that there has been any material change to its financial position since December 31, 2021, other than changes resulting from the ordinary course of business.

16 Additional information

16.1 Registered share capital

As of the date of this Prospectus, the Company's share capital corresponds to a nominal value of DKK 632,792.18 divided into 31,639,609 Shares with a nominal value of DKK 0.02 each.

16.2 Warrants

The Company has currently issued 3,556,803 warrants to employees, members of the Board of Directors, Executive Management, and Management. Please refer to *Part III – Registration document; Section 12.7 Incentive programmes* for a description of the terms hereof.

- According to section 3 of the Company's Articles of Association, the Board of Directors has been granted the following authorizations to issue warrants:
- On November 16, 2018, the general meeting authorized the Board of Directors to issue warrants at one or more occasions and to resolve on the associated capital increase. The authorization is valid until November 15, 2023, and a total nominal value of DKK 910 remains of the authorization.
- On April 30, 2020, the general meeting authorized the Board of Directors to issue warrants at one or more occasions and to resolve on the associated capital increase. The authorization is valid until April 30, 2025, and a total nominal value of DKK 28,022.46 remains of the authorization.

16.3 Authorizations to increase the share capital

According to section 3 of the Company's Articles of Association, the Board of Directors has been granted the following authorizations to increase the Company's share capital:

- Until April 30, 2025, the Board of Directors was authorized to increase the share capital by one or more times with subscription for new shares up to a nominal value of DKK 180,000 (without preemption rights for the existing shareholders). However, the authorization has been exercised in full as a consequence of the share capital increase with a nominal value of DKK 90,415.92 on May 28, 2020, and the share capital increase with a nominal value of DKK 89,584.08 on March 3, 2022.
- Until April 30, 2025, the share capital may, by resolution of the Board of Directors, be increased by one or more times with subscription of new shares up to a nominal value of DKK 90,000 (with pre-emption rights for the existing shareholders).
- The total nominal capital increase, which the Board of Directors may resolve in accordance with section 3 in the Articles of Association, may not exceed a nominal value of DKK 180,000.

16.4 Treasury shares

As of the date of this Prospectus, the Company holds 229,469 treasury shares of nominal DKK 0.02 amounting to a total nominal value of DKK 4,589.38. The shares were acquired by the Company in connection with a merger of the Company with Penneo Holding ApS (dissolved) and Penneo Holding 2 ApS (dissolved) on April 8, 2020.

Pursuant to section 85 of the Danish Companies Act, voting rights may not be exercised where they are attached to shares held by a limited liability company itself. Furthermore, such shares are excluded where the validity of any resolution or the exercise of any power is subject to the consent of all shareholders or to a certain majority of votes of either the shares represented at the general meeting or the entire share capital of the limited liability company.

16.5 Movements in the share capital

The below table presents the development in the Company's share capital from January 1, 2019, to the date of this Prospectus. All movements in the Company's share capital are made in Penneo A/S.

Date	Event	Investor	Nominal value per share	Share capital (DKK)			# of shares
				Nominal change	Share price	Nominal post change	
April 29, 2019	Capital increase by cash contribution	See below ¹⁾	1.0	1,596	50.00	110,163	110,163
July 19, 2019	Capital increase by debt conversion	See below ²⁾	1.0	1,447	691.00	111,610	111,610
October 28, 2019	Capital increase by cash contribution	See below ³⁾	1.0	8,508	50.00	120,118	120,118
December 16, 2019	Capital increase by cash contribution	See below ⁴⁾	1.0	15,877	314.92	135,995	135,995
January 17, 2020	Capital increase by cash contribution	See below ⁵⁾	1.0	399	50.00	136,394	136,394
March 5, 2020	Capital increase by cash contribution	See below ⁶⁾	1.0	3,419	584.96	139,813	139,813
April 8, 2020	Capital increase by issuance of bonus shares, share split	See below ⁷⁾	0.02	3,896.70	0.02	143,709.70	7,184,485
April 8, 2020	Capital increase by issuance of bonus shares	See below ⁸⁾	0.02	268,488.94	0.02	412,198.64	20,906,932
May 28, 2020	Capital increase by cash contribution	See below ⁹⁾	0.02	90,415.92	11.06	502,614.56	25,130,728
September 13, 2021	Capital increase by cash contribution	See below ¹⁰⁾	0.02	38,859.06	4.97	541,473.62	27,073,681
December 13, 2021	Capital increase by cash contribution	See below ¹¹⁾	0.02	1,105.00	4.53	542,578.62	27,128,931
March 3, 2022	Capital increase by cash contribution	See below ¹²⁾	0.02	89,584.08	13.75	632,162.70	31,608,135
March 10, 2022	Capital increase by cash contribution	See below ¹³⁾	0.02	629.48	4.55	632,792.18	31,639,609

- 1) Subscription of new shares by cash contribution by Grephyte ApS (CVR no. 37931535) in connection with exercise of warrants. The beneficial owner of Grephyte ApS is former employee of Penneo Ahmed Nazir Raja, who has no active relationship with the Company
- 2) Subscription of new shares by debt conversion by NH Rasmussen Holding II ApS (CVR no. 33393598). The beneficial owner of NH Rasmussen Holding II ApS is former CEO of Penneo Niels Henrik Rasmussen, who has no active relationship with the Company
- 3) Subscription of new shares by cash contribution by former CEO Janek Borgmann, who has no active relationship with the Company, in connection with exercise of warrants
- 4) Subscription of new shares by cash contribution by Andersen Advisory Group A/S (CVR no. 15273771). The beneficial owner of Andersen Advisory Group A/S is former Board member of Penneo Michael Moesgaard Andersen, who has no active relationship with the Company

- 5) Subscription of new shares by cash contribution by former Board member Anders Tvegaard, who has no active relationship with the Company, in connection with exercise of warrants
- 6) Subscription of new shares by cash contribution by Andersen Advisory Group A/S (CVR no. 15273771). The beneficial owner of Andersen Advisory Group A/S is former Board member of Penneo Michael Moesgaard Andersen, who has no active relationship with the Company
- 7) Subscription of new shares by cash contribution by issuance of bonus shares in connection with a merger involving the Company, Penneo Holding ApS (CVR no. 30814738) and Penneo Holding 2 ApS (CVR no. 37995673). Further, the Company completed a proportional split of the Company's Shares of 1:50
- 8) Subscription of new shares by cash contribution by the issuance of bonus shares in connection with the conversion of the Company into a public limited liability company (in Danish: *Aktieselskab* or *A/S*)
- 9) Subscription of new shares by cash contribution by cash contribution in connection with the Company being admitted to trading on Nasdaq First North Growth Market Denmark
- 10) Subscription of new shares by cash contribution by three individuals with no active relationship with the Company: former Board member Anders Tvegaard, former CEO of Penneo Niels Henrik Rasmussen, former CEO Janek Borgmann, and six individuals currently employed by the Company: CFO Casper Nielsen Christiansen, Morten Nybye-Petersen, Jesús David Otero Gómez, Christian Trolle Andersen, Dennis Højland Mortensen, and Erik Munk Selmann in connection with exercise of warrants at an exercise price between DKK 0.34 and DKK 7.89 per new share
- 11) Subscription of new shares by cash contribution by currently employed individuals Øyvind Dyrnes, Dennis Højland Mortensen, and Erik Munk Selmann in connection with exercise of warrants at an exercise price between DKK 4.28 and DKK 4.67 per new share
- 12) Subscription of new shares by cash contribution in connection with a private placement and directed offering to four institutional investors.
- 13) Subscription of new shares by cash contribution by currently employed individuals CFO Casper Nielsen Christiansen and Morten Nybye-Petersen in connection with exercise of warrants at an exercise price between DKK 4.28 and DKK 4.67 per new share

16.6 Articles of Association

The Company is registered with the Danish Business Authority under company registration number (CVR no.) 35633766.

According to article 1.2 of the Articles of Association, the objective and purpose of the Company is development of software solutions for safe handling, process flow, and storage of documents, data and signatures or other accession and thereto related business.

The Articles of Association does not contain provisions that are likely to have the effect of delaying, deferring, or preventing a change in control of the Company. Consistent with the Corporate Governance Recommendations, the Board of Directors has adopted a set of guidelines for the handling of takeover bids.

The Articles of Association are included in Annex A to this Prospectus.

17 Material contracts entered into outside the ordinary course of business

17.1 Overview

Other than contracts entered into in the ordinary course of business and as described in this Prospectus, there are no contracts to which the Company is a party, which (i) are, or may be, material to the Company in terms of value or strategic importance and, which have been entered into in the two years immediately preceding the date of this Prospectus; or (ii) contain any obligations or entitlements, which are, or may be, material to the Company as of the date of this Prospectus except for those described below:

17.1.1 Customers and partners

Customers:

Material contracts include the business agreements entered into with the Company's largest customers: Deloitte (Denmark), Deloitte (Norway), Deloitte (Sweden), PwC (Denmark), BDO (Denmark), BDO (Norway), Beierholm, EY (Denmark), EY (Norway), EY (Sweden), EY (Finland), KPMG (Denmark) and KPMG (Norway).

For the financial year ended December 31, 2021, these customers combined accounted for more than DKK 7,261 thousands of the Company's annual recurring revenue.

The pricing structure of Penneo Sign is based on the number of users and the number of signatures, while the pricing structure of Penneo KYC is solely based on the number of users. According to the Company's standard customer contracts, the contract period for Penneo Sign and Penneo KYC is 12 months and is automatically renewed for 12 months at a time. Termination notice is 3 months prior to the date of automatic renewal.

The termination notice for the Company's largest customers is 1-3 months prior to the date of automatic renewal.

Partners:

Further, the Company has entered into a number of Application Programming Interface ("API") agreements with partners such as Capto A/S, Unik System Design A/S, and Wolters Kluwer Danmark A/S. However, no individual API agreement is considered material to the Company.

On December 22, 2021, the Company entered into an agreement with Foreningen Bankdata ("**Bankdata**"). Bankdata provides IT solutions to the financial sector and is owned by eight Danish financial institutions. Bankdata is one of the largest FinTech companies in Denmark, with more than 750 employees. Through the deal, Penneo adds Bankdata and seven financial institutions to the portfolio, as one of the financial institutions is already an existing Penneo customer. The agreement with Bankdata is of strategic importance, as Bankdata covers approximately 20% of the market for IT solutions to the financial sector in Denmark.

The agreement commenced on December 22, 2021, and is non-terminable for the first thirty-six (36) months (the “Initial Period”) corresponding to three (3) subscription periods of 12 months each. Following the Initial Period and upon expiration of each subsequent subscription period of twelve (12) months, the agreement is automatically renewed by new subscription periods of 12 months unless terminated by either party. Following the Initial Period, Bankdata can terminate the agreement by giving three (3) months’ notice to the end of a subscription period, and the Company can terminate the agreement by giving eight (8) months’ notice to the end of a subscription period.

17.1.2 Suppliers

The Company has entered into an open-ended AWS Customer Agreement with Amazon Web Services EMEA SARL (Luxembourg) (“**Amazon**”).

The AWS Customer Agreement lays down the terms and conditions that govern the Company’s access to and use of the Amazon Web Services, which is one of the world’s most comprehensive and broadly adopted on-demand cloud computing platforms and APIs. These cloud computing web services provide a variety of basic abstract technical infrastructure and distributed computing building blocks and tools.

The pricing structure for the use of Amazon Web Services is based on a “pay-as-you-go” approach. Thus, the Company only pays for the individual services used, for as long time as these individual services are used.

The Company and Amazon are entitled to terminate the open-ended AWS Customer Agreement at any time during its term. Depending on the reason for termination, a notice period of 30 days prior notice may apply.

The Company has not entered into any other supplier contracts which are considered as material to the Company.

17.1.3 Loan agreements

The Company has entered into three loan agreements with Vækstfonden. The aggregate principal loan amount of the loans is DKK 14,774,558.93, consisting of a loan of DKK 1,070,429.65, DKK 3,704,129.28 and DKK 10,000,000.00, respectively. The Company shall repay the principal loan amounts under each loan agreement in quarterly installments. The last installment on the loan of DKK 1,070,429.65 shall be repaid no later than on July 1, 2024, and the loan carries a variable interest rate, which as per the date of the loan agreement on July 10, 2019, constituted 10.030% pro anno. However, no interest under this loan agreement is payable from July 2, 2021. The last installment on the loan of DKK 3,704,129.28 shall be repaid no later than on July 1, 2025, and the loan carries a variable interest rate, which as per the date of the loan agreement on November 19, 2021, constituted 8.190% pro anno. With respect to the financial year ending December 31, 2022, a postponement of the repayment of installments has been granted by Vækstfonden entailing that the next installment falls due on January 1, 2023. The last installment on the loan of DKK 10,000,000.00 shall be repaid no later than on January 4, 2027, and the loan carries a variable interest rate, which as per the date of the loan agreement on December 8, 2021, constituted 8.190% pro anno.

In connection with completion of the loan agreement of DKK 10,000,000.00, the Company has issued a total of 25,000 warrants to Vækstfonden. The exercise price is fixed at DKK 23.199 per share of nominal DKK 0.02. The warrants can solely be exercised in connection with one of the following three events: (i) in a period of fourteen days following repayment of the loan, (ii) in a period of fourteen days from the due date of repayment in which repayment has not been completed or (iii) in a period of ten working days following the Company’s announcement of delisting from Nasdaq First North Growth Market with no

simultaneous listing of the Company on Nasdaq Copenhagen Main Market.

As security for the loans, dividends cannot be paid without the consent from Vækstfonden. As an additional security for the loans, 2nd priority floating company charge of DKK 15,070,000.00 has been pledged and registered to Vækstfonden.

Vækstfonden is entitled to a one-time performance bonus of DKK 400,000.00 if the Company reaches a performance target within a financial year during the loan period. The performance target is reached when the Company's accumulated earnings measured at EBITDA-level exceeds DKK 15,000,000.00 in accordance with the latest audited report. Further, Vækstfonden is entitled to a one-time exit bonus of DKK 800,000 if (i) an exit transaction occurs, and (ii) the Company has experienced an added (equity) value in the period between July 2019 and the date of the exit transaction. An "exit transaction" is defined as a direct or indirect transfer of more than 25% of the shares or the rights of the shares in the Company, or in any other way, the transfer of a controlling majority. For the avoidance of doubt, capital increases by the issuance of new shares does not constitute an exit transaction.

The Company has entered into a credit facility agreement with Danske Bank with a credit line of up to DKK 5,000,000.00. The credit facility agreement is renegotiated annually, and the credit facility carries a variable interest rate of 3.00% pro anno. No termination date has been agreed.

As a security for the credit facility, 1st priority floating company charge of DKK 5,000,000.00 has been pledged and registered to Danske Bank.

18 Documents available

Copies of the following documents are available for inspection at the Company's office at Enghavevej 40, 4th floor, 1674 Copenhagen V, Denmark, during the period in which this Prospectus is in effect:

- The Audited Financial Statements
- The Articles of Association
- The Prospectus related the application for Listing on Nasdaq Copenhagen.

The Audited Financial Statements, the Articles of Association, and, subject to certain exceptions, the Prospectus are also available for download on the Company's website: www.penneo.com/investors/ under the tabs *Announcements & Financial reports* and *Corporate governance*. Except for the information incorporated herein by reference, the contents of the website do not form part of the Prospectus.

Part IV

Securities note

1 Responsibility statement and persons responsible

1.1 The Company's Responsibility

Please refer to *Part III – Registration document; Section 1 Responsibility statement and persons responsible.*

1.2 The Company's Statement

Please refer to *Part III – Registration document; Section 1 Responsibility statement and persons responsible.*

1.3 Third party statements and reports

Not applicable.

1.4 Third party information

Please refer to *Part III – Registration document; Section 1 Responsibility statement and persons responsible.*

1.5 Statement on approval by the Danish FSA

Please refer to *Part III – Registration document; Section 1 Responsibility statement and persons responsible.*

2 Risk factors

Please refer to *Part II – Risk factors*.

3 Essential information

3.1 Working capital statement

In the opinion of the Company, the working capital available as of the date of this Prospectus is sufficient for the Company's current working capital needs, as described in this Prospectus, for the twelve months following the first day of trading and official listing on Nasdaq Copenhagen on April 4, 2022.

However, the Company will likely seek to raise further capital within the next twelve months in order to accelerate its international expansion and growth. See also *Part III – Registration document; Section 9.2 Borrowing requirements and funding structure*.

3.2 Capitalization and indebtedness

Please see *Part III – Registration document; Section 9 Capital resources*.

3.3 Interest of natural and legal persons involved in the Listing

Several members of the Board of Directors, Executive Management, and Management hold Shares and/or warrants in the Company. Other than André Clement, no member of the Board of Directors, Executive Management or Management, directly or indirectly, holds more than 5% of the Company's share capital.

Other than set out above, the Company is not aware of any interests, including conflicting ones, which are material to the Listing.

3.4 Reasons for the Listing

The Listing on a regulated market is expected to improve the Company's access to more and larger investors and a diversified base of new Danish and international shareholders, in order to ensure even more international attention to support the Company's international growth ambitions as well as advance the Company's public and commercial profile.

4 Information concerning the securities to be admitted to trading

4.1 Type of security and ISIN code

The Prospectus comprises the Listing on Nasdaq Copenhagen.

The Company has one share class.

Application has been made by the Company for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen in connection with an application for deletion of the Shares from trading on Nasdaq First North Growth Market Denmark. Nasdaq Copenhagen has approved the Company's applications conditional upon the publication of this Prospectus and the Danish FSA's approval of this Prospectus. Accordingly, the Shares will have its last day of trading on Nasdaq First North Growth Market Denmark on April 1, 2022, and its first day of trading and official listing on Nasdaq Copenhagen on April 4, 2022. Upon completion of the Listing on April 4, 2022, the Shares will be admitted to trading and official listing under the ISIN code of the Shares. The Listing of the Shares on Nasdaq Copenhagen under the Company's existing symbol "PENNEO" and in the ISIN code of the Shares DK0061283009 will be effective on April 4, 2022. The Shares have the FISN code Penneo/- and CFI code ESVUFN.

The Shares are issued in book-entry form and registered in the name of the shareholder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities A/S ("**Euronext Securities Copenhagen**"), Nicolai Eigtveds Gade 8, 1402 Copenhagen K, Denmark.

4.2 Legislation of the Shares

The Shares are issued under Danish law.

This Prospectus has been prepared in compliance with the requirements set out in the Danish Consolidated Act on Capital Markets no. 1767 as of November 27, 2020, as amended (in Danish *Kapitalmarkedsloven*) (the "**Danish Capital Markets Act**",) Regulation (EU) no. 2017/1129 of the European Parliament and the Council on June 14, 2017, as amended (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) no. 2019/980 of March 14, 2019, as amended, and Commission Delegated Regulation (EU) no. 2019/979 of March 14, 2019, as amended.

Any dispute that may arise as a result of the Listing is subject to the exclusive jurisdiction of the Danish courts.

4.3 Keeper of shareholder register

The Company's register of shareholders is kept by Euronext Securities Copenhagen, Nicolai Eigtveds Gade 8, 1402 Copenhagen K, Denmark.

4.4 Currency

The Shares are denominated in DKK.

4.5 Rights attaching to the Shares

4.5.1 Dividend rights

Each share with a nominal value of DKK 0.02 entitles its holder to receive distributed dividends.

The expected dividend policy of the Company is described in *Part III – Registration document; Section 15.5 Dividend policy*. The Company's dividends, if declared, will be paid in DKK to the shareholders' accounts set up through Euronext Securities Copenhagen.

The Company has signed a dividend limitation agreement, which entails that the Company is not entitled to propose a resolution to pay dividends without the consent from Vækstfonden until all current and future loans are fully repaid. The last scheduled repayment fall due on January 4, 2027.

4.5.2 Voting rights

Each share with a nominal value of DKK 0.02 gives its shareholder the right to one vote at General Meetings. No Major Shareholders have different voting rights.

4.5.3 Pre-emption rights

Under Danish law, all shareholders have pre-emption rights if the General Meeting resolves to capital increases effected as cash contributions. However, the pre-emption rights of the shareholders may be derogated by a majority comprising at least a two-thirds majority of the votes and the share capital represented at a General Meeting if the share capital increase is made at market price. The Board of Directors is authorized to increase the Company's share capital with or without pre-emption rights to the Company's shareholders. Please see *Part III – Registration document; Section 16.3 Authorizations to increase the share capital*.

An increase in the share capital can be resolved by the shareholders at a General Meeting or by the Board of Directors pursuant to an authorization given by the shareholders. In connection with an increase of the share capital, the shareholders may, by resolution at a General Meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-thirds majority of the votes and the share capital represented at a General Meeting. Furthermore, it is a prerequisite that the capital increase is subscribed for at market price, and if less than the market price, such resolution must be adopted by the affirmative vote of a minimum of 90 percent of the votes cast and the share capital represented at a General Meeting and in some cases by all shareholders.

4.5.4 Dissolution and liquidation

In the event of a dissolution and liquidation of the Company, the shareholders will be entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

4.5.5 Resolutions, authorizations, and approvals

The decision to apply for the admission to trading and official listing on Nasdaq Copenhagen of the Company's Shares and the concurrent application for deletion of the Company's Shares from trading on Nasdaq First North Growth Market Denmark was made by the Board of Directors at a board meeting held on March 29, 2022.

4.6 Expected timetable of the admission to trading

The following table presents the expected timetable of principal events:

Name	Date
Last day of trading of Shares on Nasdaq First North Growth Market Denmark	April 1, 2022
First day of trading and official listing of Shares on Nasdaq Copenhagen	April 4, 2022

4.7 Negotiability of the securities

The Shares are negotiable instruments, and no restrictions under Danish law apply to the negotiability of the Shares.

The Articles of Association of the Company do not contain obligations on shareholders to have their Shares redeemed.

4.8 Danish legislation on takeovers

4.8.1 Mandatory takeover bids

The rules on mandatory takeover bids, which will be applicable upon admission to trading and official listing on Nasdaq Copenhagen, are set out in part 8 of the Danish Capital Markets Act and the executive order on takeover bids issued pursuant thereto.

If a controlling shareholding is transferred, directly or indirectly, to an acquirer or to persons acting in concert with such acquirer, the acquirer must enable all shareholders of the company to dispose of their Shares on identical terms if such transfer involves the acquirer obtaining control of the company.

An acquirer has control of the company when the acquirer or persons acting in concert with such acquirer directly or indirectly holds at least one-third of the voting rights in a company unless it can be proven – under special circumstances – that such ownership does not constitute control. An acquirer who does not hold more than one-third of the voting rights in a company will, nevertheless, have control if the acquirer or person acting in concert with such acquirer has the right of disposal of at least one-third of the voting rights of a company by virtue of an agreement or has the right to appoint or dismiss the majority of the members of a company's board of directors.

If special conditions apply, the Danish Financial Supervisory Authority may grant an exemption from the obligation to make a mandatory offer.

4.8.2 Squeeze-out and right to redemption

Pursuant to section 70 of the Danish Companies Act, shares in a company may be redeemed in whole or in part by a shareholder holding more than nine-tenths of the shares and the corresponding voting rights in the company.

Further, pursuant to section 73 of the Danish Companies Act, a minority shareholder may require that a majority shareholder holding more than nine-tenths of the shares and the corresponding voting rights redeem the minority shareholder's shares.

4.8.3 Major shareholdings

Pursuant to section 38 of the Danish Capital Markets Act, a shareholder of a company whose shares or financial instruments are admitted to trading on a regulated market within the EU is required to notify the listed company and the Danish Financial Supervisory Authority as soon as possible if the shareholder's shareholding directly or indirectly represents 5% or more of the voting rights or the share capital, and if the shareholders' shareholding directly or indirectly constitutes, exceeds or exceeds the following thresholds 5%, 10%, 15%, 20%, 25%, 50% or 90% and one-third or two-thirds of the voting rights or the share capital.

The notification must comply with the requirements for the contents thereof set out in sections 15 and 16 of the Danish Executive Order on major shareholders issued pursuant to the Danish Capital Markets Act, including the identity of the shareholder and the date when the threshold is reached or no longer reached. Failure to comply with the disclosure requirements is punishable by a fine. When the company has received such notification, it must publish the contents of such notification as soon as possible.

4.9 Public takeover bids for the Company

No legally binding takeover bids have been made by any third party in respect of the Shares during the past or the current financial year.

The Articles of Association of the Company do not contain provisions that are likely to have the effect of delaying, deferring, or preventing a change in control of the Company.

4.10 Taxation

The following is a summary of certain Danish income tax considerations related to an investment in the Shares. The summary is for general information only and does not constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Prospectus. Danish tax laws may be subject to change, possibly with retroactive effect. The summary does not cover investors to whom special tax rules apply and, therefore, may not be relevant.

The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. The summary only sets out the tax position of the direct owners of the Shares and further assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon. Sales are assumed to be sales to a third party against cash. For shareholders and investors residing outside Denmark, this summary further assumes that the shareholder and investor do not have a permanent establishment in Denmark.

Potential investors are advised to consult their tax advisors regarding the applicable tax consequences regarding acquiring, holding, and disposing of the Shares based on their particular circumstances.

Shareholders who may be affected by the tax laws of jurisdictions other than Denmark should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described in this section.

4.10.1 Taxation of Danish tax resident Shareholders

The trading platform for the Shares is currently Nasdaq First North Growth Market Denmark and the trading platform for the Shares will be changed to the Nasdaq Copenhagen as new trading platform.

The trading of the Shares on both Nasdaq First North Growth Market Denmark and Nasdaq Copenhagen is for tax purposes, both considered trading on a regulated market. Consequently, the shift of the trading platform from Nasdaq First North Growth Market Denmark to Nasdaq Copenhagen does not entail any relevant change of the tax status of the Shares and is not considered as any disposal (and re-acquisition) of the Shares.

4.10.1.1 Individual shareholders

Sale of shares

In 2022, gains from the sale of shares are taxed as share income at a rate of 27 percent on the first DKK 57,200 (for cohabiting spouses, a total of DKK 114,400) and at a rate of 42 percent on share income exceeding DKK 57,200 (for cohabiting spouses over DKK 114,400). Such amounts are subject to annual adjustments and include all share income (i.e., all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method, which means that each share is considered acquired for a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses on the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market (i.e., received dividends and capital gains on the sale of shares admitted to trading on a regulated market).

Unused losses will automatically be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market, and additional losses can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market may only be set off against gains and dividends on other shares admitted to trading on a regulated market, as outlined above if the Danish tax authorities have received certain information relating to the acquisition of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish tax authorities by the securities dealer or custodian.

Individuals investing through an investment savings account (Aktiesparekonto)

Gains and losses on shares owned through an investment savings account (in Danish: *Aktiesparekonto*) are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the assets in the account at the beginning and end of the tax year adjusted for further deposits on the account and adjusted for withdrawals from the account.

Taxation will take place on a mark-to-market principle. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income year.

Dividends

In the calendar year 2022, dividends received by individuals who are tax residents of Denmark are taxed as share income, as described above. Share income is taxed at a rate of 27% on the first DKK 57,200 (for cohabiting spouses, a total of DKK 114,400) and at a rate of 42% on the share income exceeding DKK 57,200 (for cohabiting spouses, a total of DKK 114,400). All share income must be included when calculating whether the amounts mentioned above are exceeded.

Dividends paid to individuals are generally subject to 27 percent withholding tax.

Dividends for individuals investing through an investment savings account (Aktiesparekonto)

Dividends from Shares invested through an investment savings account will be part of the return received and subject to the general taxation principles for the account as described above.

Individuals with tax residency in Denmark will be subject to 17% taxation on any dividend on shares owned through an investment savings account. In 2022, the account is limited to a deposit of DKK 103,500.

4.10.1.2 Company shareholders

Ownership and sale of Shares

For the purpose of taxation on the sale of shares made by company shareholders, a distinction is made between Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares, and Taxable Portfolio Shares, as outlined below:

Subsidiary Shares are generally defined as shares owned by a company shareholder holding at least 10 percent of the nominal share capital of the issuing company.

Group Shares are generally defined as shares in a company in which the shareholder of the Company and the issuing company are subject to Danish joint taxation or fulfill the requirements for international joint taxation under Danish law.

Tax-Exempt Portfolio Shares are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10 percent of the nominal share capital of the issuing company. As the Shares are listed, the rules on tax-exempt portfolio shares are not applicable to the Shares.

Taxable Portfolio Shares are defined as shares that do not qualify as Subsidiary Shares, Group Shares, or Tax-Exempt Shares. The Shares are listed and will therefore qualify as taxable portfolio shares if the shareholder holds less than 10 percent of the share capital.

Gains and losses on disposal of Subsidiary Shares, Group Shares, and Tax-Exempt Portfolio Shares are not included in the taxable income of the shareholder. Losses in these Shares are not deductible.

Capital gains from the Taxable Portfolio Shares admitted to trading on a regulated market are taxable at a rate of 22 percent irrespective of the ownership period. Losses on these shares are deductible. Gains and losses on Taxable Portfolio Shares admitted to trading on a regulated market are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the realization sum. If the Taxable Portfolio Shares are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

A change of status from Subsidiary Shares/Group Shares/Tax-Exempt Portfolio Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends

Dividends paid on Subsidiary Shares and Group Shares are tax-exempt irrespective of the ownership period. Dividends paid on Taxable Portfolio Shares are subject to the standard corporate tax rate of 22 percent irrespective of the ownership period.

The withholding tax rate is 22 percent. If the distributing company withholds a higher amount, the shareholder can claim a refund of the excess tax. A claim for repayment must be filed within two months. Otherwise, the excess tax will be credited in the corporate income tax for the year.

4.10.2 Taxation of Shareholders tax resident outside Denmark

4.10.2.1 Sale of shares – company and individual shareholders

Shareholders not residing in Denmark are normally not subject to Danish taxation on any gains realized on the sale of shares, irrespective of the ownership period.

4.10.2.2 Dividends – individual shareholders

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27 percent. If the withholding tax rate applied is higher than the applicable, final tax rate for the shareholder, a request for refund of Danish tax in excess hereof can be made by the shareholder in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty and the shareholder is entitled to the benefits of such treaty, the shareholder may, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15 percent. Denmark has a large

network of double taxation treaties.

Relief under Danish tax law

If the shareholder holds less than 10 percent of the nominal share capital of the Company, and the shareholder is tax resident in a state which has a double tax treaty or an international agreement, convention, or other administrative agreement on assistance in tax matters with Denmark, according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are subject to tax at a rate of 15 percent. If the shareholder is a tax resident outside the EU, it is an additional requirement for eligibility for the 15 percent tax rate that the shareholder, together with related shareholders, holds less than 10 percent of the nominal share capital of the Company.

Note that the reduced tax rate does not affect the withholding rate, why the shareholder must also, in this situation, claim a refund as described above in order to benefit from the reduced rate.

A request for a refund must be attached to certain documentation. Information about the required documentation is available on the online platform when filing a claim. When claiming a refund, the shareholder must document the following; that Danish dividend has been received by the shareholder and the amount of this dividend, that Danish dividend tax has been withheld and the actual amount withheld, that the shareholder was the beneficial owner of the shares when the dividend was approved, that the shareholder is liable to pay tax in a country that is not Denmark and that the withheld dividend tax exceeds that of the final tax payable according to the double taxation treaty or the final tax payable according to current Danish law.

Generally, a refund of tax withheld in excess of the applicable treaty rate shall be paid within six months following the Danish tax authorities' receipt of the refund claim, including the necessary documentation. If the refund is paid later than six months after the receipt of the claim, interest will be calculated on the amount of the refund. The six-month deadline can be suspended if the Danish tax authorities are unable to determine whether the taxpayer is entitled to a refund based on the taxpayer's affairs. If the deadline is suspended accordingly, computation of interest is also suspended.

4.10.2.3 Dividends – company shareholders

Dividends received on Subsidiary Shares are exempt from Danish tax (including withholding tax) provided the taxation of the dividends is to be waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EU) or in accordance with a tax treaty with the jurisdiction in which the Company shareholder is resident. Further, dividends received on Group Shares – not being Subsidiary Shares – are exempt from Danish tax (including withholding tax) provided the company shareholder is a resident of the EU or the EEA and provided the taxation of dividends should have been waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EU), or in accordance with a tax treaty with the country in which the company shareholder is resident had the shares been Subsidiary Shares.

Dividend payments on Taxable Portfolio Shares (and Subsidiary Shares and Group Shares, if not tax-exempt, will be subject to tax at the rate of 22 percent. However, the applicable withholding rate on such dividends is 27 percent, meaning that any foreign corporate shareholder can request a refund of at least 5 percent. Furthermore, the foreign corporate shareholder can make a request for a refund of Danish tax in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double

taxation treaty and the shareholder is entitled to the benefits under such treaty, the shareholder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15 percent. Denmark has a large network of tax treaties.

Relief under Danish tax law

If the shareholder holds less than 10 percent of the nominal share capital in the Company and the shareholder is resident in a jurisdiction which has a double taxation treaty or an international agreement, convention, or other administrative agreement on assistance in tax according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are generally subject to a tax rate of 15 percent. If the shareholder is a tax resident outside the EU, it is an additional requirement for eligibility for the 15 percent tax rate that the shareholder, together with related shareholders, holds less than 10 percent of the nominal share capital of the Company. Note that the reduced tax rate does not affect the withholding rate, why the shareholder must also, in this situation, claim a refund as described above in order to benefit from the reduced rate.

With respect to payment of refunds and documentation, reference is made to the description in the section above, which applies equally to corporate shareholders residing outside Denmark.

4.10.2.4 Share transfer tax and stamp duty

No Danish share transfer tax or stamp duties are payable of the Shares.

4.10.2.5 Withholding tax obligations

An issuer of shares is when distributing dividends subject to Danish withholding tax obligations in accordance with the applicable Danish laws.

5 Terms and conditions of the Listing of securities

5.1 Conditions, expected timetable, and action required to apply for the offer

Not applicable since this Prospectus is a listing prospectus, and no public offering of Shares are made under this Prospectus in Denmark, EEA, or elsewhere.

6 Admissions to trading and dealing arrangements

6.1 Overview

The Company's Shares are admitted to trading on Nasdaq First North Growth Market Denmark under the ISIN code DK0061283009. The Company has one share class.

An application has been made for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen, which is a regulated market in accordance with the Prospectus Regulation. Upon completion of the Listing April 4, 2022, the Shares will be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code DK0061283009. The Listing on Nasdaq Copenhagen under the Company's existing symbol "PENNEO" will be effective on April 4, 2022.

6.2 Stabilization

There will be no stabilization of the Shares related to the Listing.

6.3 Over-allotment and greenshoe

There will be no over-allotment of Shares or greenshoe related to the Listing.

7 Selling securities holders

7.1 Overview

The Company has not received any indications from shareholders that they intend to sell their Shares. There is no offering of Shares for sale or subscription since the sole purpose of this Prospectus is to have the Shares admitted to trading and official listing on Nasdaq Copenhagen.

7.2 Sale of Shares by Major Shareholders

Not relevant.

7.3 Lock-up agreements

In connection with the Company being admitted to trading on Nasdaq First North Growth Market Denmark in June 2020, all existing shareholders at that time agreed to enter into lock-up agreements, obligating the said shareholders not to sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer their shares or votes in the Company without the prior written consent of the Company's Board of Directors (the "**Lock-up Obligation**"). The Lock-up Obligation applied from the first day of trading and for a period until after the publication of the Company's half-year financial report regarding the first half-year of 2021 (the "**Initial Lock-up Obligation**"). After expiry of the Initial Lock-up Obligation, the shares are released from the Lock-up Obligation in five instalments of equal size. Consequently, the first installment was released on the date of the publication of the Company's half-year financial report regarding the first half-year of 2021, and each subsequent installment is being released on the date of the publication of the quarterly financial statement of the Company so that the last installment will be released on the date of the publication of the Company's financial report for the first half-year of 2022.

As of the date of this Prospectus, 60% of the shares are released from lock-up.

Further, in accordance with the provisions of the terms of the warrants issued in April 2020, the Board of Directors has required warrant holders to sign lock-up agreements on terms equal to the terms described above in connection with the exercise of warrants in 2021.

The following table presents the Major Shareholders with lock-up agreements:

Major Shareholder	Shares under lock-up as per the date of this Prospectus	Beneficial owner	Releases	
			Quarterly report for Q1 2022	Half-year report for 2022
Andersen Advisory Group A/S	1,157,400	Michael Moesgaard Andersen	578,700	578,700
Biostrat Biotech Consulting ApS	1,148,910	Nicolaj Højer Nielsen	574,455	574,455
Flora IT ApS	925,627	Jan Flora	462,814	462,813
Clausen Online ApS	806,832	Mikkel Clausen	403,416	403,416
André Clement Holding ApS	736,311	André Clement	368,156	368,155
Niels Henrik Rasmussen	93,135	n.a.	46,568	46,567
NH Rasmussen Holding II ApS	397,633	Niels Henrik Rasmussen	198,817	198,816
Neua Holding ApS	697,908	Jakob Neua Nørgaard	348,954	348,954
Eskholm Holding ApS	698,053	Anders Eskholm	349,027	349,026

8 Expense of the Listing

The estimated costs payable by the Company related to the Listing are DKK 3.25 million.

9 Dilution

Not applicable. There is no offering of Shares for sale or subscription since the sole purpose of this Prospectus is to have the Shares admitted to trading and official listing on Nasdaq Copenhagen and, therefore, no dilution.

10 Additional information

Financial Advisor to the Company in connection with the Listing

Grant Thornton

Stockholmsgade 45
DK-2100 Copenhagen
+45 33 110 220
www.grantthornton.dk

Legal Adviser to the Company in connection with the Listing

Elmann Advokatpartnerselskab

Stockholmsgade 41
DK-2100 Copenhagen
+45 33 37 63 30
www.elmann.dk

Auditors to the Company

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6
DK-2300 Copenhagen
+45 36 10 20 30
www.deloitte.dk

11 Glossary

Abbreviation/Term	Explanation
(‘000)	Thousands
AES	Advanced Electronic Signature
AML	Anti Money Laundering
ARR	Annual Recurring Revenue
Audited Financial Statements	The audited financial statements of the Company prepared in accordance with the International Financial Reporting Standards as adopted by the EU (“IFRS”) and additional disclosure requirements of the Danish Financial Statements Act as at and for the financial year ended December 31, 2021, with comparable figures as at and for the financial year ended December 31, 2020, and December 31, 2019, as incorporated by reference
BFSI	Banking, Financial Services and Insurance
Big 4	The 4 largest accounting firms measured on global revenue
Big 10	The 10 largest accounting firms measured on revenue in a given geographic market
Board of Directors	Christian Sagild, Morten Kenneth Elk and Rikke Birgitte Stampe Skov
c.	Approximately
CAC	Customer Acquisition Cost
CAGR	Compound Annual Growth Rate
CDD	Customer Due Diligence
Company Description	The company description prepared in connection with Penneo's initial public offering on Nasdaq First North Growth Market Denmark dated May 7, 2020
CVR no.	Company registration number of companies incorporated in Denmark
Deloitte Statsautoriseret Revisionspartnerselskab	Deloitte Statsautoriseret Revisionspartnerselskab, CVR no. 33963556
DESI	The Digital Economy and Society Index
DS	Digital Signature
EBITDA	Earnings before interest, tax, depreciation and amortization

Abbreviation/Term	Explanation
EEA	European Economic Area
eID	Electronic ID
Elmann Advokatpartnerselskab	Elmann Advokatpartnerselskab, CVR no. 34584915
eTS	Electronic Trust Services
EU	European Union
EUR	Euros
Executive Management	Christian Stendevad (CEO)
GDPR	General Data Protection Regulation
Grant Thornton	Grant Thornton Statsautoriseret Revisionspartnerselskab, CVR no. 34209936
KYC	Know-Your-Customer
Listing	The process following being admitted to trading and official listing on Nasdaq Copenhagen
Major Shareholders	The persons and/or entities that, directly or indirectly, owns 5% or more of the total shareholding in the Company
Management	André Clement (CCO) and Casper Nielsen Christiansen (CFO)
MiFID	Markets in Financial Instruments Directive
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, CVR no. 19042677
Penneo/The Company	Penneo A/S, CVR no. 35633766
PEP	Politically Exposed Person
The Prospectus	The Listing Prospectus prepared for the purpose of an admission to trade and official listing on Nasdaq Copenhagen
Prospectus Date	April 1, 2022
QES	Qualified Electronic Signature
QTSP	Qualified Trust Service Provider
SaaS	Software-as-a-Service
SDG	UN Sustainable Development Goals
Shares	The Company's existing shares
UK	The United Kingdom
UN	The United Nations
US	The United States
USD	US dollars

Appendices

Annex A

Annex A – Articles of Association

VEDTÆGTER

for Penneo A/S
(CVR-nr. 35 63 37 66)

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ARTICLES OF ASSOCIATION

of Penneo A/S
(CVR-nr. 35 63 37 66)

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1. SELSKABETS NAVN OG FORMÅL

- 1.1 Selskabets navn er Penneo A/S.
- 1.2 Selskabets formål er udvikling af softwareløsninger til sikker håndtering, proces-flow og opbevaring af dokumenter, data og signeringer eller anden tiltrædelse samt hermed beslægtet virksomhed.

1. NAME AND OBJECT

- 1.1 The name of the company is Penneo A/S.
- 1.2 The object of the Company is development of software solutions for safe handling, process flow and storage of documents, data and signatures or other accession and thereto related business.

2. SELSKABETS KAPITAL

- 2.1 Selskabets aktiekapital udgør nominelt kr. 632.792,18. Aktiekapitalen er ikke fordelt i aktieklasser.
- 2.2 Aktiekapitalen er fordelt i aktier af kr. 0,02 eller multipla heraf.
- 2.3 Aktiekapitalen er fuldt indbetalt.
- 2.4 Aktierne skal lyde på navn og skal noteres på navn i selskabets ejerbog. Ejerbogen føres af VP Securities A/S, CVR-nr.: 21 59 93 36.
- 2.5 Aktierne er omsætningspapirer. Der gælder ingen indskrænkninger i aktiernes omsættelighed.

2. SHARE CAPITAL

- 2.1 The nominal share capital of the company is DKK 632,792.18. The share capital is not divided into share classes.
- 2.2 The nominal share capital is divided into shares of DKK 0.02 or multiples thereof.
- 2.3 The share capital has been paid up in full.
- 2.4 The shares shall be registered by name in the company's register of shareholders. The register of shareholders is kept by VP Securities A/S, CVR-no.: 21 59 93 36.
- 2.5 The shares are negotiable instruments. There are no restrictions on the negotiability of the shares.

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| <p>2.6 Ingen aktier har særlige rettigheder. Ingen aktionær er forpligtet til at lade sine aktier indløse helt eller delvist af selskabet eller tredjepart.</p> | <p>2.6 No share shall have any special rights. No shareholder shall be obliged to have their shares redeemed fully or partially by the company or third party.</p> |
| <p>2.7 Aktierne udstedes i papirløs form gennem og registreres hos VP Securities A/S, CVR-nr.: 21 59 93 36. Udbytte udbetales gennem VP Securities A/S.</p> | <p>2.7 The shares are issued in paperless form and registered with VP Securities A/S, CVR-no. 21 59 93 36. Dividends are paid through VP Securities A/S.</p> |
| <p>2.8 Rettigheder vedrørende aktierne skal anmeldes til VP Securities A/S efter de herom gældende regler.</p> | <p>2.8 Rights regarding the shares shall be reported to VP Securities A/S in accordance with the applicable rules.</p> |
| <p>3. BEMYNDIGELSE TIL FORHØJELSE AF KAPITALEN</p> | <p>3. AUTHORISATION TO INCREASE THE SHARE CAPITAL</p> |
| <p>3.1 Kapitalforhøjelse uden fortegningsret.</p> | <p>3.1 Capital increase without pre-emption rights.</p> |
| <p>3.1.1 Aktiekapitalen kan ved bestyrelsens beslutning indtil den 30. april 2025 ad én eller flere gange udvides ved nytægning med indtil nominelt kr. 180.000.</p> | <p>3.1.1 Until 30 April 2025 the share capital may, by resolution of the board of directors, be increased by one or more times with subscription for new shares up to a nominal value of DKK 180,000.</p> |
| <p>3.1.2 Forhøjelsen kan ske såvel ved kontant indbetaling som på anden måde herunder ved en kreditors konvertering af gæld, eller som helt eller delvist vederlag for erhvervelse af en bestående virksomhed eller bestemte formueværdier.</p> | <p>3.1.2 The increase may be carried out by cash contribution or otherwise hereunder by a creditor's conversion of debt, or as full or partial consideration for the acquisition of an existing business or certain asset values.</p> |
| <p>3.1.3 Tegningen skal ske uden fortegningsret for de eksisterende aktionærer. Bestyrelsen kan beslutte at kapitalforhøjelsen kun kan tegnes af én eller flere angivne investorer.</p> | <p>3.1.3 The subscription shall be without pre-emption rights for the existing shareholders. The board of directors may resolve that the capital increase can only be subscribed by one or more specified investors.</p> |
| <p>3.1.4 Aktierne skal udstedes til markedskurs.</p> | <p>3.1.4 The shares must be issued at market price.</p> |
| <p>3.1.5 De nye aktier skal være omsætningspapirer og skal have samme rettigheder som selskabets eksisterende aktier.</p> | <p>3.1.5 The new shares shall be negotiable instruments and have the same rights as the company's existing shares.</p> |

	De nye aktier skal noteres på navn. Der gælder ingen indskrænkninger i de nye aktiers omsættelighed.		The new shares shall be registered shares. There are no restrictions on the negotiability of the new shares.
3.1.6	Bestyrelsen træffer selv nærmere beslutning om de øvrige vilkår for kapitalforhøjelsens gennemførelse.	3.1.6	The board of directors resolves on the other terms for the capital increase implementation.
3.1.7	Den 28. maj 2020 besluttede bestyrelsen delvist at udnytte sin bemyndigelse i henhold til pkt. 3.1 ved at udstede nominelt kr. 90.415,92 aktier. Den 3. marts 2022 besluttede bestyrelsen delvist at udnytte sin bemyndigelse i henhold til pkt. 3.1 ved at udstede nominelt kr. 89.548,08 aktier. Der resterer herefter nominelt kr. 0 af bemyndigelsen.	3.1.7	On 28 May 2020 the board of directors decided to use its authorisation in accordance to section 3.1 by issuing new shares with a nominal value of DKK 90,415.92. On 3 March 2022 the board of directors decided to use its authorisation in accordance with section 3.1 by issuing new shares with a nominal value of DKK 89,584.08. Consequently, nominally DKK 0 remains of the authorisation.
3.2	Kapitalforhøjelse med fortegningsret.	3.2	Capital increase with pre-emption rights.
3.2.1	Aktiekapitalen kan ved bestyrelsens beslutning indtil den 30. april 2025 ad én eller flere gange udvides ved nytægning med indtil nominelt kr. 90.000.	3.2.1	Until 30 April 2025 the share capital may, by resolution of the board of directors, be increased by one or more times with subscription of new shares up to a nominal value of DKK 90,000.
3.2.2	Forhøjelsen kan ske ved kontant indbetaling.	3.2.2	The increase can be made by cash contribution.
3.2.3	Tegningen skal ske med fortegningsret for de eksisterende aktionærer.	3.2.3	The subscription shall be made with pre-emption rights for the existing shareholders.
3.2.4	Bestyrelsen fastsætter tegningskursen.	3.2.4	The board of directors determines the subscription price.
3.2.5	De nye aktier skal være omsætningspapirer og skal have samme rettigheder som selskabets eksisterende aktier. De nye aktier skal noteres på navn. Der gælder ingen indskrænkninger i de nye aktiers omsættelighed.	3.2.5	The new shares shall be negotiable instruments and have the same rights as the company's existing shares. The new shares shall be registered shares. There are no restrictions on the negotiability of the new shares.
3.2.6	Bestyrelsen træffer selv nærmere beslutning om de øvrige vilkår for kapitalforhøjelsens gennemførelse.	3.2.6	The board of directors resolves on the other terms for the capital increase implementation.
3.3	Fælles bestemmelser	3.3	Common provision

Den nominelle kapitalforhøjelse, som bestyrelsen kan træffe beslutning om i medfør af punkt 3.1 og 3.2, kan samlet ikke overstige nominelt kr. 180.000.

The total nominal capital increase, which the board of directors may resolve in accordance with section 3.1 and 3.2, may not exceed a nominal value of DKK 180,000.

4. BEMYNDIGELSE TIL UDSTEDELSE AF WARRANTS

4. AUTHORISATION TO ISSUE WARRANTS

4.1 Bemyndigelse til at udstede warrants

4.1 Authorisation to issue warrants

4.1.1 På Selskabets ekstraordinære generalforsamling den 16. november 2018 bemyndigedes bestyrelsen til at træffe beslutning om udstedelse af tegningsoptioner (warrants) med ret til tegning af op til nominelt kr. 9.125 aktier, idet bestyrelsen samtidig bemyndigedes til at gennemføre den dertil hørende kapitalforhøjelse ved kontant nytægning af aktier. Bemyndigelsen gælder indtil den 15. november 2023.

4.1.1 At the Company's extraordinary general meeting on 16 November 2018 the board of directors was authorized to decide on the issuance of warrants with the right to subscribe for up to nominally DKK 9,125 shares and further the board of directors was authorized to adopt the related increase of the share capital of the Company by issuance of new shares. The delegation of authority is valid until 15 November 2023.

Bestyrelsen har den 21. december 2018, den 28. marts 2019, den 1. juli 2019, den 23. december 2019 og den 18. marts 2020 delvist udnyttet bemyndigelsen i dette pkt. 4.1.1 ved sin udstedelse af tegningsoptioner (warrants) med ret til tegning af op til i alt nominelt kr. 8.215 aktier, og bemyndigelsen er således nedsat fra nominelt kr. 9.125 til nominelt kr. 910.

The board of directors has as on the 21 December 2018, on the 28 March 2019, on the 1 July 2019, on the 23 December 2019 and on the 18 March 2020 partly exercised the authorization set out in this item 4.1.1 by issuance of warrants with the right to subscribe for up to in total nominally DKK 8,215 Shares, and the authorization has consequently been reduced from nominally DKK 9,125 to nominally DKK 910.

4.1.2 For bemyndigelsen og forhøjelsen gælder i øvrigt følgende:

4.1.2 For the authorization and the capital increase the following shall apply:

- De nye aktiers stykstørrelse er DKK 0,02 pr. anpart
- De nye aktier skal tegnes til en kurs på ikke under markedsprisen på tidspunktet for udstedelsen af warranten
- De eksisterende kapitalejere skal ikke have fortegningsret til de udstedte warrants, ligesom de heller ikke

- The new shares' denomination is DKK 0.02 per share
- The new shares shall be subscribed at a subscription price not lower than the market price at the time of the issuance of the warrant
- The Company's existing shareholders shall not have preemptive rights to the warrants, nor do they

skal have fortegningsret til de aktier, der tegnes på grundlag af de pågældende warrants

- Warrantmodtageren har ikke fortegningsret ved udstedelse af nye warrants eller ved fremtidige kapitalforhøjelser
- De nye aktier er ikke omsætningspapirer
- De nye aktier skal lyde på navn
- De nye aktier skal i øvrigt have samme rettigheder som øvrige Aktier.

have preemptive rights to the Shares subscribed for on the basis of the warrants

- The receiver of the warrant does not have preemptive rights in respect of issuance of new warrants or in respect of future share capital increases
- The new shares are non-negotiable
- The new shares must be registered shares
- The new shares shall have the same rights as other Shares.

4.1.3 Selskabet har på generalforsamling den 30. april 2020 bemyndiget bestyrelsen til at træffe beslutning om at udstede warrants (tegningsoptioner) samt til at træffe beslutning om den dertilhørende kapitalforhøjelse. Bemyndigelsen er gældende frem til den 30. april 2025 og omfatter et samlet beløb på op til nominelt kr. 50.000.

Bestyrelsen har den 13. oktober 2020, 22. marts 2021, 28. april 2021 og 8. december 2021 delvist udnyttet sin bemyndigelse i dette pkt. 4.1.3 ved sin udstedelse af warrants (tegningsoptioner) med ret til tegning af henholdsvis op til nominelt kr. 750, nominelt kr. 12.600, nominelt kr. 8.127,54 og nominelt kr. 500. Bestyrelsens bemyndigelse til at udstede warrants er herefter reduceret til nominelt kr. 28.022,46.

4.1.4 Bemyndigelsen kan udnyttes ad én eller flere gange.

4.1.5 Selskabets aktionærer skal ikke have fortegningsret ved bestyrelsens udnyttelse af denne bemyndigelse forudsat, at warrants udstedes til en tegnings- eller udnyttelseskurs, som mindst

4.1.3 At the annual general meeting on 30 April 2020 the company authorised the board of directors to issue warrants (options) and to resolve on the associated capital increase. The authorisation is valid until 30 April 2025 and includes a total amount of up to a nominal value of DKK 50,000.

On 13 October 2020, 22 March 2021, 28 April 2021 and 8 December 2021 the board of directors partly exercised its authorization set out in this section 4.1.3 by issuance of warrants with the right to subscribe shares for a total nominal value of up to DKK 750, DKK 12,600, DKK 8,127.54 and DKK 500, respectively. Consequently, the authorization has been reduced from nominally DKK 50,000 to nominally DKK 28,022.46.

4.1.4 The authorisation may be used at one or more occasions.

4.1.5 The company's shareholders shall not have pre-emption rights at the exercise of this authorisation by the board of directors, provided that warrants are issued at a subscription or exercise price that at least

<p>svarer til markedskursen på tidspunktet for bestyrelsens beslutning.</p>	<p>corresponds to the market price at the time of the board's decision.</p>
<p>4.1.6 De nærmere vilkår for udstedelse af warrants fastsættes af bestyrelsen – herunder regler om udnyttelsesvilkår for warrants, samt om modtageres retstilling i tilfælde af kapitalforhøjelse, kapitalnedsættelse, udstedelse af ny warrants, udstedelse af konvertible gældsbreve samt selskabets opløsning, fusion eller spaltning – inden udnyttelsestidspunktet.</p>	<p>4.1.6 The terms for the issuance of warrants are determined by the board of directors - including rules on the terms of exercise of warrants, as well as the recipients' legal position in the event of capital increase, capital reduction, issuance of new warrants, issuance of convertible debt instruments and the company's dissolution, merger or division - before the exercise date.</p>
<p>4.1.7 Bestyrelsen kan efter de til enhver tid gældende regler i selskabsloven genanvende eller genudstede eventuelle bortfaldne eller ikke udnyttede warrants, forudsat at genanvendelsen finder sted inden for de vilkår og tidsmæssige begrænsninger, der fremgår af ovennævnte bemyndigelse. Ved genanvendelse forstås adgangen for bestyrelsen til at lade en anden aftalepart indtræde i en allerede bestående aftale om warrants. Ved genudstedelse forstås bestyrelsens mulighed for indenfor samme bemyndigelse at genudstede nye warrants, hvis de allerede udstedte warrants er bortfaldet.</p>	<p>4.1.7 The board of directors may in accordance with the Danish Companies Act, reuse or reissue any expired or unexercised warrants, provided that the reuse takes place within the terms and time limits set out in the above authorisation. Reuse means the right of the board to allow another party to enter into an already existing agreement on warrants. Reissue means the ability of the board of directors to reissue new warrants within the same authorisation if the warrants already issued have lapsed.</p>
<p>4.1.8 De ny aktier, der udstedes som følge af denne bestemmelse, skal være omsætningspapirer og skal noteres på navn. Der findes ingen indskrænkninger i de nye aktiers omsættelighed.</p>	<p>4.1.8 The new shares issued as a result of this provision shall be negotiable instruments and registered shares. There are no restrictions on the negotiability of the new shares.</p>
<p>4.1.9 Bestyrelsen træffer selv nærmere bestemmelse om de øvrige vilkår for kapitalforhøjelsens gennemførelse herunder om tidspunktet for rettighedernes indtræden for de nye aktier.</p>	<p>4.1.9 The board of directors determines the other terms for the implementation of the capital increase, including the timing of the rights to the new shares.</p>
<p>4.1.10 Bestyrelsens beslutning om udstedelsen af warrants skal optages i vedtægterne. Bestyrelsen er bemyndiget til at foretage de dertilhørende fornødne vedtægtsændringer.</p>	<p>4.1.10 The resolution of the board of directors to issue warrants shall be included in the articles of association. The board of directors is authorised to make the related amendments to the articles of association.</p>

4.2 Med henvisning til bemyndigelse af 30. april 2020, jf. pkt. 4.1.3 i disse vedtægter, traf bestyrelsen den 13. oktober 2020 beslutning om at udstede warrants (tegningsoptioner) med ret til tegning af op til nominelt kr. 750 aktier. Vilklarene herfor fremgår af bilag 16 til disse vedtægter. Bestyrelsen traf samtidig beslutning om den dertilhørende kapitalforhøjelse på følgende vilkår:

- a) størstebeløbet af den kapitalforhøjelse, som kan tegnes på baggrund af warranterne udgør nominalt kr. 750 aktier i Selskabet,
- b) tegningskursen skal være 164.660, svarende til en pris på 32,932 pr. nominel aktie á kr. 0,02,
- c) rettighederne i henhold til aktierne, herunder retten til udbytte, indtræder på tidspunktet for udnyttelsen af warranterne,
- d) de anslåede omkostninger ved forhøjelsen af kapitalen, som selskabet skal betale, udgør kr. 50.000,
- e) der gælder ingen indskrænkninger i aktiernes omsættelighed,
- f) aktierne skal lyde på navn, og indføres i Selskabets ejerbog
- g) de eksisterende aktionærer skal ikke have fortegningsret til aktier udstedt ved udnyttelse af warranterne,
- h) de nye aktionærer skal ikke have fortegningsret ved fremtidige udstedelser af warrants eller ved fremtidige kapitalforhøjelser.

4.2 With reference to the authorization of 30 April 2020, cf. section 4.1.3 of these articles of association, the board of directors on 13 October 2020 decided to issue warrants granting the right to subscribe for shares with a total nominal value of up to DKK 750. The terms and conditions are set out in Appendix 16 to these articles of association.

- a) the maximum amount of the capital increase that can be subscribed on the basis of the warrants is nominally DKK 750,
- b) the subscription price is DKK 32.932 per share of a nominal value of DKK 0.02
- c) the rights pertaining to the shares, including dividend rights, occur at the time of exercise of the warrants,
- d) the estimated costs in connection with the capital increase, payable by the Company, is DKK 50,000,
- e) no restrictions apply to the negotiability of the shares,
- f) the shares shall be registered shares and be listed in the Company's register of shareholders,
- g) existing shareholders shall not have pre-emptive rights to the issued shares,
- h) the new shareholders shall not have pre-emptive rights at future issuances warrants or capital increases.

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| <p>i) tegningsfristen for aktierne er 2 uger efter bestyrelsens meddelelse til warrantmodtageren om beslutning om kapitalforhøjelse som følge af udnyttelse af warranterne,</p> <p>j) tegningsbeløbet skal indbetales kontant til Selskabet senest 8 dage efter, at warrantindehaveren har afgivet meddelelse om udnyttelsen,</p> <p>k) øvrige vilkår, samt warrantmodtagerens retsstilling i tilfælde af gennemførelse af kapitalforhøjelse, kapitalnedsættelse, udstedelse af nye warrants, udstedelse af nye konvertible gældsbreve, opløsning, fusion eller spaltning, inden modtageren har udnyttet warranten, er fastsat i bilag 16 til vedtægterne.</p> | <p>i) the subscription deadline for new shares shall be two weeks from the board of directors' notice to the warrant holder of the decision to increase the share capital following the exercise of the warrants,</p> <p>j) the subscription amount shall be paid to the Company no later than 8 days after notice of exercise.</p> <p>k) other terms, as well as the legal position of the warrant recipient in the event of capital increase, reduction of capital, issuance of new warrants, issuance of new convertible debt instruments, dissolution, merger or division before the warrant holder has exercised the warrants, is set out in appendix 16 to the articles of association.</p> |
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4.3 Den 22. marts 2021 udnyttede bestyrelsen delvist sin bemyndigelse i henhold til punkt 4.1.3 ved at udstede 630.000 tegningsoptioner (warrants), der hver giver ret til at tegne en aktie af nominelt kr. 0,02 i selskabet, uden fortegningsret for selskabets øvrige aktionærer, samt vedtage den dertilhørende kapitalforhøjelse på følgende vilkår:

- at det højeste beløb, hvormed aktiekapitalen skal kunne forhøjes med ved udnyttelse af de udstedte tegningsoptioner, udgør nominelt kr. 12.600,
- at tegningen skal ske uden fortegningsret for de eksisterende aktionærer,
- at de nye aktier skal være ordinære aktier,
- at de ny aktier skal være omsætningspapirer og noteres på

4.3 On 22 March 2021, the board of directors partially exercised its authority under article 4.1.3 by issuing 630,000 warrants, each of which entitles the holder to subscribe for a share of a nominal value of DKK 0.02 in the company, without pre-emption rights for the company's other shareholders, and to adopt the related capital increase on the following terms:

- that the maximum amount by which the share capital can be increased by exercising the warrants issued is a nominal DKK 12,600,
- that the subscription shall be without pre-emption rights for the existing shareholders,
- that the new shares shall be ordinary shares,
- that the new shares shall be negotiable instruments and registered shares. There are no

navn. Der findes ingen indskrænkninger i de nye aktiers omsættelighed,

- at de nye aktier tegnes samtidig med gennemførelse af kapitalforhøjelsen, såfremt der er sket udnyttelse af tegningsoptioner senest på den sidste dag i et af udnyttelsesvinduerne, som beskrevet i pkt. 4 i Bilag 17,
- at de nye aktier giver ret til udbytte, og andre rettigheder i selskabet i overensstemmelse med bestemmelserne i selskabets vedtægter, fra tidspunktet for kapitalforhøjelsens registrering hos Erhvervsstyrelsen,
- at ved udnyttelse af tegningsoptionerne skal tegningsbeløbet for aktierne indbetales til selskabets konto senest den sidste dag i udnyttelsesvinduet,
- at hver warrant giver ret til at tegne én aktie á nominelt kr. 0,02 til kurs 294.700, svarende til en pris på kr. 58,94 pr. aktie á nominelt kr. 0,02,
- at de i selskabslovens § 169, stk. 3, anførte punkter er reguleret i Bilag 17.

restrictions on the negotiability of the new shares,

- that the new shares are subscribed for at the same time as the increase of the share capital, if exercise of warrants have been made no later than on the date an exercise windows ends, as described in section 4 of Appendix 17,
- that the new shares are entitled to dividends, and other rights in the company according to the provisions in the company's articles of association of the capital increase with the Danish Business Authority,
- that when exercising the warrants, the shareholder shall pay the subscription amount for the shares to the company's bank account no later than on the date the exercise window ends,
- that each warrant will give the holder the right to subscribe for one share of a nominal value of DKK 0.02 at a price equal to DKK 58.94 per share of a nominal value of DKK 0.02,
- that the items stated in section 169 (3) of the Companies Act are regulated in Appendix 17.

4.4 Den 28. april 2021 udnyttede bestyrelsen delvist sin bemyndigelse i henhold til punkt 4.1.3 ved at udstede 406.377 tegningsoptioner (warrants), der hver giver ret til at tegne en aktie af nominelt kr. 0,02 i selskabet, uden fortegningsret for selskabets øvrige aktionærer, samt vedtage den dertilhørende kapitalforhøjelse på følgende vilkår:

- at det højeste beløb, hvormed

4.4 On 28 April 2021, the board of directors partially exercised its authority under article 4.1.3 by issuing 406,377 warrants, each of which entitles the holder to subscribe for a share of a nominal value of DKK 0.02 in the company, without pre-emption rights for the company's other shareholders, and to adopt the related capital increase on the following terms:

- that the maximum amount by which

aktiekapitalen skal kunne forhøjes med ved udnyttelse af de udstedte tegningsoptioner, udgør nominelt kr. 8.127,54,

- at tegningen skal ske uden fortegningsret for de eksisterende aktionærer,
- at de nye aktier skal være ordinære aktier,
- at de ny aktier skal være omsætningspapirer og noteres på navn. Der findes ingen indskrænkninger i de nye aktiers omsættelighed,
- at de nye aktier tegnes samtidig med gennemførelse af kapitalforhøjelsen, såfremt der er sket udnyttelse af tegningsoptioner senest på den sidste dag i et af udnyttelsesvinduerne, som beskrevet i pkt. 4 i Bilag 18,
- at de nye aktier giver ret til udbytte, og andre rettigheder i selskabet i overensstemmelse med bestemmelserne i selskabets vedtægter, fra tidspunktet for kapitalforhøjelsens registrering hos Erhvervsstyrelsen,
- at ved udnyttelse af tegningsoptionerne skal tegningsbeløbet for aktierne indbetales til selskabets konto senest den sidste dag i udnyttelsesvinduet,
- at hver warrant giver ret til at tegne én aktie á nominelt kr. 0,02 til kurs 268.932, svarende til en pris på kr. 53,7864 pr. aktie á nominelt kr. 0,02,
- at de i selskabslovens § 169, stk. 3, anførte punkter er reguleret i Bilag 18.

the share capital can be increased by exercising the warrants issued is a nominal DKK 8,127.54,

- that the subscription shall be without pre-emption rights for the existing shareholders,
- that the new shares shall be ordinary shares,
- that the new shares shall be negotiable instruments and registered shares. There are no restrictions on the negotiability of the new shares,
- that the new shares are subscribed for at the same time as the increase of the share capital, if exercise of warrants have been made no later than on the date an exercise windows ends, as described in section 4 of Appendix 18,
- that the new shares are entitled to dividends, and other rights in the company according to the provisions in the company's articles of association of the capital increase with the Danish Business Authority,
- that when exercising the warrants, the shareholder shall pay the subscription amount for the shares to the company's bank account no later than on the date the exercise window ends,
- that each warrant will give the holder the right to subscribe for one share of a nominal value of DKK 0.02 at a price equal to DKK 53.7864 per share of a nominal value of DKK 0.02,
- that the items stated in section 169 (3) of the Companies Act are regulated in Appendix 18.

- 4.5 Den 8. december 2021 udnyttede bestyrelsen delvist sin bemyndigelse i henhold til punkt 4.1.3 ved at udstede 25.000 tegningsoptioner (warrants), der hver giver ret til at tegne en aktie af nominelt kr. 0,02 i selskabet, uden fortegningsret for selskabets øvrige aktionærer, samt vedtage den dertilhørende kapitalforhøjelse på følgende vilkår:
- at det højeste beløb, hvormed aktiekapitalen skal kunne forhøjes med ved udnyttelse af de udstedte tegningsoptioner, udgør nominelt kr. 500,
 - at tegningen skal ske uden fortegningsret for de eksisterende aktionærer,
 - at de nye aktier skal være ordinære aktier,
 - at de ny aktier skal være omsætningspapirer og noteres på navn. Der findes ingen indskrænkninger i de nye aktiers omsættelighed,
 - at de nye aktier tegnes samtidig med gennemførelse af kapitalforhøjelsen, såfremt der er sket udnyttelse af tegningsoptioner senest på den sidste dag i et af udnyttelsesvinduerne, som beskrevet i pkt. 4 i Bilag 19,
 - at de nye aktier giver ret til udbytte, og andre rettigheder i selskabet i overensstemmelse med bestemmelserne i selskabets vedtægter, fra tidspunktet for kapitalforhøjelsens registrering hos Erhvervsstyrelsen,
 - at ved udnyttelse af tegningsoptionerne skal tegningsbeløbet for aktierne

- 4.5 On 8 December 2021, the board of directors partially exercised its authority under article 4.1.3 by issuing 25,000 warrants, each of which entitles the holder to subscribe for a share of a nominal value of DKK 0.02 in the company, without pre-emption rights for the company's other shareholders, and to adopt the related capital increase on the following terms:
- that the maximum amount by which the share capital can be increased by exercising the warrants issued is a nominal DKK 500,
 - that the subscription shall be without pre-emption rights for the existing shareholders,
 - that the new shares shall be ordinary shares,
 - that the new shares shall be negotiable instruments and registered shares. There are no restrictions on the negotiability of the new shares,
 - that the new shares are subscribed for at the same time as the increase of the share capital, if exercise of warrants have been made no later than on the date an exercise windows ends, as described in section 4 of Appendix 19,
 - that the new shares are entitled to dividends, and other rights in the company according to the provisions in the company's articles of association of the capital increase with the Danish Business Authority,
 - that when exercising the warrants, the shareholder shall pay the subscription amount for the shares to the company's bank account no later than on the date

<p>indbetales til selskabets konto senest den sidste dag i udnyttelsesvinduet,</p> <ul style="list-style-type: none"> - at hver warrant giver ret til at tegne én aktie á nominelt kr. 0,02 til kurs 115.995, svarende til en pris på kr. 23,199 pr. aktie á nominelt kr. 0,02 - at de i selskabslovens § 169, stk. 3, anførte punkter er reguleret i Bilag 19. 	<p>the exercise window ends,</p> <ul style="list-style-type: none"> - that each warrant will give the holder the right to subscribe for one share of a nominal value of DKK 0.02 at a price equal to DKK 23.199 per share of a nominal value of DKK 0.02, - that the items stated in section 169 (3) of the Companies Act are regulated in Appendix 19.
4.6 Udgået.	4.6 Deleted.
4.7 Udgået.	4.7 Deleted.
4.8 Udgået.	4.8 Deleted.
4.9 Udgået.	4.9 Deleted.
<p>4.10(a) Det blev på generalforsamlingen den 30. april 2020 besluttet at udstede 4.462.109 warrants (ændret til 4.452.949 den 26. maj 2020), der hver giver ret til at tegne en aktie af nominelt kr. 0,02 i selskabet, uden fortegningsret for selskabets øvrige aktionærer samt vedtage den dertilhørende kapitalforhøjelse på følgende vilkår:</p> <p>Størstebeløbet af den kapitalforhøjelse, som kan tegnes på baggrund af warrants, er nominelt kr. 89.058,98. Efter udnyttelse af 1.933.401 warrants og gennemførelse af kapitalforhøjelse på nominelt kr. 38.668,02 den 13. september 2021, udnyttelse af 55.250 warrants og gennemførelse af kapitalforhøjelse på nominelt kr. 1.105 den 13. december 2021 og udnyttelse af 31.474 warrants og gennemførelse af kapitalforhøjelse på nominelt 629,48 den 10. marts 2022 udgør den resterende kapitalforhøjelse, der kan tegnes på baggrund af warrants, nominelt kr. 48.656,48.</p>	<p>4.10(a) At the annual general meeting on 30 April 2020 it was resolved to issue 4,462,109 warrants (changed to 4,452,949 on 26 May 2020), each of which entitles the holder to subscribe for a share of nominally DKK 0.02 in the company, without pre-emption rights for the company's other shareholders and to adopt the associated capital increase on the following terms:</p> <p>The maximum amount of the capital increase that can be subscribed on the basis of warrants is nominally DKK 89,058,98. Following exercise of 1,933,401 of warrants and completion of a capital increase of nominally DKK 38,668.02 13. September 2021, exercise of 55,250 warrants and completion of a capital increase of nominally DKK 1,105 13 December 2021 and exercise of 31,474 warrants and completion of a capital increase of nominally DKK 629.48 10 March 2022, the remaining capital increase, which can be subscribed on the basis of warrants, amounts to nominally DKK 48,656.48.</p>

Warranterne skal tegnes senest 14 dage efter, at bestyrelsen har præsenteret warrantmodtageren for warrantaftalen. Tegningen sker ved warrantmodtagerens underskrift af tegningslisten i warrantaftalen.

De nye aktier, som kan tegnes ved udnyttelsen af warranterne skal i hver henseende være ligestillet med de øvrige aktier i selskabet i henhold til de ved tegningen gældende vedtægter for selskabet.

Tegningsfristen for nye aktierne er 2 uger fra bestyrelsens meddelelse til warrantmodtageren om beslutning om kapitalforhøjelse som følge af udnyttelsen af warranterne.

Rettighederne til nye aktier indtræder ved tegningen af aktierne.

Ved udnyttelse af warranterne skal tegningsbeløbet for aktierne indbetales til selskabet senest 8 dage efter meddelelsen om udnyttelse.

De udstedte warrants giver ret til at tegne aktier i følgende antal og kurser:

1.549.011 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,74 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 256.450 ved kapitalforhøjelse af 13. september 2021).

382.198 aktier á nominelt kr. 0,02 til en pris svarende til kr. 7,89 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 0 ved kapitalforhøjelse af 13. september 2021).

171.667 aktier á nominelt kr. 0,02 til en pris svarende til kr. 0,34 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 0 ved

The warrants shall be subscribed for no later than 14 days after the board of directors has presented the warrant agreement to the warrant recipient. The warrant recipient subscribes for the warrants by signing the subscription list in the warrant agreement.

The new shares that can be subscribed at the exercise of the warrants must in each respect be equal to the other shares in the company in accordance with the articles of association of the company.

The subscription deadline for new shares shall be two weeks from the board of directors' notice to the warrant recipient of the decision to increase the capital as a result of the exercise of the warrants.

The rights to new shares occur when the shares are subscribed.

When exercising the warrants, the subscription amount for the shares must be paid to the company within 8 days after notice of exercise.

The issued warrants entitles the holders to subscribe for shares at the following prices as set out below:

1,549,011 shares of nominal DKK 0.02 at a price equal to DKK 4.74 per share of nominal DKK 0.02 (number of shares are reduced to 256,450 by capital increase of 13 September 2021).

382,198 shares of nominal DKK 0.02 at a price equal to DKK 7.89 per share of nominal DKK 0.02 (number of shares are reduced to 0 by capital increase of 13 September 2021).

171,667 shares of nominal DKK 0.02 at a

kapitalforhøjelse af 13. september 2021).

602.340 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,67 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 473.006 ved kapitalforhøjelse af 13. september 2021, 13. december 2021 og 10. marts 2022).

173.675 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,28 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 129.310 ved kapitalforhøjelse af 13. september 2021 13. december 2021 og 10. marts 2022).

1.574.058 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,33 per aktie á nominelt kr. 0,02.

De nye aktier skal være omsætningspapirer.

Der skal gælde de til enhver tid i vedtægterne angivne indskrænkninger i de nye aktiers fortegningsret ved fremtidige forhøjelser.

De nye aktier skal lyde på navn og noteres i selskabets aktiebog.

De nye aktier skal ikke have særlige rettigheder ud over, hvad der til enhver tid fremgår af vedtægterne.

Der skal gælde de i vedtægterne til enhver tid gældende angivne indskrænkninger i de nye aktiers omsættelighed.

Øvrige vilkår, samt warrantmodtagerens retsstilling i tilfælde af gennemførelse af kapitalforhøjelse, kapitalnedsættelse, udstedelse af nye warrants, udstedelse af nye konvertible gældsbreve, opløsning, fusion eller spaltning, inden modtageren har udnyttet warranterne er fastsat i bilag 9-10 og 13-15 til vedtægterne.

price equal to DKK 0.34 per share of nominal DKK 0.02 (number of shares are reduced to 0 by capital increase of 13 September 2021).

602,340 shares of nominal DKK 0.02 at a price equal to DKK 4.67 per share of nominal DKK 0.02 (number of shares are reduced to 473,006 by capital increase of 13 September 2021, 13 December 2021 and 10 March 2022).

173,675 shares of nominal DKK 0.02 at a price equal to DKK 4.28 per share of nominal DKK 0.02 (number of shares are reduced to 129,310 by capital increase of 13 September 2021 13 December 2021 and 10 March 2022).

1,574,058 shares of nominal DKK 0.02 at a price equal to DKK 4.33 per share of nominal DKK 0.02.

The new shares shall be negotiable instruments.

Stated restrictions in the articles of association shall at all times apply to new shares' pre-emption rights in future increases.

The new shares shall be registered shares and listed in the company's register of shareholders.

The new shares shall not have any specific rights other than what is stated in the articles of association at any time.

Presented restrictions of shares' negotiability in the articles of association shall at all times apply to new shares.

Other terms, as well as the legal position of the warrant recipient in the event of capital

increase, reduction of capital, issuance of new warrants, issuance of new convertible debt instruments, dissolution, merger or division before the recipient has exercised the warrants is set out in appendix 9-10 and 13-15 to the articles of association.

4.10(b) Der blev på generalforsamlingen den 26. maj 2020 besluttet at udstede 49.654 warrants, der hver giver ret til at tegne en aktie af nominelt kr. 0,02 i selskabet, uden fortegningsret for selskabets øvrige aktionærer samt vedtage den dertilhørende kapitalforhøjelse på følgende vilkår:

Størstebeløbet af den kapitalforhøjelse, som kan tegnes på baggrund af warrants, er nominelt kr. 993,08. Efter udnyttelse af 9.552 warrants og gennemførelse af den tilhørende kapitalforhøjelse på nominelt kr. 191,04 den 13. september 2021, udgør den resterende kapitalforhøjelse, der kan tegnes på baggrund af warrants, nominelt kr. 802,04.

Warranterne skal tegnes senest 14 dage efter, at bestyrelsen har præsenteret warrantmodtageren for warrantaftalen. Tegningen sker ved warrantmodtagerens underskrift af tegningslisten i warrantaftalen.

De nye aktier, som kan tegnes ved udnyttelsen af warranterne skal i hver henseende være ligestillet med de øvrige aktier i selskabet i henhold til de ved tegningen gældende vedtægter for selskabet.

Tegningsfristen for nye aktierne er 2 uger fra bestyrelsens meddelelse til warrantmodtageren om beslutning om kapitalforhøjelse som følge af udnyttelsen af warranterne.

4.10(b) At the annual general meeting on 26 May 2020, it was resolved to issue 49,654 warrants, each of which entitles the holder to subscribe for a share of nominally DKK 0.02 in the company, without pre-emption rights for the company's other shareholders and to adopt the associated capital increase on the following terms:

The maximum amount of the capital increase that can be subscribed on the basis of warrants is nominally DKK 993.08. Following exercise of 9,552 of warrants and completion of a capital increase of nominally DKK 191.04 13. September 2021, the remaining capital increase, which can be subscribed on the basis of warrants, amounts to nominally DKK 802.04.

The warrants shall be subscribed for no later than 14 days after the board of directors has presented the warrant agreement to the warrant recipient. The warrant recipient subscribes for the warrants by signing the subscription list in the warrant agreement.

The new shares that can be subscribed at the exercise of the warrants must in each respect be equal to the other shares in the company in accordance with the articles of association of the company.

The subscription deadline for new shares shall be two weeks from the board of directors' notice to the warrant recipient of the decision to increase the capital as a result of the exercise of the warrants.

Rettighederne til nye aktier indtræder ved tegningen af aktierne.

Ved udnyttelse af warranterne skal tegningsbeløbet for aktierne indbetales til selskabet senest 8 dage efter meddelelsen om udnyttelse.

De udstedte warrants giver ret til at tegne aktier i følgende antal og kurser:

26.717 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,74 per aktie á nominelt kr. 0,02.

6.592 aktier á nominelt kr. 0,02 til en pris svarende til kr. 7,89 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 0 ved kapitalforhøjelse af 13. september 2021).

2.960 aktier á nominelt kr. 0,02 til en pris svarende til kr. 0,34 per aktie á nominelt kr. 0,02 (antal aktier er reduceret til 0 ved kapitalforhøjelse af 13. september 2021).

10.389 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,67 per aktie á nominelt kr. 0,02.

2.996 aktier á nominelt kr. 0,02 til en pris svarende til kr. 4,28 per aktie á nominelt kr. 0,02.

De nye aktier skal være omsætningspapirer.

Der skal gælde de til enhver tid i vedtægterne angivne indskrænkninger i de nye aktiers fortegningsret ved fremtidige forhøjelser.

De nye aktier skal lyde på navn og noteres i selskabets aktiebog.

De nye aktier skal ikke have særlig

The rights to new shares occur when the shares are subscribed.

When exercising the warrants, the subscription amount for the shares must be paid to the company within 8 days after notice of exercise.

The issued warrants entitles the holders to subscribe for shares at the following prices as set out below:

26,717 shares of nominal DKK 0.02 at a price equal to DKK 4.74 per share of nominal DKK 0.02.

6,592 shares of nominal DKK 0.02 at a price equal to DKK 7.89 per share of nominal DKK 0.02. (number of shares are reduced to 0 by capital increase of 13 September 2021).

2,960 shares of nominal DKK 0.02 at a price equal to DKK 0.34 per share of nominal DKK 0.02 (number of shares are reduced to 0 by capital increase of 13 September 2021).

10,389 shares of nominal DKK 0.02 at a price equal to DKK 4.67 per share of nominal DKK 0.02.

2,996 shares of nominal DKK 0.02 at a price equal to DKK 4.28 per share of nominal DKK 0.02.

The new shares shall be negotiable instruments.

Stated restrictions in the articles of association shall at all times apply to new shares' pre-emption rights in future increases.

The new shares shall be registered shares

rettigheder ud over, hvad der til enhver tid fremgår af vedtægterne.

Der skal gælde de i vedtægterne til enhver tid gældende angivne indskrænkninger i de nye aktiers omsættelighed.

Øvrige vilkår, samt warrantmodtagerens retsstilling i tilfælde af gennemførelse af kapitalforhøjelse, kapitalnedsættelse, udstedelse af nye warrants, udstedelse af nye konvertible gældsbreve, opløsning, fusion eller spaltning, inden modtageren har udnyttet warranterne er fastsat i bilag 9-10 og 13-14 til vedtægterne.

and listed in the company's register of shareholders.

The new shares shall not have any specific rights other than what is stated in the articles of association at any time.

Presented restrictions of shares' negotiability in the articles of association shall at all times apply to new shares.

Other terms, as well as the legal position of the warrant recipient in the event of capital increase, reduction of capital, issuance of new warrants, issuance of new convertible debt instruments, dissolution, merger or division before the recipient has exercised the warrants is set out in appendix 9-10 and 13-14 to the articles of association.

5. GENERALFORSAMLINGEN

- 5.1 Generalforsamlingen har den højeste myndighed i alle selskabets anliggender.
- 5.2 Generalforsamlinger afholdes på selskabets hjemsted eller i Storkøbenhavn.
- 5.3 Ordinær generalforsamling afholdes hvert år i så god tid, at den reviderede og godkendte årsrapport og regnskab kan indsendes til Erhvervsstyrelsen inden udløbet af fristen i årsregnskabsloven. Ekstraordinære generalforsamlinger skal afholdes, når bestyrelsen eller en generalforsamlingsvalgt revisor eller en aktionær, der ejer minimum 5 % af aktiekapitalen, skriftligt forlanger det.

5. GENERAL MEETING

- 5.1 The general meeting is the highest authority regarding all the affairs of the company.
- 5.2 General meetings of the company shall be held at its registered office or in metropolitan Copenhagen.
- 5.3 The annual general meeting shall be held in time for the audited and approved annual report to be submitted to and received by the Danish Business Authority within the filing deadline pursuant to the Danish Financial Statements Act. Extraordinary general meetings must be held when required in writing by the board of directors or an auditor elected by the general meeting or a shareholder holding a minimum of 5% of the share capital.

Ekstraordinær generalforsamling til behandling af et bestemt emne indkaldes senest 2 uger efter, at det er forlangt.

Extraordinary general meeting to address a specific topic shall be convened no later than 2 weeks after a request has been made.

5.4 Selskabets generalforsamlinger indkaldes af bestyrelsen med mindst 2 ugers og højst 4 ugers varsel via selskabets hjemmeside samt ved e-mail til alle i ejerbogen noterede aktionærer, som har fremsat begæring herom.

5.4 The company's general meetings are convened by the board of directors with at least 2 weeks and a maximum of 4 weeks' notice via the company's website and by email to all shareholders listed in the register of shareholders, who have requested notice by email.

5.5 Senest 2 uger før generalforsamlingen skal dagsordenen og de fuldstændige forslag, samt for den ordinære generalforsamlings vedkommende tillige årsrapporten gøres tilgængelige for aktionærerne på selskabets hjemmeside.

5.5 No later than 2 weeks before the general meeting, the agenda and complete proposals, and for the annual general meeting, the annual report as well, must be made available to the shareholders on the company's website.

5.6 Generalforsamlingen ledes af en dirigent, der udpeges af bestyrelsen. Dirigenten træffer beslutning vedrørende alle spørgsmål om behandlingsmåden og stemmeafgivelsen på generalforsamlingen.

5.6 The general meeting shall be chaired by a chairman elected by the board of directors. The chairman makes decision on all questions regarding the process and voting at the general meeting.

5.7 Enhver aktionær har ret til at få et bestemt emne behandlet på den ordinære generalforsamling. Begæring herom skal fremsættes skriftligt senest 6 uger før generalforsamlingens afholdelse.

5.7 All shareholders are entitled to nominate specific issues for process at the annual general meeting. Request must be made in writing no later than 6 weeks prior to the annual general meeting.

5.8 Dagsordenen for den ordinære generalforsamling skal indeholde:

5.8 The agenda for the annual general meeting shall include:

1. Bestyrelsens beretning om selskabets virksomhed i det forløbne regnskabsår
2. Fremlæggelse af årsrapport med revisionspåtegning til godkendelse
3. Beslutning om anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport

1. The board of directors' report on the company's activities during the past financial year
2. Presentation of annual report with the auditor's report for approval
3. Resolution on distribution of profit or covering of loss in accordance with the approved annual report

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| <p>4. Valg af bestyrelse</p> <p>5. Valg af revisor</p> <p>6. Eventuelle forslag fra bestyrelsen og/eller aktionærene</p> <p>7. Eventuelt</p> | <p>4. Election of board of directors</p> <p>5. Election of auditor</p> <p>6. Any proposals from the board of directors and/or shareholders</p> <p>7. Any other business</p> |
| <p>5.9 En aktionærs ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de aktier, aktionæren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen. En aktionærs aktiebesiddelse og stemmerettighed opgøres på registreringsdatoen på baggrund af notering af aktionærens ejerforhold i ejerbogen samt eventuelle meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførsel i ejerbogen.</p> | <p>5.9 A shareholder's right to attend a general meeting and to vote shall be determined by the shares held by the shareholder at the record date. The record date is one week before the general meeting. A shareholder's shareholding and voting rights are determined on the record date based on the shareholder's ownership in the register of shareholders as well as any notice of ownership received by the company for inclusion in the register of shareholders.</p> |
| <p>5.10 En aktionær, der er berettiget til at deltage i generalforsamlingen i henhold til ovenstående punkt, og som ønsker at deltage i generalforsamlingen, skal senest tre dage før generalforsamlingens afholdelse anmode om adgangskort.</p> | <p>5.10 A shareholder who is entitled to attend the general meeting in accordance with the section above and who wishes to attend the general meeting shall request an admission card no later than three days before the general meeting.</p> |
| <p>5.11 En aktionær kan møde personligt eller ved fuldmagt.</p> | <p>5.11 A shareholder can attend in person or by proxy.</p> |
| <p>5.12 Stemmeret kan udøves i henhold til skriftlig og dateret fuldmagt i overensstemmelse med den til enhver tid gældende lovgivning herom.</p> | <p>5.12 Voting right can be exercised in accordance with written and dated power of attorney in accordance with applicable law.</p> |
| <p>5.13 En aktionær, der er berettiget til at deltage i en generalforsamling, kan stemme skriftligt ved brevstemme i overensstemmelse med selskabslovens regler herom. Brevstemmer skal være i hænde senest kl. 10, to hverdage før generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.</p> | <p>5.13 A shareholder entitled to attend a general meeting are able to vote in writing by postal vote in accordance with the rules of the Danish Companies Act. Postal votes must be received no later than 10 am. two business days before the general meeting. Postal votes cannot be revoked.</p> |

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| <p>5.14 På generalforsamlingen giver hvert aktiebeløb på kr. 0,02 én stemme.</p> | <p>5.14 At the general meeting, each amount of share capital of DKK 0.02 shall carry one vote.</p> |
| <p>5.15 Beslutninger på generalforsamlingen afgøres ved simpelt stemmeflertal, medmindre andet følger af lovgivningen eller disse vedtægter.</p> | <p>5.15 Resolutions on the general meeting shall be decided by simple majority of votes, unless otherwise provided by law or these articles of association.</p> |
| <p>5.16 Beslutning om ændring af vedtægterne kan kun træffes med tiltrædelse af mindst 2/3 af såvel de afgivne stemmer som af den på generalforsamlingen repræsenterede aktiekapital, medmindre der i medfør af lovgivningen stilles strengere eller lempeligere vedtagelseskrav eller tillægges bestyrelsen eller andre organer specifik kompetence.</p> | <p>5.16 Resolution to amend the articles of association can only be made with the accession of at least 2/3 of the votes cast as well as at least 2/3 of the share capital represented at the general meeting, unless stricter or more relaxed resolution requirements are imposed by law or specific competence are conferred on the board of directors or other bodies.</p> |
| <p>5.17 Bestyrelsen kan beslutte, at der som supplement til fysisk fremmøde på generalforsamlingen gives adgang til, at kapitalejerne kan deltage elektronisk i generalforsamlingen, herunder stemme elektronisk, uden at være fysisk til stede på generalforsamlingen (delvis elektronisk generalforsamling). Endvidere kan bestyrelsen beslutte, at generalforsamlingen afholdes elektronisk uden adgang til fysisk fremmøde (fuldstændig elektronisk generalforsamling). Bestyrelsen fastsætter de nærmere retningslinjer herfor.</p> | <p>5.17 The board of directors may decide that in addition to physical attendance at the general meeting, shareholders may be given the right to attend electronically in the general meeting, including voting electronically, without being physically present at the general meeting. In addition, the board of directors may decide that the general meeting shall be held electronically without access to physical attendance. The board of directors shall lay down the detailed guidelines for this.</p> |

6. BESTYRELSE OG DIREKTION

- 6.1 Selskabet ledes af en bestyrelse på 3-6 medlemmer. Bestyrelsen vælges for et år ad gangen på selskabets generalforsamling. Genvalg kan finde sted. Bestyrelsen vælger selv sin formand.

6. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

- 6.1 The company is managed by a board of directors comprising of 3 to 6 directors. The directors are elected by the general meeting for one year at a time. Re-election can take place. The board of directors elects its chairman.

6.2 Bestyrelsen træffer beslutning ved simpelt stemmeflertal. I tilfælde af stemmelighed i bestyrelsen, er formandens stemme udslagsgivende.

6.3 Bestyrelsen har den overordnede ledelse af selskabet forhold.

6.4 Bestyrelsen ansætter 1-3 direktører til at varetage den daglige drift og ledelse af selskabet.

7. ELEKTRONISK KOMMUNIKATION

7.1 Selskabet anvender elektronisk dokumentudveksling og elektronisk post (elektronisk kommunikation) i sin kommunikation med aktionærerne. Selskabet kan endvidere til enhver tid vælge at kommunikere med almindelig brevpost.

7.2 Elektronisk kommunikation kan af selskabet anvendes til alle meddelelser og dokumenter, som i henhold til selskabets vedtægter og/eller selskabsloven skal udveksles mellem selskabet og aktionærerne, herunder for eksempel indkaldelse til ordinær og ekstraordinær generalforsamling med tilhørende dagsorden og fuldstændige forslag, fuldmagter samt i øvrigt generelle oplysninger fra selskabet til aktionærerne. Sådanne dokumenter og meddelelser lægges på selskabets hjemmeside og tilsendes aktionærerne pr. e-mail i det omfang, det er påkrævet.

6.2 Resolutions are passed by a simple majority of votes. In the event of equal votes the chairman's vote shall be decisive.

6.3 The board of directors have the overall management of the company.

6.4 The board of directors shall appoint 1-3 members of the executive management to handle the day-to-day operations and management of the company.

7. ELECTRONIC COMMUNICATIONS

7.1 The company uses electronic document exchange and electronic mail (electronic communication) in its communication with the shareholders. The company may at any time choose to communicate by ordinary mail.

7.2 Electronic communication may be used by the company for all notices and documents required by the company's articles of association and/or the Danish Companies Act to be exchanged between the company and the shareholders, including, for example, notice of annual general and extraordinary general meeting with the associated agenda and complete proposals, proxies and other general information from the company to the shareholders. Such documents and announcements are posted on the company's website and sent to the shareholders by email to the extent it is required.

8. TEGNINGSREGEL

- 8.1 Selskabet tegnes af den administrerende direktør i forening med bestyrelsesformanden eller af den samlede bestyrelse.

9. REVISION

- 9.1 Selskabets regnskaber revideres af én statsautoriseret revisor, der vælges af den ordinære generalforsamling. Revisor vælges for et år ad gangen.

10. REGNSKABSÅR

- 10.1 Selskabets regnskabsår løber fra 1. januar til 31. december.
- 10.2 Årsrapporten udarbejdes på engelsk.

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Således ændret ved bestyrelsens beslutning den 10. marts 2022.

8. SIGNATURE RULES

The company is bound by the joint signatures of the CEO and chairman of the board of directors, or by the entire board of directors jointly.

9. AUDITOR

- 9.1 The annual reports of the company shall be audited by a state authorised accountant, who is elected by the annual general meeting. The auditor is elected for one year at a time.

10. FINANCIAL YEAR

- 10.1 The financial year of the company runs from 1 January to 31 December.
- 10.2 The Company's annual report will be presented in English.

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As adopted by the board of directors on 10 March 2022.

This is a translation of the original Danish articles of association. In the event of any discrepancies the wording of the Danish language version shall prevail.

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Christian Sagild

Bestyrelsesformand

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Christian Stendevad

Adm. direktør

På vegne af: Penneo A/S

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