

A photograph of two women sitting on a grey sofa in a modern office environment. The woman on the left has long blonde hair and is wearing a dark green cardigan over a white collared shirt. The woman on the right has dark hair tied back and is wearing a black hoodie. They are both looking at a silver laptop on the sofa, with the woman on the right pointing at the screen. The background is softly blurred, showing office furniture and plants.

Quarterly Report 2022-Q3

Penneo A/S - Enghavevej 40, 4. sal, 1674 Copenhagen V, Denmark – Business Reg No. 35633766 – www.penneo.com

Penneo realises 29% year-on-year ARR growth at the end of 2022-Q3

Company Announcement No. 31-2022

Copenhagen, 23 November 2022

Quarterly report for the period
1 July 2022 - 30 September 2022

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Contents

Quarterly report 2022-Q3

Management commentary

- 4 Key features
- 5 Penneo in brief
- 6 CEO statement
- 7 ARR development
- 10 SaaS metrics
- 11 Business summary
- 12 Guidance

Financial statements

- 15 Key figures
- 16 CFO statement
- 17 Financial commentary
- 19 Statement by management on the Quarterly report

Governance

- 26 Company information

Key features

2022-Q3

- ARR increased by 1.5M DKK compared to 2.6M DKK in 2021-Q3
- ARR increase from Newbizz amounted to 1.1M DKK compared to 1.4M DKK in 2021-Q3
- ARR increase from Uplift amounted to 1.0M DKK compared to 1.8M DKK in 2021-Q3
- ARR lost to churn amounted to 0.7M DKK compared to 0.6M DKK in 2021-Q3
- ARR from foreign markets increased by 0.5M DKK compared to 0.5M DKK in 2021-Q3
- EBITDA amounted to negative 4.7M DKK compared to negative 8.1M DKK in 2021-Q3
- Free Cash Flow (FCF) amounted to negative 7.3M DKK compared to negative 3.2M DKK in 2021-Q3

2022-Q3-YTD

- ARR increased by 9.7M DKK compared to 13.2M DKK in 2021-Q3-YTD
- ARR increase from Newbizz amounted to 5.9M DKK compared to 7.1M DKK in 2021-Q3-YTD
- ARR increase from Uplift amounted to 5.0M DKK compared to 6.8M DKK in 2021-Q3-YTD
- ARR lost to churn amounted to 1.6M DKK compared to 0.7M DKK in 2021-Q3-YTD
- ARR from foreign markets increased by 3.2M DKK compared to 2.2M DKK in 2021-Q3-YTD
- EBITDA amounted to negative 14.3M DKK compared to negative 13.5M DKK in 2021-Q3-YTD
- Free Cash Flow amounted to negative 25.2M DKK compared to negative 18.2M DKK in 2021-Q3-YTD

End of 2022-Q3

- ARR amounted to 65.0M DKK compared to 50.2M DKK at the end of 2021-Q3 (29% YoY growth)
- Year-on-Year (YoY) ARR net retention YoY rate amounted to 112%
YoY ARR uplift amounted to 15%
YoY ARR churn rate amounted to 3%
- ARR from foreign markets amounted to 18.7M DKK compared to 13.2M DKK at the end of 2021-Q3 (42% YoY growth)
- ARPA amounted to 25.4T DKK compared to 22.0T DKK at the end of 2021-Q3
- Cash and cash equivalents amounted to 58.3M DKK compared to 21.6M DKK at the end of 2021-Q3
- Total headcount was 101 incl. contractors compared to 86 incl. contractors at the end of 2021-Q3



Guidance 2022

ARR guidance remains unchanged at 70-75M DKK
EBITDA guidance remains unchanged at negative 15-20M DKK

Penneo in brief

M DKK	Jul-Sep 2022	Jul-Sep 2021	Change%	Jan-Sep 2022	Jan-Sep 2021	Change%	Full year 2021
ARR growth	1.5	2.6	(42%)	9.5	13.2	(28%)	18.5
Revenue	14.7	9.1	62%	46.7	35.8	30%	54.3
Gross profit	11.9	7.1	69%	37.7	28.8	31%	44.6
Gross profit margin	81%	77%	5%	81%	81%	0%	82%
EBITDA	(4.7)	(8.1)	(42%)	(14.3)	(13.5)	6%	(14.1)
Free Cash flow (FCF)	(7.3)	(3.2)	128%	(25.2)	(18.2)	39%	(23.6)

For definitions and descriptions of performance measures please find the relevant sections in this report

Headcount	2022-Q1	2022-Q2	2022-Q3
Employees	83	91	97
Contractors	4	4	4
Total headcount*	87	95	101

*including part time employees

CEO statement

Proactive adjustments to ensure growth in a volatile macroeconomic environment

In 2022-Q3, we experienced increasing uncertainty in the macroeconomic environment which negatively influenced customers' buying behaviour and selling cycles, consequently leading to postponements of larger KYC deals in particular. Hence, ARR guidance for 2022 was adjusted from 77-82M DKK to 70-75M DKK. EBITDA guidance remained unchanged at negative 15-20M DKK (company announcement No. 29-2022).

We are addressing the aforementioned challenge in the market with proactive adjustments around the transformation of the commercial organisation, as communicated in the 2022-H1 report. Consequently, we have established a new sales development team, responsible for reaching out to potential customers in order to amplify the current demand generated via inbound channels and fuel the sales team's pipeline further.

In the early stages, Penneo relied exclusively on outbound sales. Since 2019, we have been focusing on and succeeding in building a strong inbound lead generation engine driven by marketing activities. Therefore, the next step has been to supplement the recurring marketing and inbound activities through the introduction of a sales development team, to support our plans to realise our growth strategy.

Looking ahead

Despite the uncertain market conditions, we look towards 2022-Q4 with confidence and we will continue the investments in the sales and product development departments to lay the foundation for continued growth into 2023. However, these growth investments will continue to be carried out with precaution as a consequence of the current market conditions.



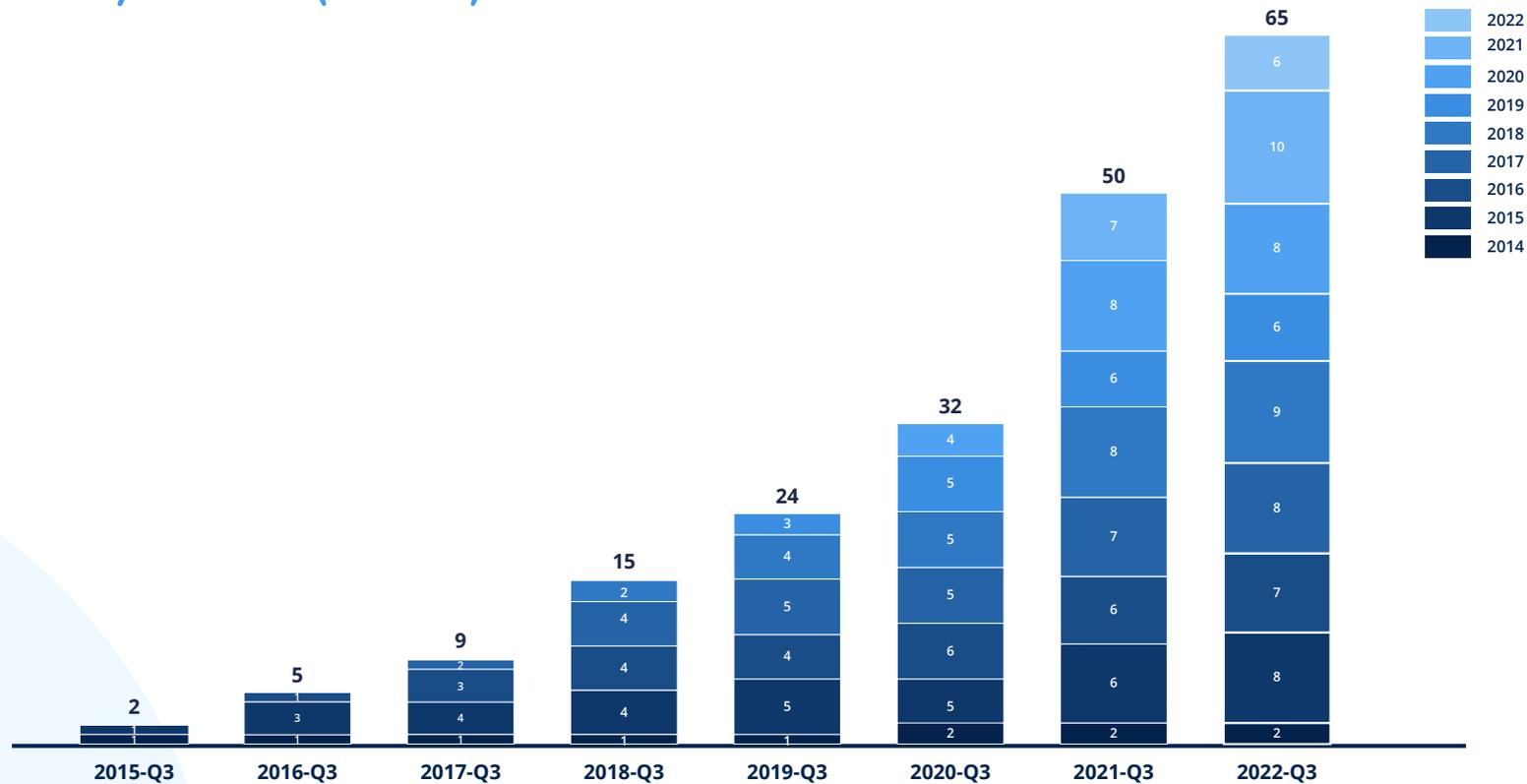
ARR development

The continued development of a strong product portfolio that continuously generates cash flow in subsequent years is essential for Penneo, and it generates a solid economic foundation for investing into future growth.

Subscription-based revenue

From 2019 and onwards, all new customers are onboarded to a fully subscription-based model. By the end of 2022-Q3, 78% of the revenue was subscription-based compared to 72% at the end of 2021-Q3.

Annual Recurring Revenue Development Yearly cohorts (M DKK)



ARR development

Penneo experienced a higher than expected turnover of commercial staff, which negatively affected the ARR growth. Penneo is addressing the ongoing market challenges to attract and retain commercial staff through the transformation of the sales organisation and has established a dedicated talent acquisition team working with recruitment and employer branding activities. The yearly ARR uplift and low yearly ARR churn generate a net ARR retention rate of 112%.

ARR churn

In 2022-Q3, Penneo realised a YoY ARR churn of 3% which is in line with historical performance.

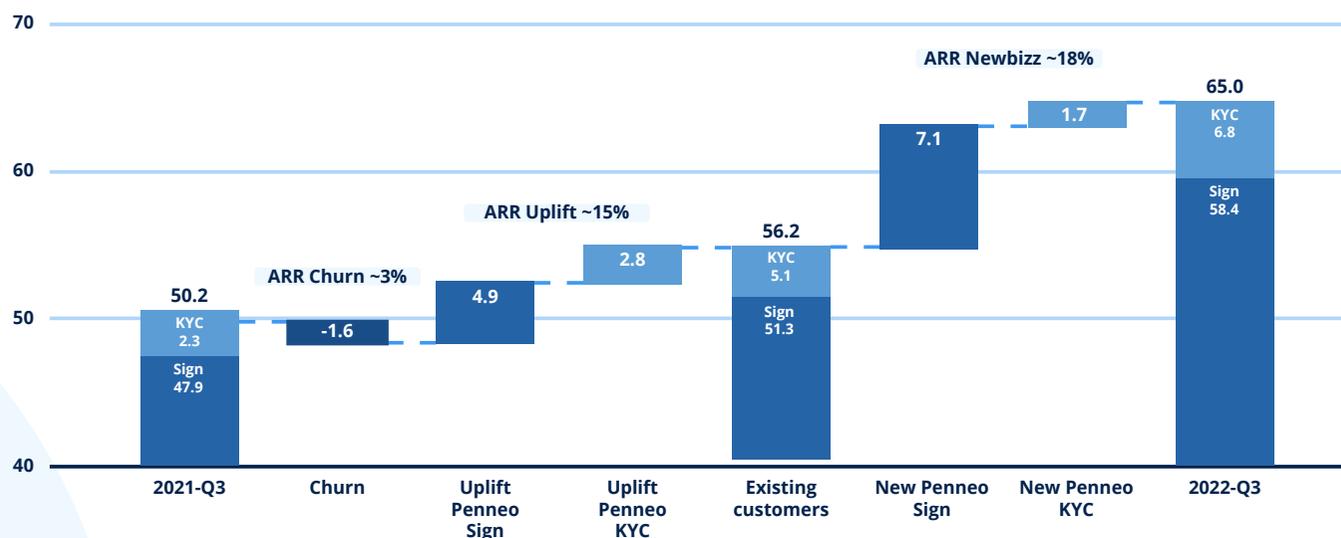
ARR uplift

In 2022-Q3, Penneo realised a YoY ARR uplift of 15% which is in the lower end of the historical performance and was primarily caused by a lower increase in engagement with the Sign platform and postponements on larger KYC deals. The cautious buying behaviour impacts KYC sales, particularly on larger and binary deals.

ARR newbizz

In 2022-Q3, Penneo realised YoY ARR newbizz growth of 18% which is in the lower end of the historical performance. This is due to the temporary shift in focus from newbizz to upselling Penneo KYC to larger customers, as communicated in the 2022-H1 report.

Annual Recurring Revenue Development - In the period (M DKK)



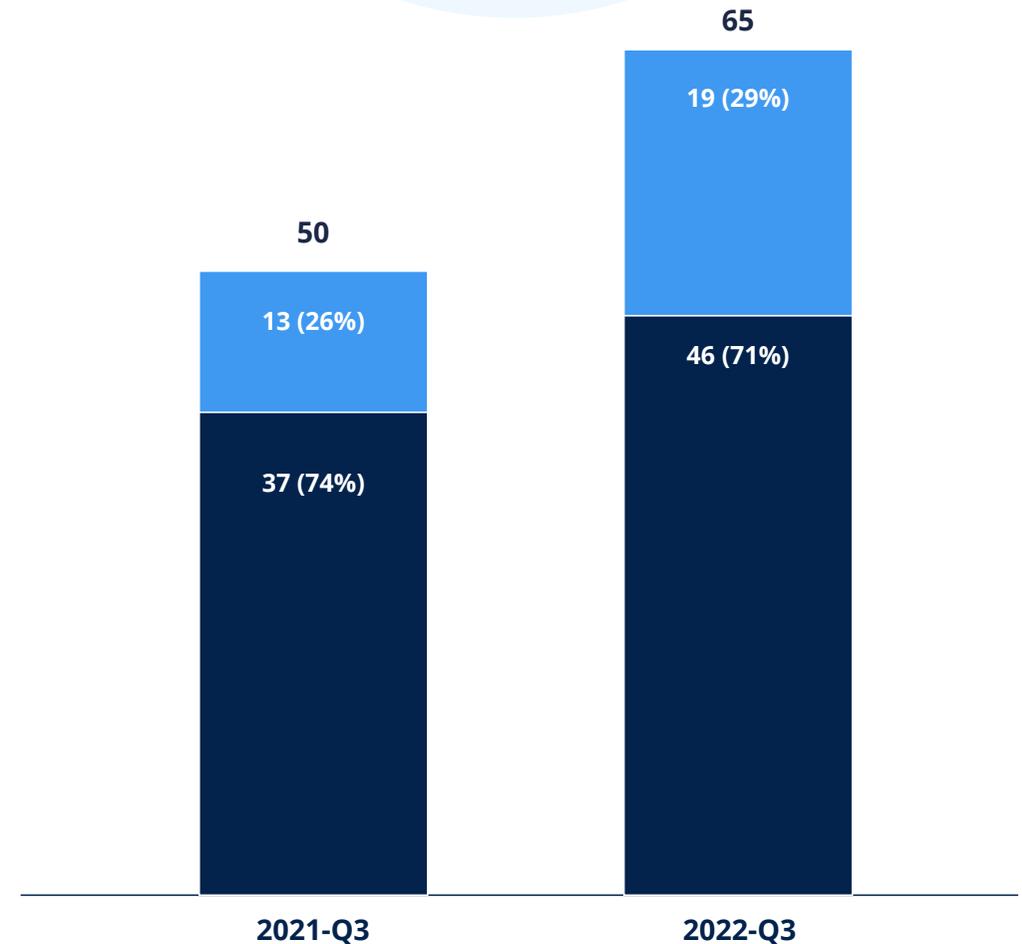
The annual development represents the development from 2021-Q3 to 2022-Q3 and is measured on the last day of both periods.

ARR development

The chart displays the growth of Penneo's ARR base split into the domestic market (Denmark) and foreign markets. As put forth in the Prospectus, Penneo pursues its expansion strategy based on entering new foreign markets and increasing market shares in already entered markets.

Annual Recurring Revenue Development Geographic markets (M DKK)

- Domestic market**
ARR from the Danish market grew by 26% YoY in 2022-Q3 as a result of the commercial efforts to develop the market position and increased demand for Penneo KYC.
- Foreign markets**
ARR from foreign markets grew by 42% YoY in 2022-Q3 as a result of executing the expansion strategy.



SaaS metrics

SaaS metrics

The last four quarters

The average ARR for new customers (in the last twelve months) was 22T DKK. On average, CAC was 32T DKK, consequently it takes approximately 18 months to recover the CAC.

In 2022-Q3, the net ARR retention rate amounted to 112% as a result of ARR uplift of 15% and ARR churn of 3%, which indicates steady growth, as also supported by the continued increase in ARPA.

	2021-Q4	2022-Q1	2022-Q2	2022-Q3
New customers	123	98	103	78
Average ARR in the first year for new customers	21,939	19,432	28,131	14,686
Customer Acquisition Cost (CAC)*	32,229	29,871	31,952	35,833
Net ARR retention rate**	124	120	114	112
Average Revenue per account (ARPA)	23,137	23,751	25,092	25,288

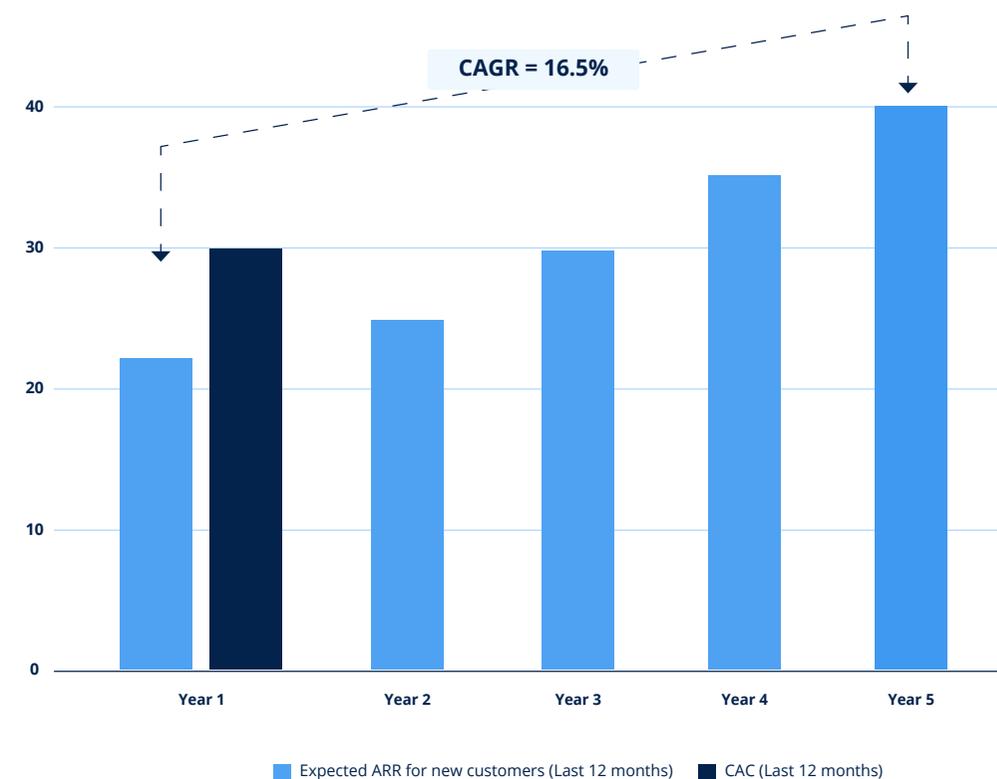
*CAC is defined as inbound lead spend and staff costs directly related towards onboarding new customers

**Net ARR retention rate is the yearly ARR development of the existing customer base.

Average ARR development (T DKK)

A five year cohort analysis based on new customers

A cohort analysis based on all financial years since the establishment of Penneo, shows a yearly growth of 16.5% in net ARR from a given cohort (including both churn of customers and ARPA development of retained customers). Consequently the ARR could grow from 22T DKK in year one to 40T DKK in year five.



Business summary

Addressing the uncertainties in the macroeconomic environment to support growth

The transformation of the sales organisation which was initiated in 2022-H1 is well under way. The sales development team is up and running, with an increase in outbound activities. Moreover, the newly established customer success team is being ramped up to ensure the continued strong collaboration with current customers.

To support its international scaling plans, Penneo has opened a local office in Belgium, where the Head of Sales for the Belgian market is building a local commercial team to secure growth and expansion in the market.

Despite the volatile macroeconomic environment, Penneo sees a continued need and demand for its solutions on the key markets it operates in (digital signatures and e-KYC markets), driven primarily by

- an increase in the digitalisation and automation efforts in the public and private sectors to improve efficiency and achieve time/cost savings, supported by political initiatives and regulation at EU level
- more demanding and stringent regulatory compliance requirements from a legislative level, driving companies to be more accountable for the way they do business

The proactive initiatives Penneo is currently undertaking will support the growth of the company and its plans for expansion and internationalisation.

Looking ahead

In 2022-Q4 Penneo will continue with the focus on upselling KYC to audit and accounting customers, as announced in the annual report for 2021. Additionally, Penneo has seen an increase in uplift on Sign customers such as the extended agreement with Bankdata which was communicated in company announcement No.30-2022.

Preparation for acceptance in the European Commission Trust list

As announced in the 2022-H1 report, Penneo has been working towards upgrading the Sign platform from offering Advanced Electronic Signatures (AES) to offering the highest level of electronic signature in the eIDAS regulation: Qualified Electronic Signatures (QES) upon acceptance on the EU Trust List.

In order to become accepted on the Trust List, Penneo has passed the external Trust List audit and handed it in for approval by Digitaliseringsstyrelsen and the European Commission, with an expected finalisation date in 2022-H2.

Conditioned upon approval, Penneo will become a Qualified Trust Service Provider (QTSP) offering QES, listed on the European Union Trust List. In Denmark, the only entities currently listed on the Trust List are the Danish Government and Nets.

Gaining the status of QTSP offering qualified electronic signatures provides Penneo the foundation for continuing the European expansion.

Guidance

ARR guidance

In company announcement No. 29-2022, Penneo adjusted ARR guidance for 2022 from 77-82M DKK to 70-75M DKK. The adjusted guidance of 70-75M DKK for 2022 is maintained.

Fulfilment of the ARR guidance depends on the following key drivers and assumptions:

- A continued low churn rate
- A continued level of engagement with the platform
- A continued ability to obtain new customers across industries and markets
- A continued ability to roll out Penneo KYC to large audit and accounting customers in the Nordics

Guidance for the financial year 2023 will be included in the annual report for the financial year 2022.

EBITDA guidance

Penneo maintains EBITDA guidance of negative 15-20M DKK.

In 2022-Q4, Penneo continues to invest in long-term ARR growth in accordance with the announced expansion strategy in the Prospectus, i.e. investments in product development, sales and business operations. The investments in long-term ARR growth will be continuing in 2023 as well.

Forward-looking statements

Statements about the future expressed in the quarterly report reflect Penneo's current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may differ from the expectations expressed in the management report.

A Sign customer story from Sweden

About Svenska Nyttobostäder

Svenska Nyttobostäder (SNB) is a property management company that owns and manages newly built residential properties in Stockholm, Sweden.

SNB owns 5 buildings and approximately 1000 apartments, and the company's vision is to fill the need for housing at affordable prices.

Svenska Nyttobostäder streamlines processes and customer communication with Penneo Sign

Challenge

One of the most challenging aspects of daily work at SNB was collecting signatures for the different contracts and client agreements in time. The available options at the time were slow and inefficient, and involved a lot of manual back and forth between SNB and its clients.

Solution

Svenska Nyttobostäder decided to implement Penneo Sign to send, sign, and store contracts and agreements. Penneo's platform provides SNB with a complete overview of the signature collection status, making it much easier to keep track of progress.

Result

With Penneo, SNB has increased efficiency as collecting signatures is less time-consuming and the process is automated. Contracts can be signed in under a minute digitally with Penneo.

Customer communication has improved significantly after implementing Penneo. This enabled SNB to shift the focus from spending time on sending reminders to customers to actually providing them with more value and focusing more on their needs.

“

“Before, we would print, everyone would sign in person, scan and then store documents in our cloud-based system. Now that we are using Penneo we can put it directly into the system and collect signatures digitally. It saves a lot of time that we are using Penneo.”

”

Jenny Tell,
Rental Manager at Svenska Nyttobostäder



SVENSKA
NYTTOBOSTÄDER



Financial statements

Key figures

DKK	2022-Q3-YTD	2021-Q3-YTD
Revenue	46,669,105	35,821,532
Cost of sales	(8,958,771)	(6,973,186)
Gross profit	37,710,334	28,848,346
	81%	81%
Other external expenses	(13,403,228)	(10,818,815)
Staff costs	(38,653,368)	(31,509,823)
EBITDA*	(14,346,262)	(13,480,292)

DKK	2022-Q3	2022-Q2	2022-Q1	2021-Q4	2021-Q3	2021-Q2	2021-Q1	2020-Q4
Revenue	14,748,751	17,565,608	14,354,746	18,458,693	9,128,555	15,832,776	10,860,201	11,875,102
Cost of sales	(2,834,338)	(3,187,849)	(2,936,584)	(2,690,089)	(2,071,042)	(2,607,159)	(2,294,986)	(2,166,540)
Gross profit	11,914,413	14,377,759	11,418,162	15,768,604	7,057,514	13,225,617	8,565,215	9,708,562
	81%	82%	80%	85%	77%	84%	82%	81%
Other external expenses	(4,820,340)	(4,556,908)	(4,025,980)	(3,626,638)	(3,405,948)	(3,298,648)	(4,114,219)	(3,007,267)
Staff costs	(11,764,446)	(13,489,501)	(13,399,421)	(12,729,816)	(11,741,094)	(10,628,358)	(9,140,370)	(9,030,075)
EBITDA*	(4,670,373)	(3,668,650)	(6,007,239)	(587,850)	(8,089,529)	(701,389)	(4,689,374)	(2,328,780)

M DKK	2022-Q3	2022-Q2	2022-Q1	2021-Q4	2021-Q3	2021-Q2	2021-Q1
ARR Newbizz	1.1	2.9	1.9	2.7	1.4	3.2	2.5
ARR Uplift	1.0	2.4	1.6	2.7	1.8	3.6	1.4
ARR Churn	0.7	0.3	0.4	0.2	0.6	0.1	0
Total ARR growth	1.5	5.0	3.1	5.2	2.6	6.7	3.9

*EBITDA does not include extraordinary income and costs categorised as "Other income" and "Other operating expenses" on page 20.

CFO statement - Casper Nielsen Christiansen



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Deployment of growth capital raised

In connection with the net 58.1M DKK capital raised at the end of 2022-Q1, we have continued to invest in new hires and in 2022-Q3 we reached the “100 employees” milestone. As communicated in connection with the capital raise, we focus on scaling our sales and product development organisations.

Growth ratio

In the last 12 months we realized an ARR growth of 14.8M DKK and a Free Cash Flow of negative 30.6M DKK, placing the cash to growth ratio at 2.1 DKK. Adjusted for the cost of being listed on the Main Market (2.4M DKK in 2022-Q2), the ratio is 1.9 DKK. We consider this a satisfactory result half a year into the investment plan, which started in the beginning of 2022-Q2.

Customer Acquisition Cost (CAC)

In the last 12 months, we onboarded 402 new customers with a total ARR of 8.7M DKK or 22T DKK per customer. As stated in the SaaS metrics section of this report, it takes approximately 18 months to recover the CAC. A customer is generally invoiced for 12 months up front, which is why a customer is expected to be cash positive after one year of subscription. We consider the acquisition of new customers as profitable, with an acceptable pay-back period. In 2022-Q3, 17% of our fixed costs were allocated to customer acquisition costs. This is on the lower end of our historical performance and is caused by our focus on upselling KYC to existing customers. We aim to increase customer acquisition focus in 2023, which is why we expect the percentage to increase during next year.

EBITDA

As mentioned in the Guidance section of this report, we adjusted the ARR guidance for 2022 but maintained the guidance for EBITDA. The maintained guidance for EBITDA is a result of a lower investment than anticipated in this phase of the investment plan. We will carry out investments with caution to secure a balance between negative Free Cash Flow and the growth rate, ensuring the continued growth of the company with the current capital.

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Financial commentary

2022-Q3

Recognized revenue

The recognized revenue has increased by 30% compared to 2021-Q3-YTD.

Cost of sales

Cost of sales has increased by 28% compared to 2021-Q3-YTD. The increase is caused by the increased usage of the Penneo platform. As a result hereof, the contribution margin ended at 81% for 2022-Q3-YTD as well as 2021-Q3-YTD.

Staff costs

Staff costs increased by 23% compared to 2021-Q3-YTD, amounting to 97 employees excluding contract staff at the end of 2022-Q3 compared to 82 at the end of 2021-Q3. Aligned with the growth strategy, Penneo invested in hirings related to sales, marketing and software development. Additionally, Penneo welcomed its new CEO in Q3 2021. Penneo aims at taking advantage of its position in Scandinavia and continues to invest in scaling and strengthening the organisation to support the execution of the expansion strategy in Europe.

EBITDA

EBITDA amounted to negative 14.3M DKK, compared to negative 13.5M DKK in 2021-Q3-YTD. The result is aligned with the planned investments in the growth strategy announced in company announcement no. 6-2022 and put forth in the Prospectus.

The growth strategy prescribes investing into product development and commercial activities to build a globally scalable software company and into future ARR growth and value creation. Short term, these investments will generate a negative EBITDA but long term it will strengthen the profitability.

Other intangible assets

Other intangible assets increased by 19% compared to the end of 2021. The increase is primarily due to the investment into development projects.

Income tax receivable

Income tax receivables consist of tax credits for 2021 and 2022 related to Penneo's development projects.

Cash flow from operating activities

Net cash flow from operating activities resulted in an outflow of 10.8M DKK in 2022-Q3-YTD compared to an outflow of 7.5M DKK in 2021-Q3-YTD.

Cash flow from operating activities was affected in 2022-Q2 by the listing on Nasdaq Copenhagen. A part of Penneo's growth strategy is to continue the investments in operations-related costs (e.g. staff costs, cost of premises, and increased marketing activities) to support the international expansion of Penneo.

Cash flow from investing activities

Net cash flow from investing activities resulted in an outflow of 14.4M DKK in 2022-Q3-YTD compared to an outflow of 10.7M DKK in 2021-Q3-YTD. The increase is caused by the investment to develop Penneo's product in accordance with the strategy.

Free Cash Flow amounted to negative 25.2M DKK in 2022-Q3-YTD compared to 18.2M DKK in 2021-Q3-YTD.

Cash flow from financing activities

Net cash flow from financing activities resulted in an inflow of 58.1M DKK in 2022-Q3-YTD compared to an inflow of 7.9M DKK in 2021-Q3-YTD. The increase is primarily caused by the capital raise of net 59M DKK in addition to exercise of warrants of 2.2M DKK.

At the end of 2022-Q3, the total cash and cash equivalents amounted to 58.3M DKK.

Free Cash Flow

DKK	2022-Q3	2022-Q2	2022-Q1	2021-Q4	2021-Q3	2021-Q2	2021-Q1	2020-Q4
Cash flow from operating activities	(2,054,739)	(3,542,478)	(5,241,924)	(617,208)	482,436	2,655,548	(10,600,077)	1,281,215
Cash flow from investing activities	(5,198,482)	(4,481,480)	(4,685,991)	(4,755,818)	(3,661,802)	(3,436,842)	(3,626,669)	(3,060,003)
Free Cash Flow (FCF)	(7,253,221)	(8,023,958)	(9,927,915)	(5,373,026)	(3,179,366)	(781,294)	(14,226,746)	(1,778,788)

Statement by Management

The Board of Directors and Executive Board have today considered and approved the quarterly report for the period 01.07.2022 – 30.09.2022 for Penneo A/S.

The financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of Penneo's assets, liabilities and financial position as at 30.09.2022 and of the results of Penneo's activities and cash flows for the accounting period of 01.07.2022 – 30.09.2022.

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

The quarterly report has not been audited nor reviewed by the Company's auditor.

Copenhagen, 23.11.2022

Executive Board

CEO, Christian Stendevad

Board of Directors

Christian Sagild

Morten Kenneth Elk

Rikke Stampe Skov

Steffen Heegaard

Statement of profit or loss and other comprehensive income

	2022-Q3 DKK	2022-Q3-YTD DKK	2021-Q3 DKK	2021-Q3-YTD DKK
Revenue	14,748,751	46,669,105	9,128,555	35,821,532
Cost of sales	(2,834,338)	(8,958,771)	(2,071,042)	(6,973,186)
Gross profit	11,914,413	37,710,334	7,057,513	28,848,346
Other external expenses	(4,820,340)	(13,403,228)	(3,405,948)	(10,818,815)
Staff costs	(11,764,446)	(38,653,368)	(11,741,094)	(31,509,823)
Other income	11,196	33,589	11,196	33,589
Other operating expenses	0	(2,365,758)	0	(639,121)
Depreciation, amortisation, impairment	(2,518,519)	(7,476,941)	(1,862,637)	(5,817,791)
Operating profit/(loss)	(7,177,696)	(24,155,372)	(9,940,969)	(19,903,615)
Financial income	77,242	112,363	11,381	45,886
Financial expenses	(623,829)	(1,885,626)	(327,087)	(978,271)
Profit/(loss) before tax	(7,724,283)	(25,928,634)	(10,256,675)	(20,836,000)
Tax for the year	1,532,972	4,350,124	1,179,861	3,392,924
Profit/(loss) for the year	(6,191,311)	(21,578,510)	(9,076,814)	(17,443,076)
Total comprehensive income for the year	(6,191,311)	(21,578,510)	(9,076,814)	(17,443,076)
Earnings per share, basic (DKK)	(0.20)	(0.72)	(0.36)	(0.69)
Earnings per share, diluted (DKK)	(0.17)	(0.64)	(0.30)	(0.58)

Statement of financial position

	30.09.2022 DKK	30.06.2022 DKK	31.12.2021 DKK	30.09.2021 DKK
Other intangible assets	53,790,835	50,527,591	45,048,292	41,995,144
Property, plant and equipment	1,148,836	1,182,766	1,227,193	760,171
Right-of-use assets	11,310,106	11,754,782	12,852,335	13,481,275
Deposits	1,439,174	1,322,007	1,288,942	1,288,942
Total non-current assets	67,688,951	64,787,146	60,416,763	57,525,532
Trade receivables	9,231,783	9,232,572	11,830,821	5,868,575
Income tax receivables	9,106,208	7,573,236	4,756,084	5,364,335
Other receivables	210,464	612	22,325	401
Prepayments	1,546,190	1,627,683	2,039,272	339,898
Cash	58,336,779	65,524,735	25,415,797	21,565,401
Total current assets	78,431,424	83,958,838	44,064,299	33,138,610
Total assets	146,120,375	148,745,984	104,481,061	90,664,143

Statement of financial position

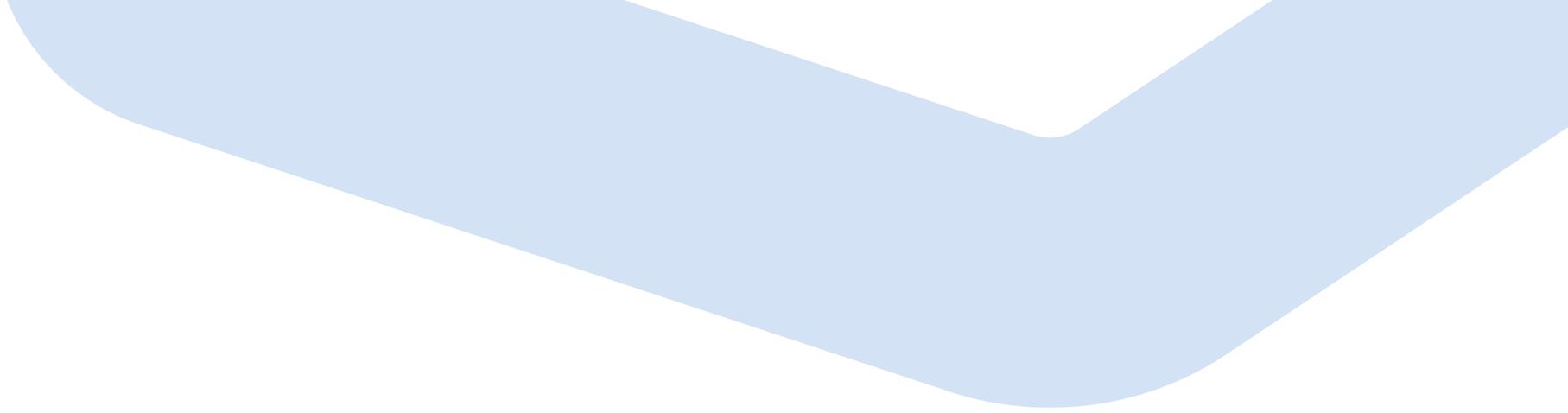
	30.09.2022 DKK	30.06.2022 DKK	31.12.2021 DKK	30.09.2021 DKK
Share capital	642,333	638,401	542,579	541,474
Reserve for development	39,838,449	36,410,205	30,600,906	21,571,012
Retained earnings	46,432,178	55,164,352	12,050,329	22,017,275
Treasury shares	4,477	4,477	7,177	7,177
Other capital reserve	16,075,841	14,221,156	13,842,673	10,604,604
Total equity	102,993,277	106,438,591	57,043,663	54,741,542
Interest bearing liabilities	11,642,987	12,569,867	14,366,991	3,519,538
Provisions	451,396	448,509	442,790	440,656
Lease liabilities	9,251,342	10,108,032	11,212,840	11,466,595
Other payables	2,430,079	2,417,510	2,384,316	2,363,698
Contract liabilities	369,477	380,673	403,066	414,262
Total non-current liabilities	24,145,282	25,924,592	28,810,003	18,204,748
Contract liabilities	4,391,182	4,105,390	4,216,457	3,812,397
Lease liabilities	2,886,663	2,432,777	2,347,715	2,661,342
Trade payables	2,779,502	2,543,884	4,487,375	3,380,725
Other payables	6,113,561	5,333,464	7,245,187	6,312,497
Interest bearing liabilities	2,810,907	1,967,286	330,660	1,550,892
Total current liabilities	18,981,814	16,382,801	18,627,395	17,717,853
Total liabilities	43,127,097	42,307,392	47,437,397	35,922,601
Total equity and liabilities	146,120,374	148,745,984	104,481,061	90,664,143

Statement of changes in equity

2022-Q3	Share Capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Treasury shares DKK	Other capital reserve DKK	Total DKK
Equity beginning of 2022	542,579	30,600,906	12,050,329	7,177	13,842,673	57,043,663
Net profit/(loss) for the period			(21,578,510)			(21,578,510)
Exercise of warrants	10,170		2,647,045		(449,240)	2,207,976
Capital increase	89,584		61,499,471			61,589,055
Transaction costs			(3,383,473)			(3,383,473)
Transfer to reserves		9,237,543	(9,237,543)			0
Shares issued as consideration in a business combination			3,001,826	(1,826)	(3,000,000)	0
Transfer of shares as part of Employee Share Scheme			1,433,033	(874)	(1,432,159)	0
Share-based payments					7,114,566	7,114,566
Equity end of 2022-Q3	642,333	39,838,449	46,432,178	4,477	16,075,841	102,993,277
2021-Q3	Share Capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Treasury shares DKK	Other capital reserve DKK	Total DKK
Equity beginning of 2021	502,615	15,928,604	35,227,386	7,177	5,910,269	57,576,051
Net profit/(loss) for the period			(17,443,076)			(17,443,076)
Capital increase	38,859		9,615,218			9,654,077
Transaction costs			(23,400)			(23,400)
Transfer to reserves		5,642,408	(5,358,851)		(283,557)	0
Share-based payments					4,977,892	4,977,892
Equity end of 2021-Q3	541,474	21,571,012	22,017,275	7,177	10,604,604	54,741,542

Cash flow statement

	2022-Q3-YTD DKK	2021-Q3-YTD DKK
Operating profit/loss	(24,155,372)	(19,903,615)
Depreciation, amortisation and impairment	7,476,941	5,817,791
Share-based payment expense	7,114,566	4,977,892
Other income	(33,589)	(33,589)
Changes in working capital	284,968	2,324,348
Financial income received	112,363	45,886
Financial expenses paid	(1,639,018)	(690,806)
Cash flow from operating activities	(10,839,141)	(7,462,093)
Investments in intangible assets	(14,131,562)	(10,526,850)
Investments in property plant and equipment	(84,159)	(168,221)
Deposits	(150,232)	(30,242)
Cash flow from investing activities	(14,365,953)	(10,725,313)
Repayment of borrowings	(243,757)	0
Payment of principal portion of lease liabilities	(2,043,725)	(1,714,120)
Transactions costs from capital increase	(3,383,473)	(30,000)
Cash increase from capital	63,797,031	9,654,076
Cash flow from financing activities	58,126,076	7,909,956
Cash and cash equivalents beginning of period	25,415,797	31,842,851
Net cash flow	32,920,982	(10,277,450)
Cash and cash equivalents end of period	58,336,779	21,565,401



Governance

Governance

Company information

Penneo A/S
Enghavevej 40
DK-1674 Copenhagen V

Business Registration No.: 35 63 37 66
Registered office: Copenhagen

Date of incorporation: 09.01.2014
Accounting period: 01.07.2022 - 30.09.2022

Board of Directors

Christian Sagild (Chairman)
Morten Kenneth Elk
Rikke Stampe Skov
Steffen Heegaard

Executive Board

CEO, Christian Stendevad

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

Primary activities

Penneo is a provider of Software-as-a-Service (SaaS), and was initially established for the purpose of assisting businesses with digital document signing and digitising workflows. Today, the company has developed into an eco-system of digital solutions which automate work routines within for example anti-money laundering (AML) - a RegTech software that offers businesses an efficient and cost-saving way to comply with legislation.

The original and widespread product "Penneo Sign", which helps customers secure easy online signing of documents, is still continuously developed by the company - while at the same time new products appear, such as Penneo KYC (Know Your Customer) - a product that digitises the workflows in businesses and contributes to complying with legal requirements in connection with onboarding and identification of customers.

Penneo holds a strong position in the Nordic countries, and in Denmark alone, more than 740,000 persons signed documents electronically with "Penneo Sign" in 2021. In April 2022, Penneo was listed on Nasdaq Copenhagen following a listing on Nasdaq First North since June 2020. This transition contributes to strengthening the company's focus on European expansion.

For more information about Penneo please visit:

<https://penneo.com/investors/>

Financial Calendar

ANNUAL REPORT

28 February 2023

ANNUAL GENERAL MEETING

29 March 2023

QUARTERLY REPORT

16 May 2023

HALF YEAR REPORT

17 August 2023

QUARTERLY REPORT

21 November 2023

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