

A man with long brown hair and a beard, wearing a blue t-shirt and brown corduroy pants, is sitting on a white plastic chair on a balcony. He is smiling and looking towards a woman. The woman has long brown hair and is wearing a black turtleneck and beige pants. She is sitting on a similar white plastic chair, looking down at a black laptop on her lap. The laptop has a small blue sticker on the lid. The background shows a balcony railing and a building with large windows.

PENN30[®]

Presentation of H1-2023 Financial Results

H1-2023 Interim Financial Report Conference Call, 17 August 2023



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CEO



Casper Christiansen
CFO

This call will be recorded and made available at penneo.com/investors

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Introduction to Penneo



Introduction to Penneo



- Founded in 2014 by entrepreneurs with an ambition to reduce the “hassle to get documents signed” by replacing pen and paper with a digital alternative.
- B2B Software-as-a-Service company with 123 employees end of H1 2023 and +2.600 customers in Denmark, Norway, Sweden and Belgium.
- Key focus on digital signing, document workflows and Know-Your-Customer (KYC/AML)
- The aim is to become the preferred platform for auditors and accountants across Europe

Facts about Penneo



In Denmark, **81% of all annual reports** filed to the Danish Business Authority in 2022 were signed using Penneo.



Across all markets, a total of **1.8 million Penneo Sign case files** were completed. A case file is a bundle of documents sent to recipients for viewing and/or signing.



By the end of H1-2023, more than **100.000 thousand client relationships** were created for onboarding and verification using Penneo KYC.



In 2022, an estimated **62 million sheets** of paper were saved using Penneo Sign which corresponds to **1,016 tons of wood** or **2,300 tons of CO2**

02

H1-2023 results



H1-2023 Performance Highlights



ARR growth

ARR increased by 8.3M DKK up from 8.0M DKK in H1-2022 (YoY growth 25%) despite a negative currency exchange impact of 0.9M DKK. Year-to-date we reached an ARR of 79.2M DKK



New ARR

253 new customers onboarded up from 201 in H1-2022. ARR increase from Newbiz amounted to 4.3M DKK compared to 4.8M DKK in H1-2022



Net ARR retention

YoY ARR net retention rate amounted to 113%

- YoY ARR uplift amounted to 17%
- YoY ARR churn rate amounted to 4%



EBITDA

EBITDA amounted to negative 10.3M DKK compared to negative 9.7M DKK in H1-2022

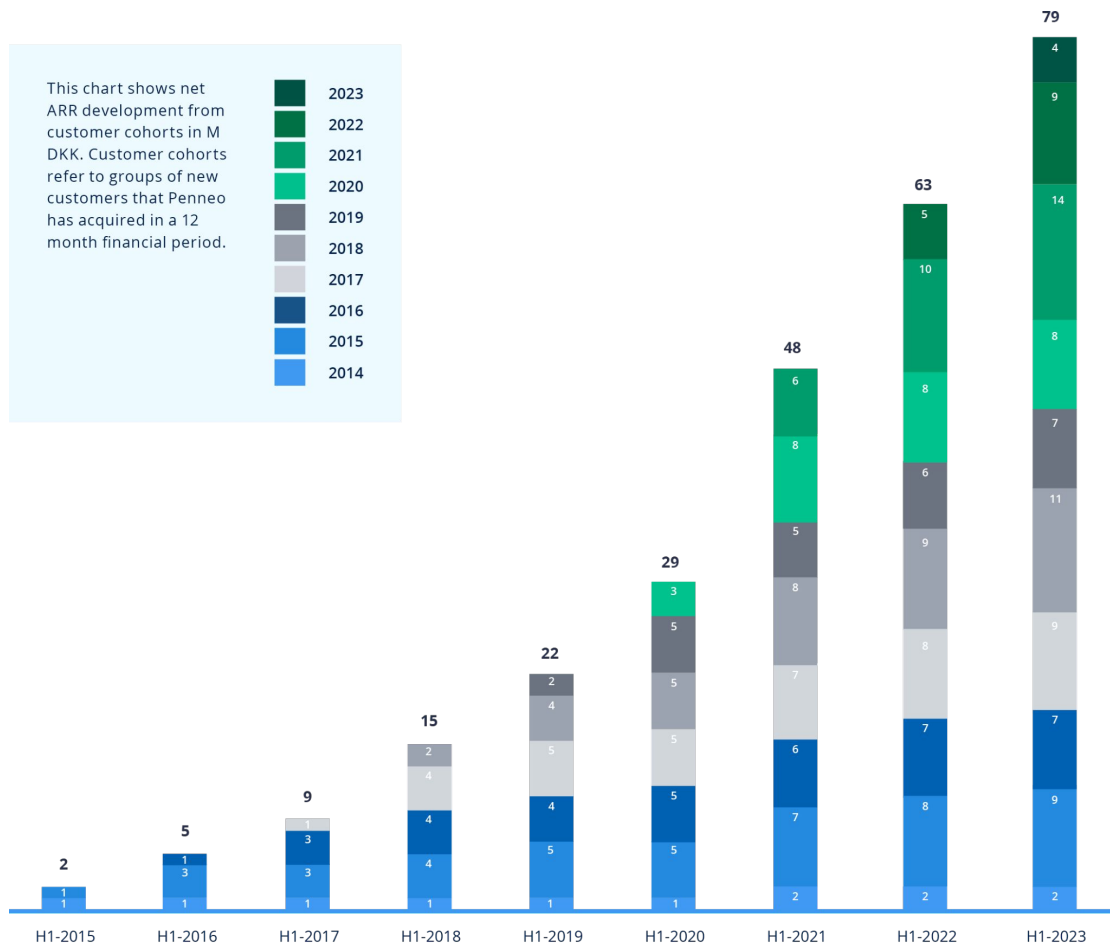
Business highlights

- Solid growth despite challenging market environment, cautious buying behaviour and unfavourable currency exchange rates
- Enhanced sales and customer acquisition capability resulting in significant increase in number of new customers, yet outweighed somewhat by decreasing average deal size
- Continued growth in foreign markets that contributed with 48% of new business growth in H1-2023. Belgium main growth driver with 28 new customers in Q2-2023 alone.
- Preparations ongoing to prepare for new market entry in Europe.
- Substantial progress in product development and new CMO hire in place to strengthen demand generation capabilities
- Viking Ventures new large shareholder

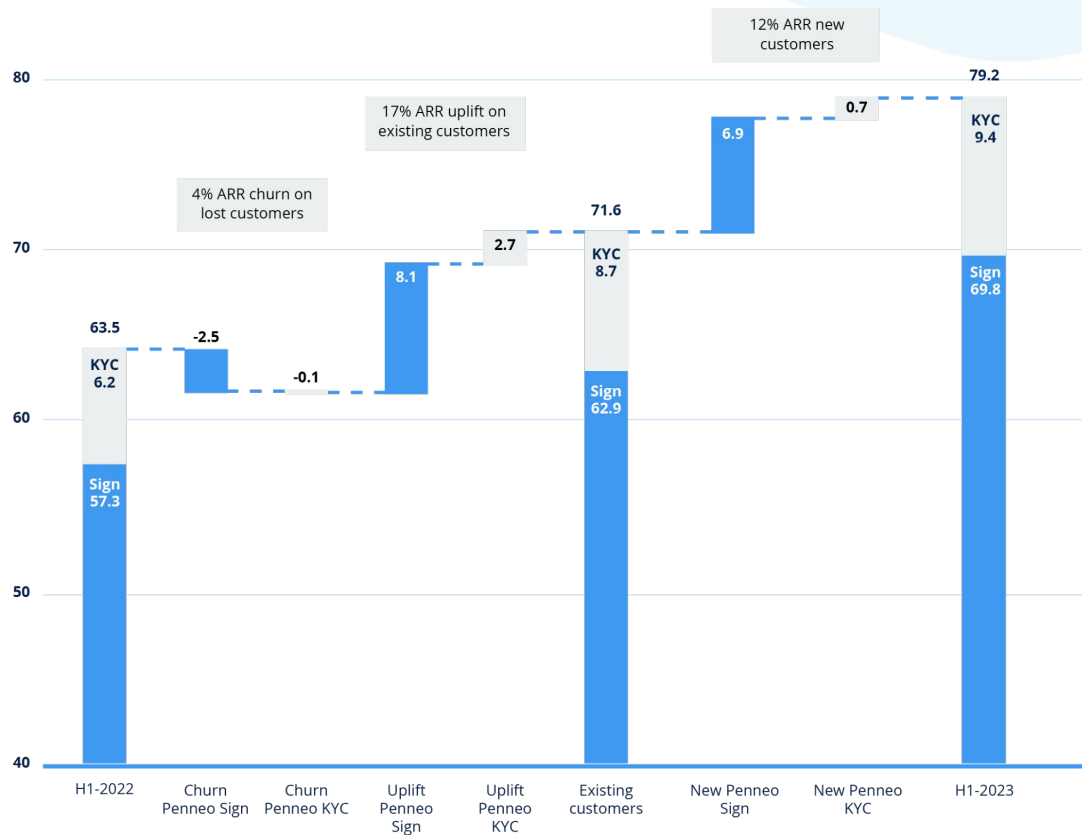


ARR growth from financial year cohorts

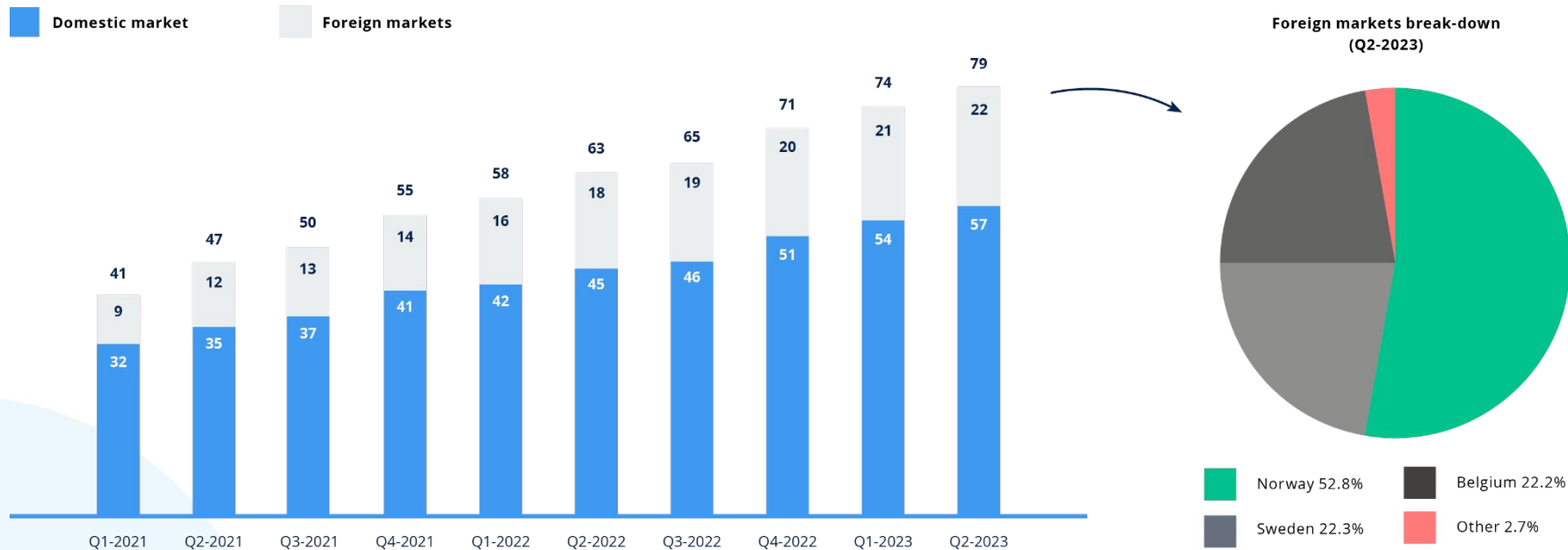
New customers acquired in a specific financial period evolve and gradually contribute with additional ARR in subsequent years.



12 months ARR development



Domestic and foreign ARR base split



SaaS metrics

	12 Months	Q2-2023	Q1-2023	Q4-2022	Q3-2022	Q2-2022
New Customers	456	142	111	125	78	103
Average ARR in the first year for new customers	16,946	16,016	17,839	18,619	14,686	28,131
Customer Acquisition Cost (CAC)	(32,273)	(26,639)	(36,574)	(32,633)	(35,833)	(31,952)
Net ARR retention (NRR)	113%	113%	113%	113%	112%	114%
Average Revenue per account (ARPA)	29,914	29,914	28,315	26,608	25,288	25,092

EBITDA

M DKK	2023-H1	2022-H1	2021-H1	2020-H1
Revenue	40,0	31,9	26,7	15,9
Cost of sales	(6,0)	(6,1)	(4,9)	(3,4)
Gross profit	34,0	25,8	21,8	12,5
<i>Gross margin</i>	85%	81%	82%	79%
Other external expenses	(10,2)	(8,6)	(7,4)	(3,1)
Staff costs	(34,1)	(26,9)	(19,8)	(13,2)
EBITDA*	(10,3)	(9,7)	(5,4)	(3,8)

Recognized revenue

Increased by 25% compared to H1-2022

Cost of sales

Decreased by 2% compared to H1-2022

Gross profit margin

Increased to 85% compared to 81% in H1-2022

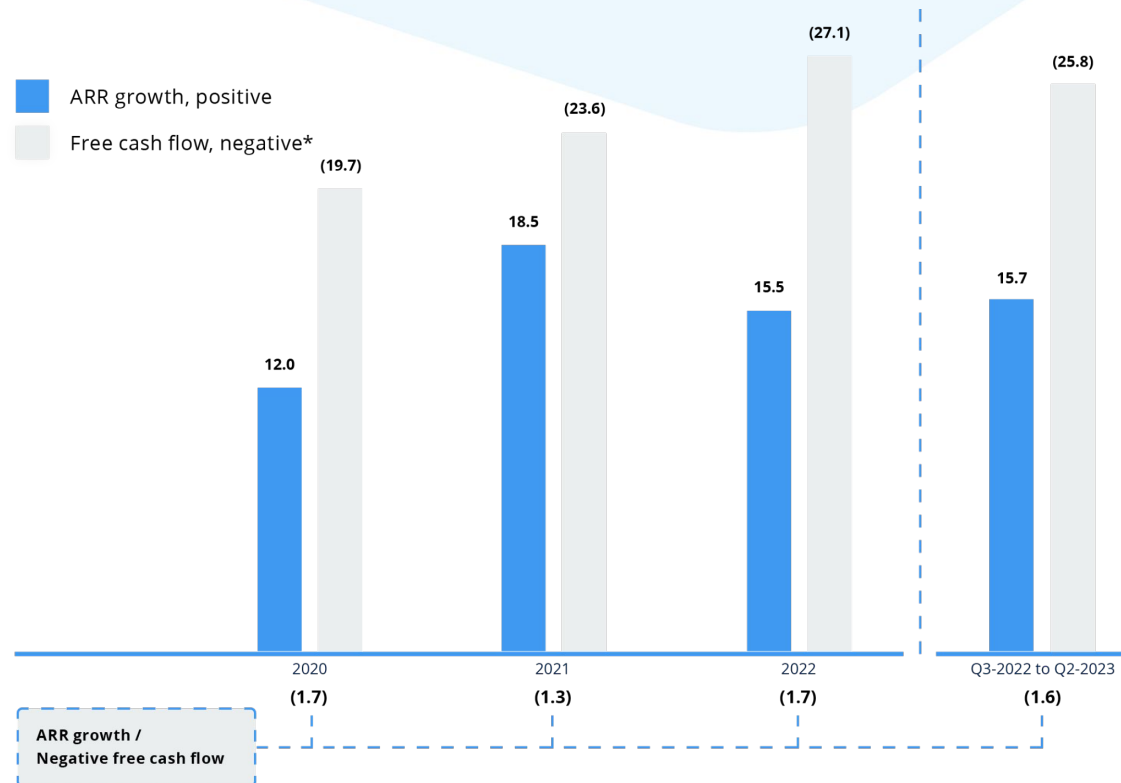
Other external expenses

Increased by 19% compared to H1-2022

Staff costs

Increased by 27% compared to H1-2022

ARR growth compared to negative free cash flow



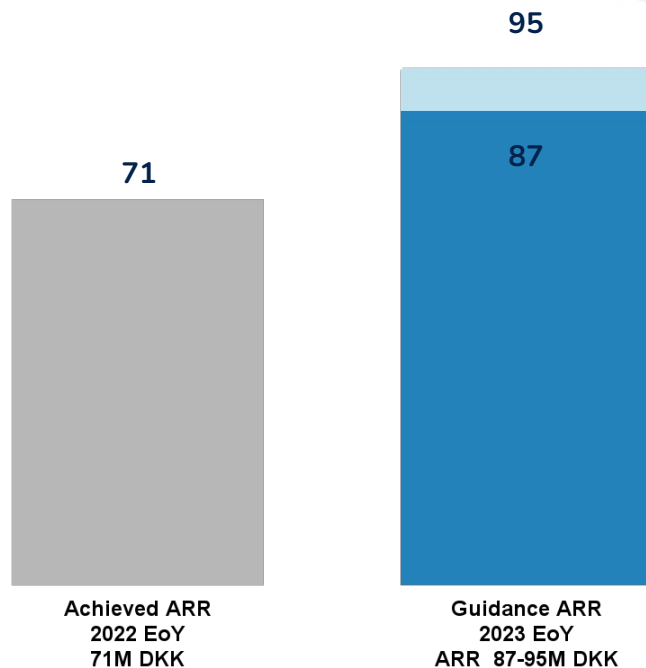
*Adjusted for cost associated with the listing on the First North Growth Market and the Copenhagen Main Market (2.3M DKK in 2020 and 2.4M DKK in Q2-2022)

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Outlook for 2023



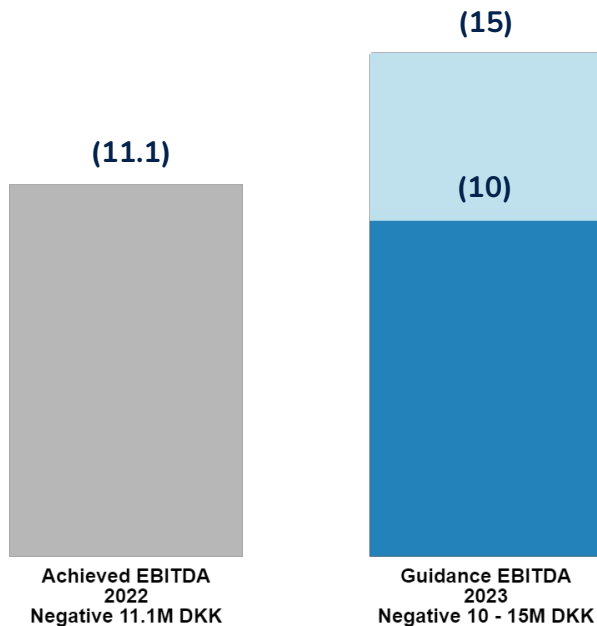
ARR guidance for 2023



Penneo continues to assume an ARR level of 87-95M DKK at the end of 2023 corresponding to an ARR growth rate of 23-34%.

The outlook is based on currency exchange rates per end of 2022.

EBITDA guidance for 2023





Q&A

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